HUMM GOES GLOBAL.

1H21 RESULTS

REBECCA JAMES // CEO
JASON MURRAY // CFO

24 FEBRUARY 2021

Agenda //

hummgroup //
Buy on your terms

We're liberating people from a 'one size fits all' approach.

We enable seamless approvals for purchases big, small or business related. Empowering consumers to choose how they wish to pay, with terms from five fortnights through to five years.

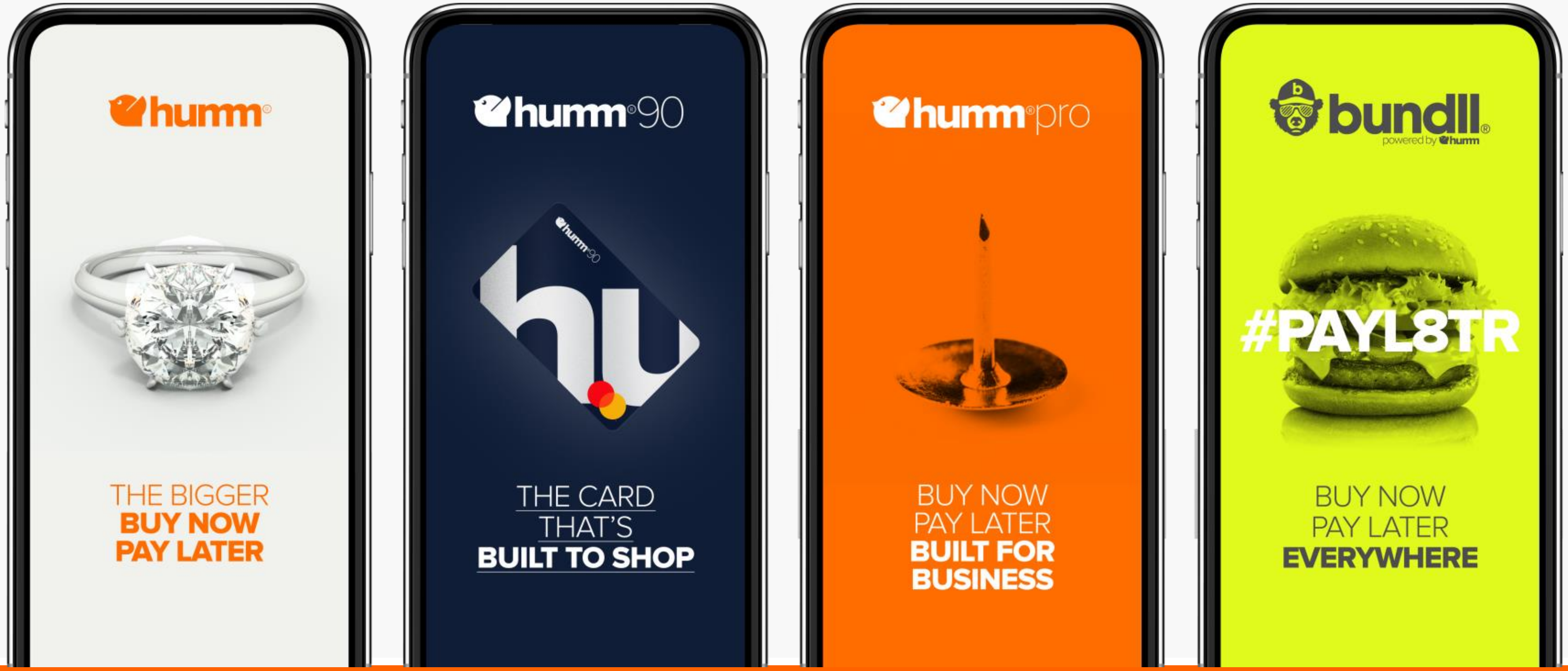
Today 2.6 million customers entrust us to help them buy, and pay over time. And we're just getting started.

In 2H21 we're taking **humm** to the United Kingdom and Canada.

As we grow internationally, we're putting significant firepower into our marketing efforts and product experience, actively shaping how people will buy in the future.

We are on a mission to revolutionise the way people buy.

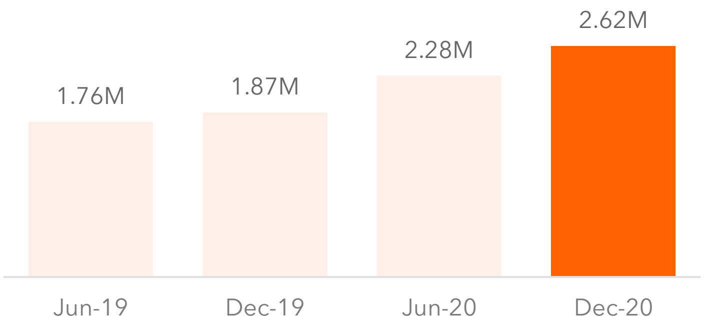
1H21 KEY HIGHLIGHTS //



1H21 key highlights //

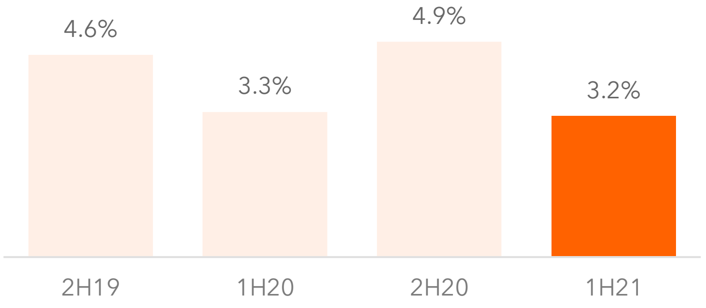
GROUP: TOTAL CUSTOMERS

+40% PCP



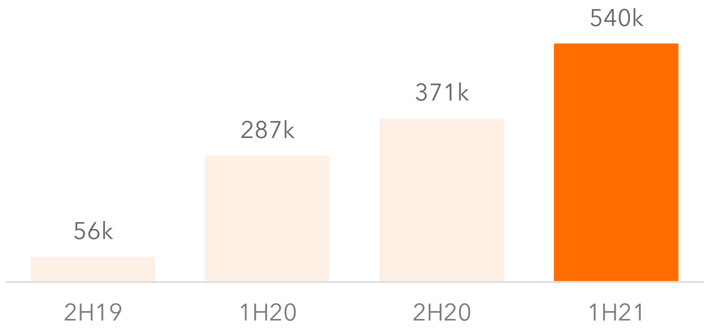
GROUP: NET LOSS/ANR

-10bps PCP



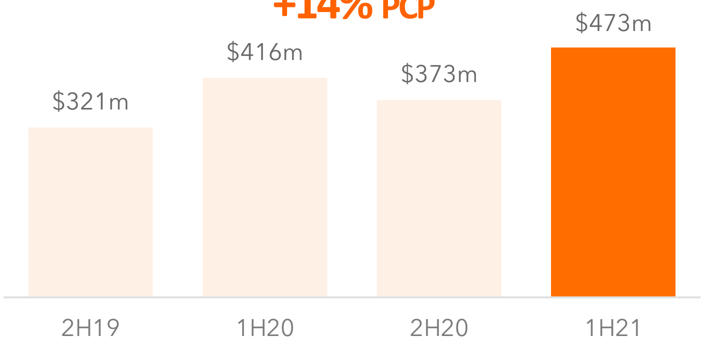
GROUP: TOTAL APP DOWNLOADS

+89% PCP



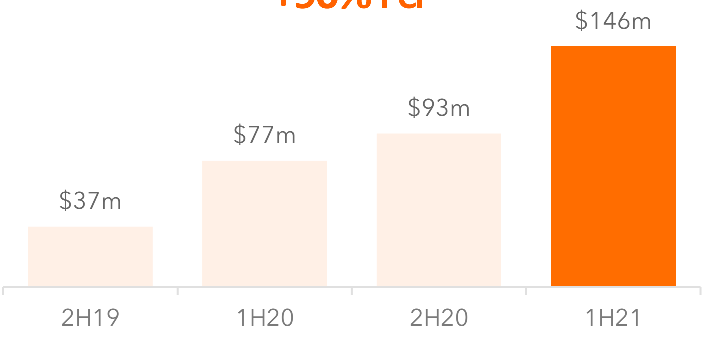
BNPL: VOLUME

+14% PCP



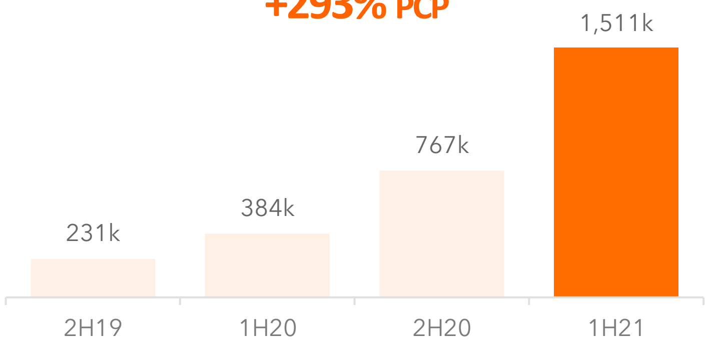
BNPL: NEW PRODUCTS VOLUME[1]

+90% PCP



BNPL: TOTAL TRANSACTIONS

+293% PCP



1. New products include **humm** 'Little things' AU, NZ and IE and **bundll.**

STRATEGY UPDATE //

Strategy for growth //

1

New products for new audiences

Addressing new markets through **bundll** and **humm**pro

2

Driving customer engagement

Driving customer engagement and transaction frequency

3

Expanding the instalment payment core

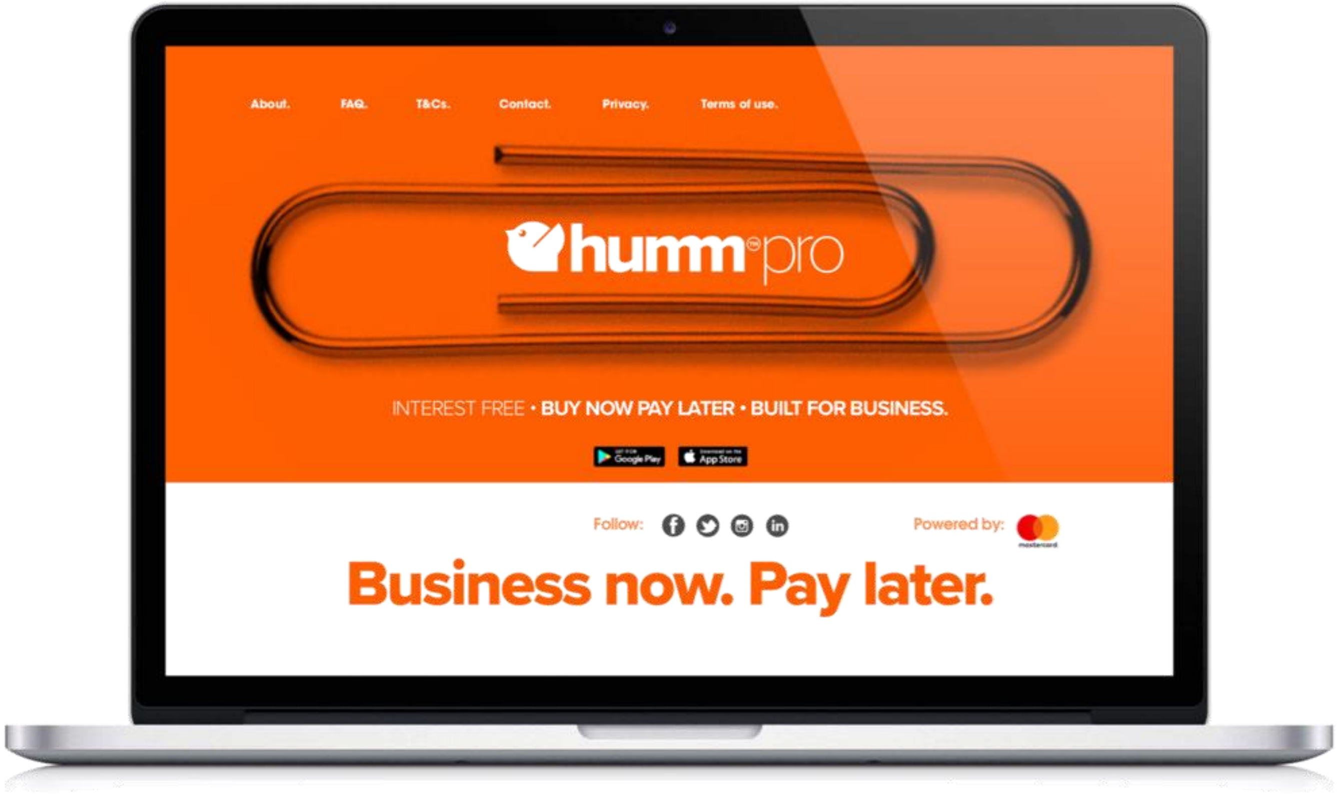
New merchants and platforms in current markets

4

International expansion

Expansion into new markets

hummpro // Displacing the $30b SME credit market



FOR THOSE...

2.9m SME owners in Australia and New Zealand who'd rather be baking, planning, hammering, painting, making, delivering, writing and building their business.

WHO THINK...

Finance should be tailored and easy to access.

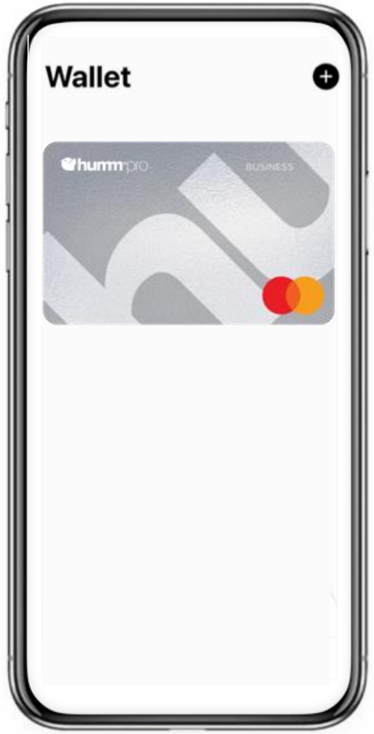
AND WANT...

One easy to use product that tracks spending and gives repayment options to put SME owners in control of their cashflow.

humm®pro // Payment options to suit every need

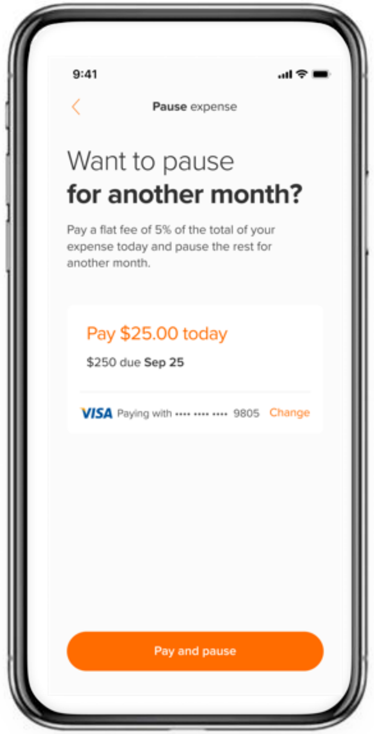
PAY EASY.

Purchases grouped into monthly balances with another month to repay. $15 monthly fee when used.



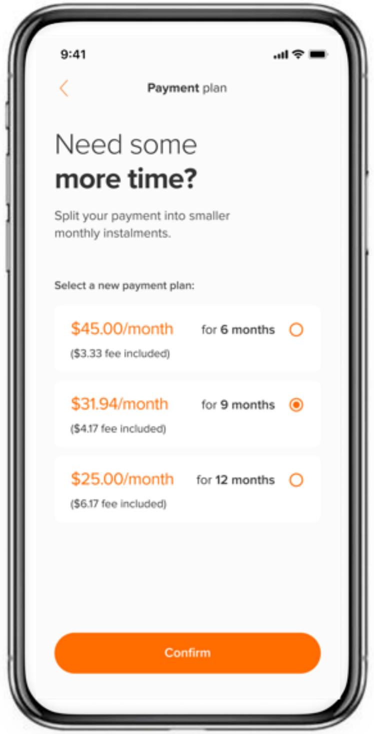
PAUSE EASY.

Get an extra month for a 3.5% fee, up to two times.



PLAN EASY.

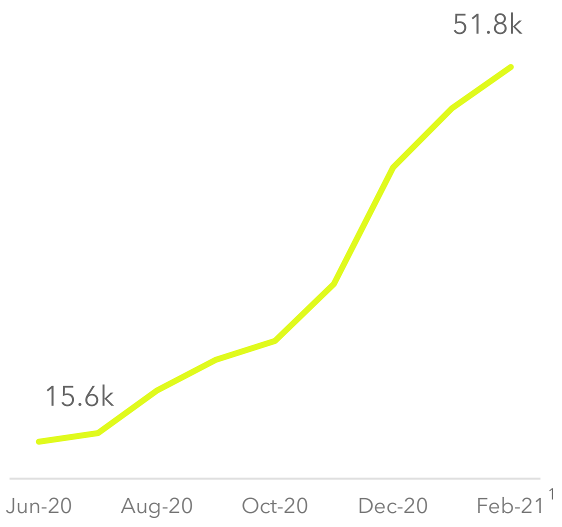
Convert any monthly balance to a 6, 9 or 12 month plan for a fee of 1.5% per month.



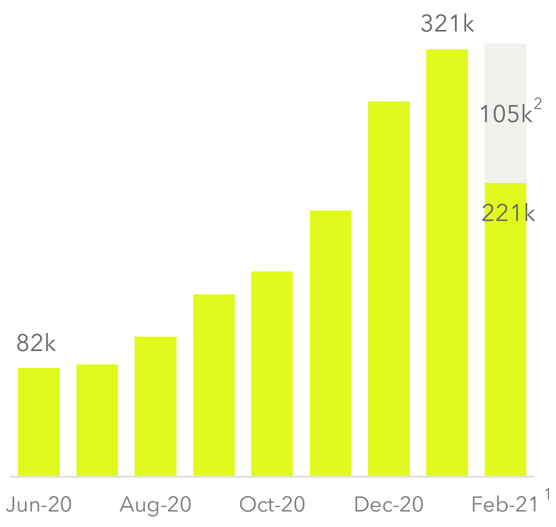
bundll® powered by humm

// With inbuilt tools supporting financial wellness, our BNPL anywhere product is resonating

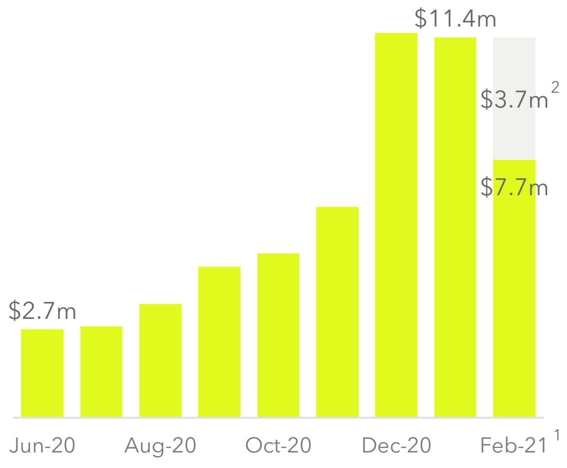
CUSTOMERS (CUMULATIVE)

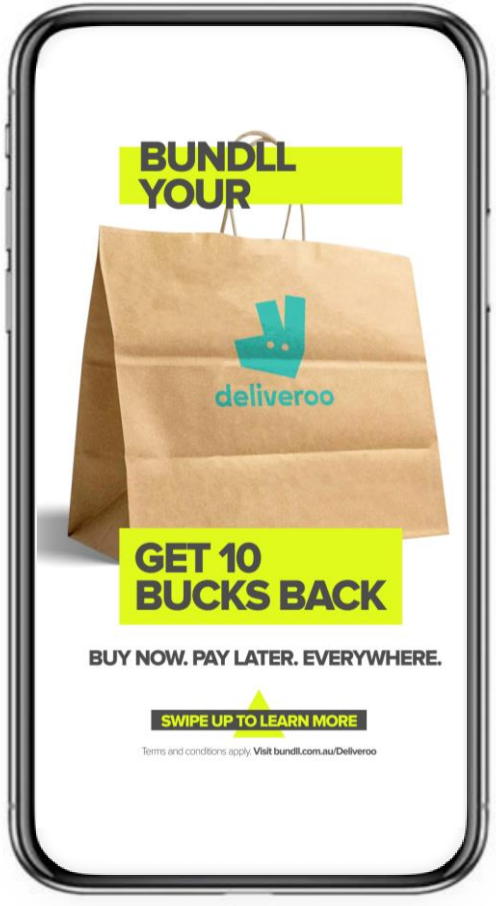


MONTHLY TRANSACTIONS



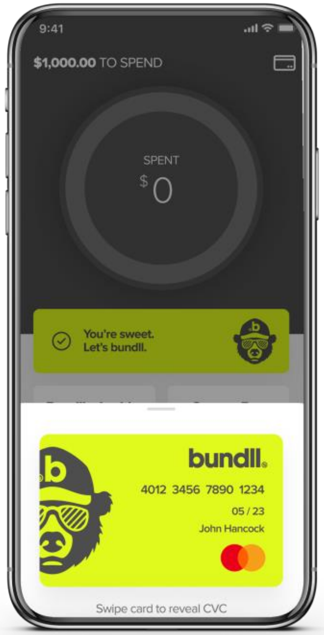
MONTHLY VOLUMES





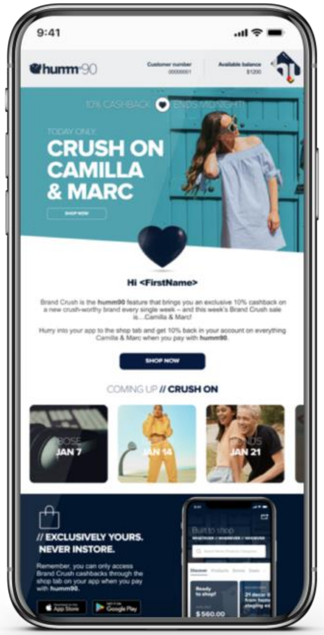
1. Data as at 19 February 2021.
2. Estimate based on performance as at 19 February 2021.

hummgroup // Delightful app experiences



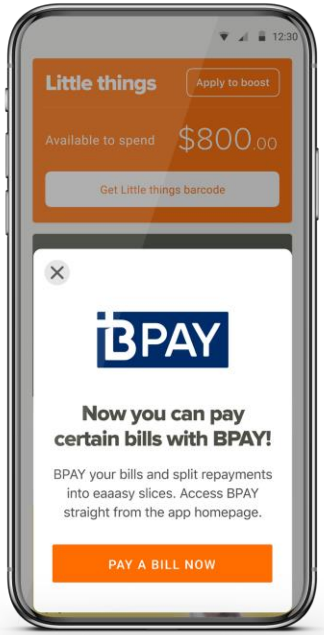
INSTANT PROVISIONING.

Sign up and shop in less than two minutes



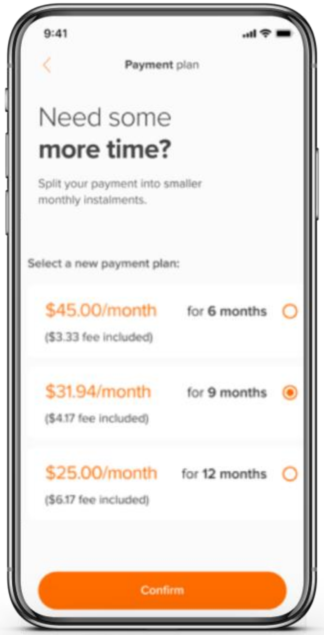
MARKETPLACE.

Two click shopping experience



BPAY.

BNPL bills at over 23k providers



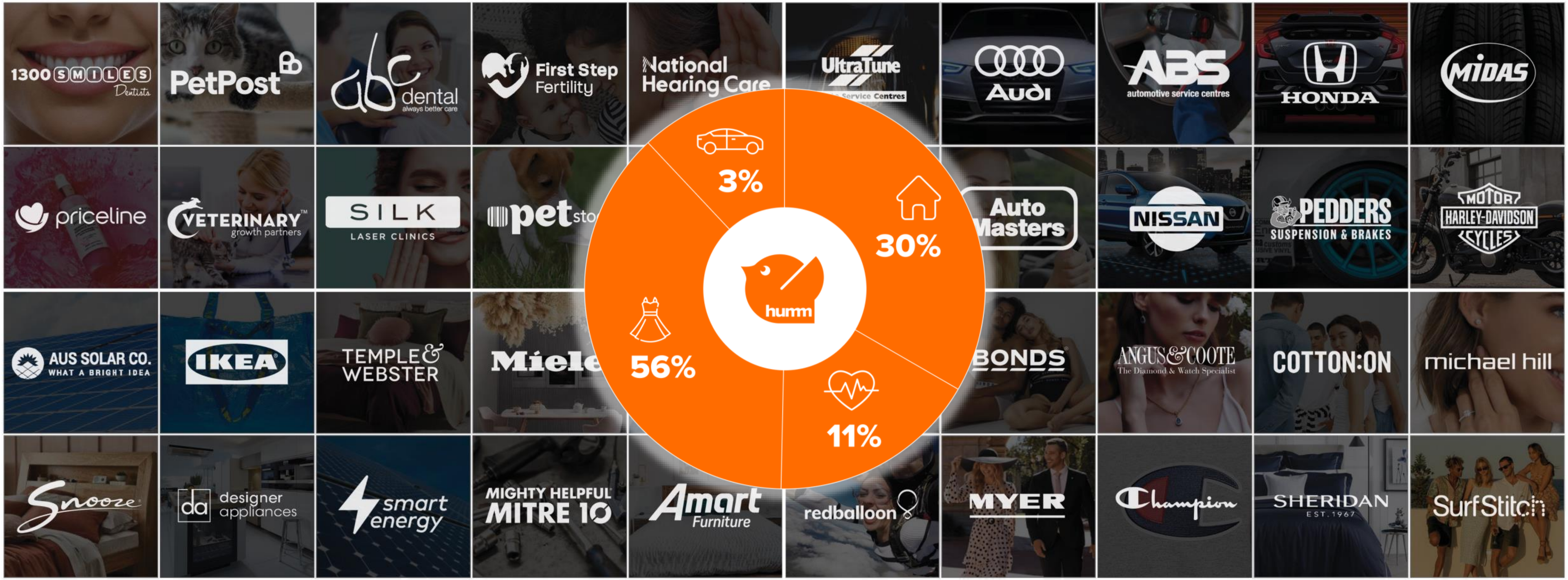
MANAGE REPAYMENTS.

Business Now Pay Later

These features and smooth user experiences have led to **humm**group customers transacting 14x p.a.[1]

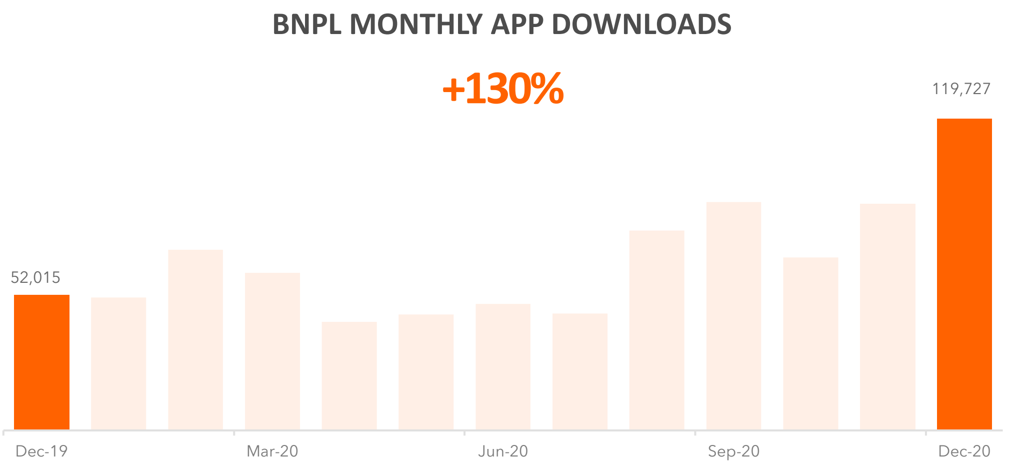
1. Includes all products in BNPL and Cards segments excluding **humm**pro.

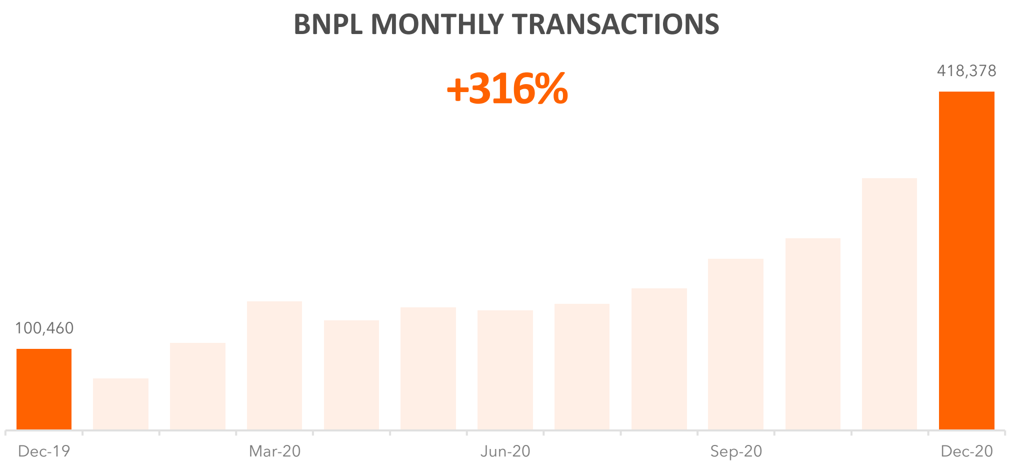
humm // More places to shop driving engagement

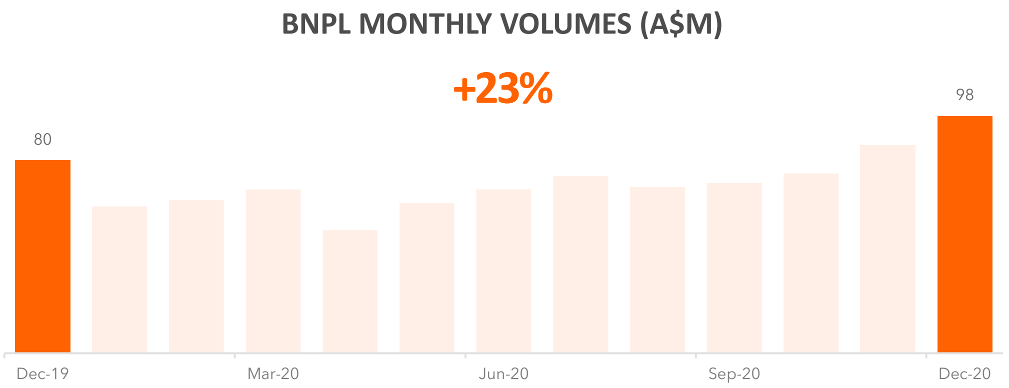


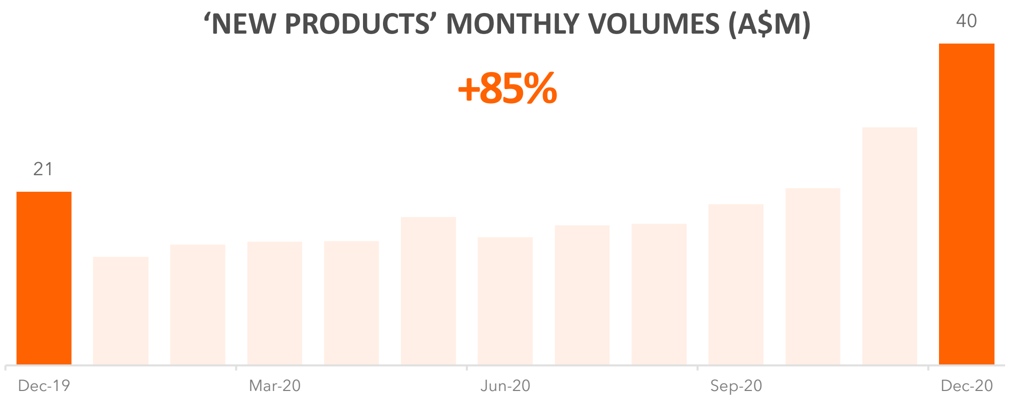
1. Figures relate to **humm** AU, NZ and IE transaction volumes for 1H21.

humm® // New BNPL products growing rapidly





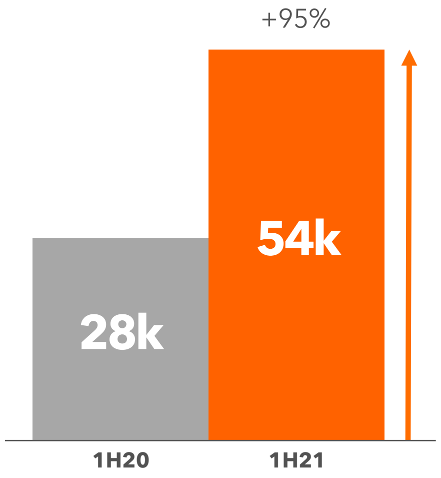




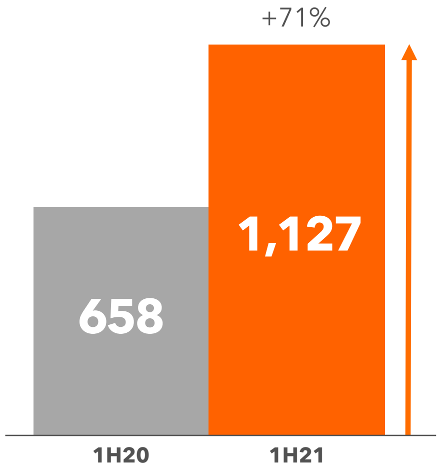
1. BNPL includes **humm** AU, NZ, IE and **bundll.** 2. 'New products' include **humm** 'Little things' AU, NZ and IE and **bundll.**

humm® // Only BNPL player in Ireland

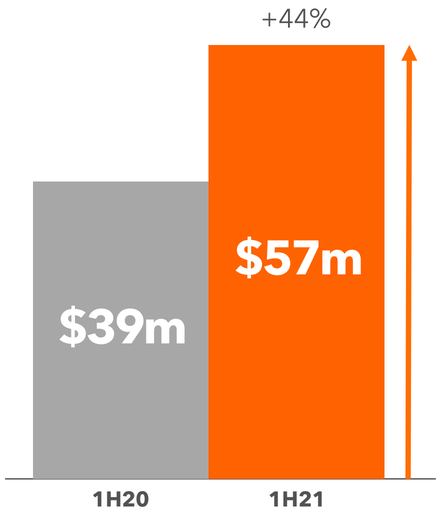
Signed **295** retailers in 1H21.



CUSTOMERS



RETAIL PARTNERS



TRANSACTION VOLUME

humm® // United Kingdom and Canada launch in 2H21

BNPL adoption is still in its infancy, with a significant opportunity to displace outdated traditional point of sale finance. We are well placed to capture the shift from revolving credit to paying over time in fixed instalments, with a focus on higher value purchases in health, automotive, home improvement and luxury.

United Kingdom: $778b[1]

- **humm** is the only BNPL provider to service Ireland and the United Kingdom.
- Led by Patrick Joseph Byrne, CEO of **humm** United Kingdom and Ireland, and Ross Gould, Head of Credit and Risk, **humm** United Kingdom and Ireland.
- Over 200 retailers signed with strong pipeline of merchants.
- Customer-centric product design already configured to meet increasing regulation, including serviceability checks.

Canada: $613b[1]

- Appointment of Board and senior executives imminent.
- Attractive market for **humm** with strong existing relationships and a complementary regulatory framework.
- Active discussions with a number of participants in the market with further strategic alliances on launch to be announced.

1. Addressable market in A$.

humm® // Growing merchant base signed for United Kingdom


PAMELA SCOTT

RIVER MEDICAL


INSTASMILE

MCGUIRKS GOLF

ZELLEBRATE


THERAPIE CLINIC


CIGALA CYCLING


MORA UK

WEHRLY BROS


GOLF SIMULATORS


BELMORE THERAPIE


KASH BEAUTY


NORTHXSOUTH


LUXSTREET


BELLA BELLE


CRAVE CLOSET


BELLE HAIR

CARTER BEAUTY


TONY KEALYS


WALKER & HUNT


RACE & RALLY


AQUA FILTER


DRONE WORKS

N-PRO


KEVIN LOWERY


BUNKER CLOTHING


VAUGHAN SHOES


PULL UP MONSTER

1H21 GROUP FINANCIALS //

hummgroup ($m)[1]	1H21	1H20	v PCP
Gross income	225.2	240.7	(6.4%)
Gross profit	174.3	181.8	(4.1%)
Marketing expenses	(15.4)	(13.6)	13.2%
Operating expenses	(71.8)	(84.5)	(15.0%)
Impairment losses on customer loans	(25.0)	(38.6)	(35.2%)
Tax expense	(18.7)	(10.6)	76.4%
Cash NPAT	**43.4**	**34.5**	**25.8%**
Add: Non-cash items[1]	(4.8)	(1.2)	300.0%
Statutory NPAT	**38.6**	**33.3**	**15.9%**
Dividend	**0.00**	**3.85**	**-**
Key metrics			
Volume	1,249	1,350	(7.4%)
Cost to income ratio	49.8%	54.0%	(420bps)
EPS[2]	9.6	8.3	15.7%
ROE[2]	13.1%	11.0%	210bps

1. The profit and loss statement and breakdown of non-cash items can be found in the appendices.
2. EPS and ROE calculated based on Cash NPAT.

Financial performance.

- Gross income of $225.2m, down 6.4%, largely attributable to lower interest income in Australia Cards and reduced income from the discontinued consumer leasing portfolio.
- Gross profit of $174.3m, down 4.1%, largely due to a reduction in gross income, offset by interest expense savings of $7.0m due to lower interest rate environment.
- Impairment losses on customer loans of $25.0m, down 35.2% as a result of lower actual losses and a $4.3m after-tax benefit of releasing a proportion of the COVID-19 macro-overlay.
- Cash NPAT of $43.4m, up 25.8%.
- Earnings per share and return on equity up as a result of strong growth in Cash NPAT and despite the capital raise in 1H21.
- In 2H21 **humm**group will be making new investments in marketing, product and people as we enter two international markets. As a result, the Company expects 2H21 Cash NPAT to be lower than 1H21.

Dividends.

- To support the Company's investment for growth, the Board has decided not to pay an interim dividend for 1H21 and will continue to review the dividend policy each half year period.

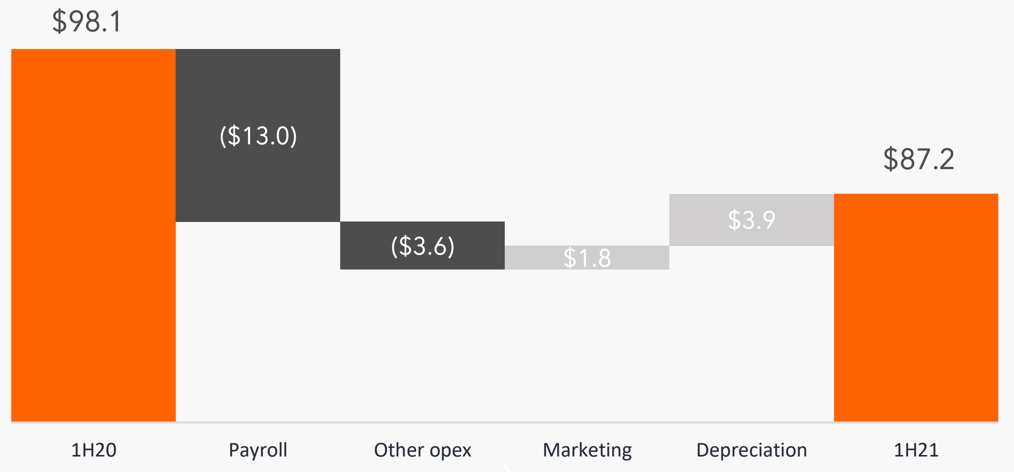
Operating expenses //

Leaner core operation.

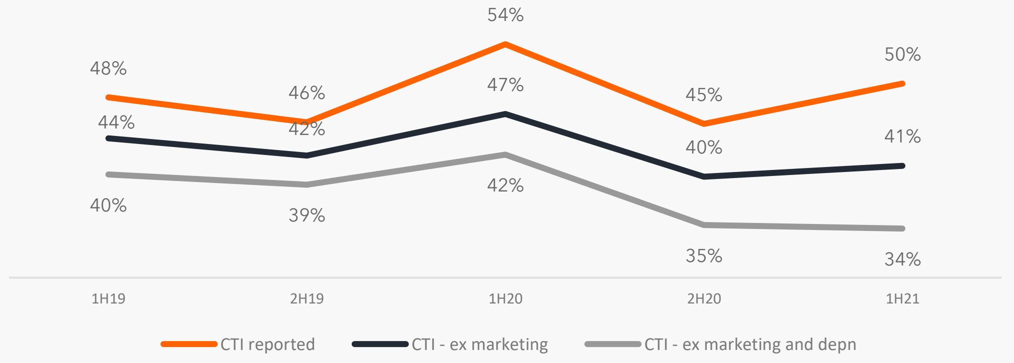
- 1H21 operating expenses (including marketing and depreciation) of $87.2m, down $10.9m on 1H20.
- Payroll expense down $13.0m on 1H20. This includes removal of duplicate roles and functions of $6.9m, with a 30% reduction in head count since December 2018.
- Other operating expenses savings of $3.6m driven by reducing 20 products to four.
- Marketing expenses of $15.4m, up $1.8m on 1H20 from the investment in new BNPL products.
- Depreciation costs of $11.8m, up $3.9m on 1H20 reflecting investment in new product development.
- Cost to income ratio excluding marketing costs and depreciation has fallen 790bps points since 1H20.
- Investment in international expansion will drive a moderate short-term increase in the cost to income ratio, with a continued focus on reducing core operational costs which exclude marketing and depreciation.

1. Operating expenses in commentary based on Cash NPAT.

OPERATING EXPENSES 1H21 VERSUS 1H20 ($M)



COST TO INCOME RATIO

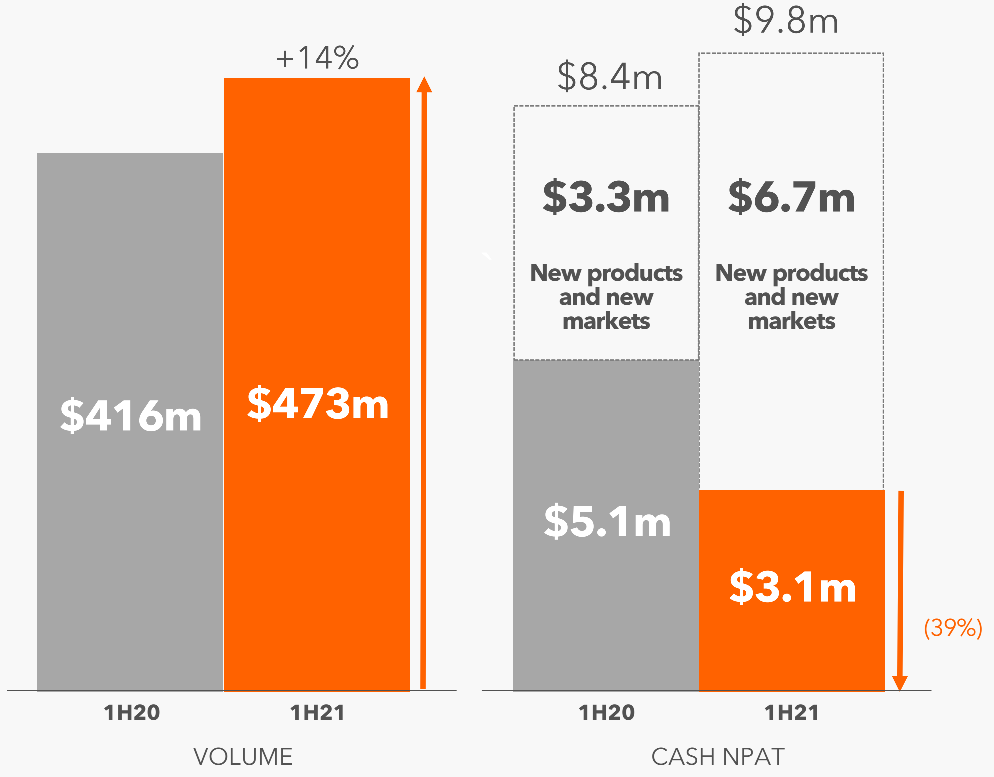


humm group

Buy Now Pay Later //

Investment for growth.

- Cash NPAT of $3.1m (1H20: $5.1m), impacted by investment in new products including **bundll** and **humm** New Zealand.
- Volume of $473.0m, up 13.8% (1H20: $415.8m) reflecting strong performance in **humm** Ireland, **humm** 'Little things' and the increasing contribution from **bundll**.
- 1H21 online volume of $89.6m increased by 147.0% in line with the shift to online spending as a result of the pandemic.
- **humm** 'Little things' volumes of $112.2m, up 46.5% driven by strong customer and merchant acquisition.
- Gross profit of $45.5m, down 7.3% as receivables growth was offset by higher direct cost of sales and some margin compression.
- Operating expenses decreased $2.4m from operational efficiencies, offset by an increased investment in marketing.
- 30+ days arrears of 1.85% as 31 December 2020 for **humm** Australia.



1. **bundll** in 1H20 has been reclassified from Cards segments to BNPL.

Cards //

Robust performance in a challenging environment.

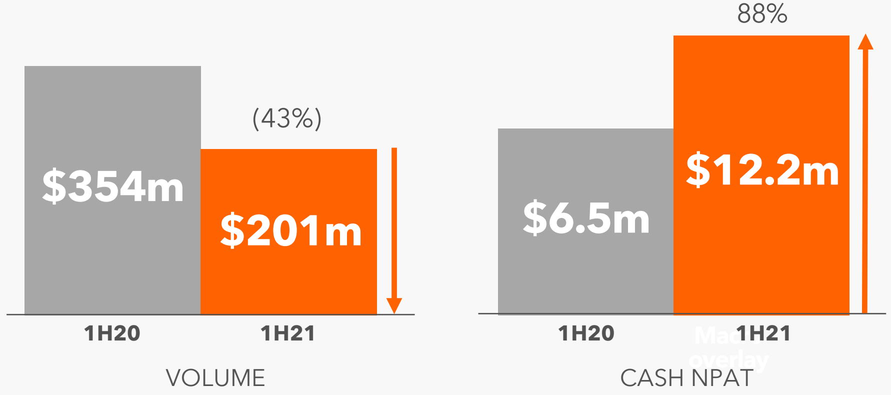
Australia Cards Cash NPAT for 1H21 of $12.2m, up 87.7% with:

- Volume down by 43.2% due to COVID-19 impacts on merchant activity, particularly in travel and hospitality.
- Excluding key travel partner volume and substantial refunds, segment volume was broadly similar, decreasing by 2.4%.
- Gross profit of $37.5m, down 9.9% (1H20: $41.6m) from a decline in interest bearing receivables.
- $4.3m after tax benefit from release of COVID-19 macro overlay.
- Interest bearing balances for **humm**90 (formerly Skye) broadly steady over 1H21.
- Reduction in interest bearing balances predominantly limited to discontinued products (Lombard & Once).

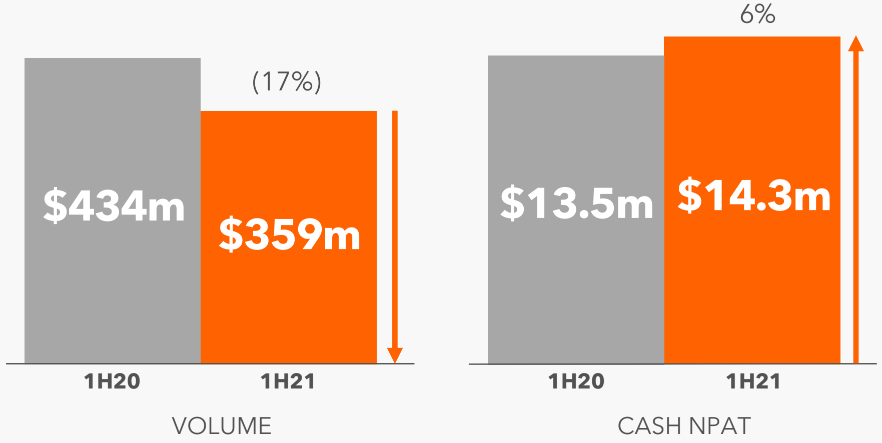
New Zealand Cards Cash NPAT for 1H21 of $14.3m, up 5.9% with:

- Volume down by 17.3% due to the impact of COVID-19 on spending.
- Gross profit of $54.6m, up 2.8% from higher net interest margin and lower direct cost of sales.
- Operating expenses of $23.8m, down 8.5% reflecting the benefits of cost reduction initiatives.
- Average net receivables returned to consistent growth since September 2020.

AU CARDS



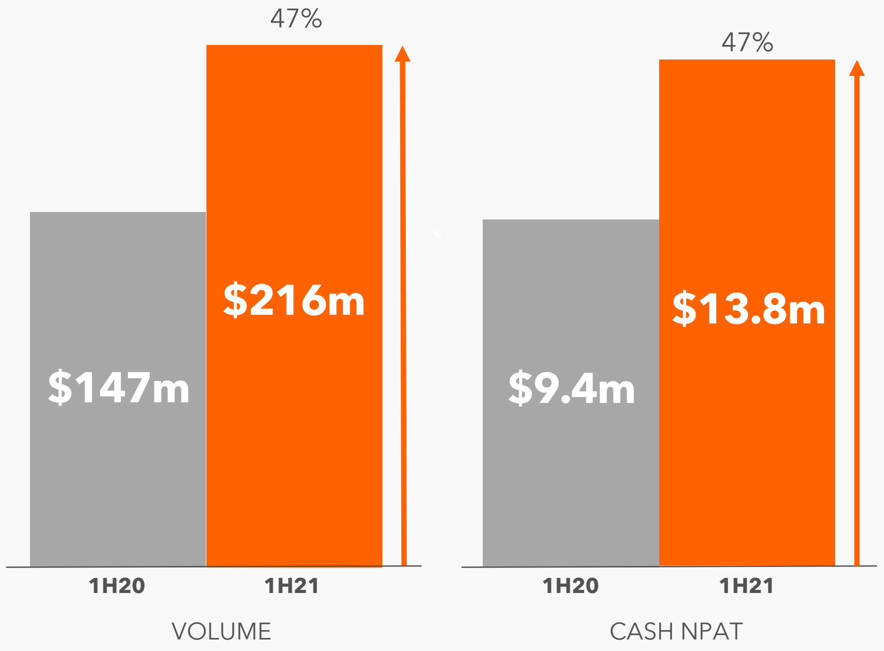
NZ CARDS



Commercial & Leasing //

Revitalised business driving strong results.

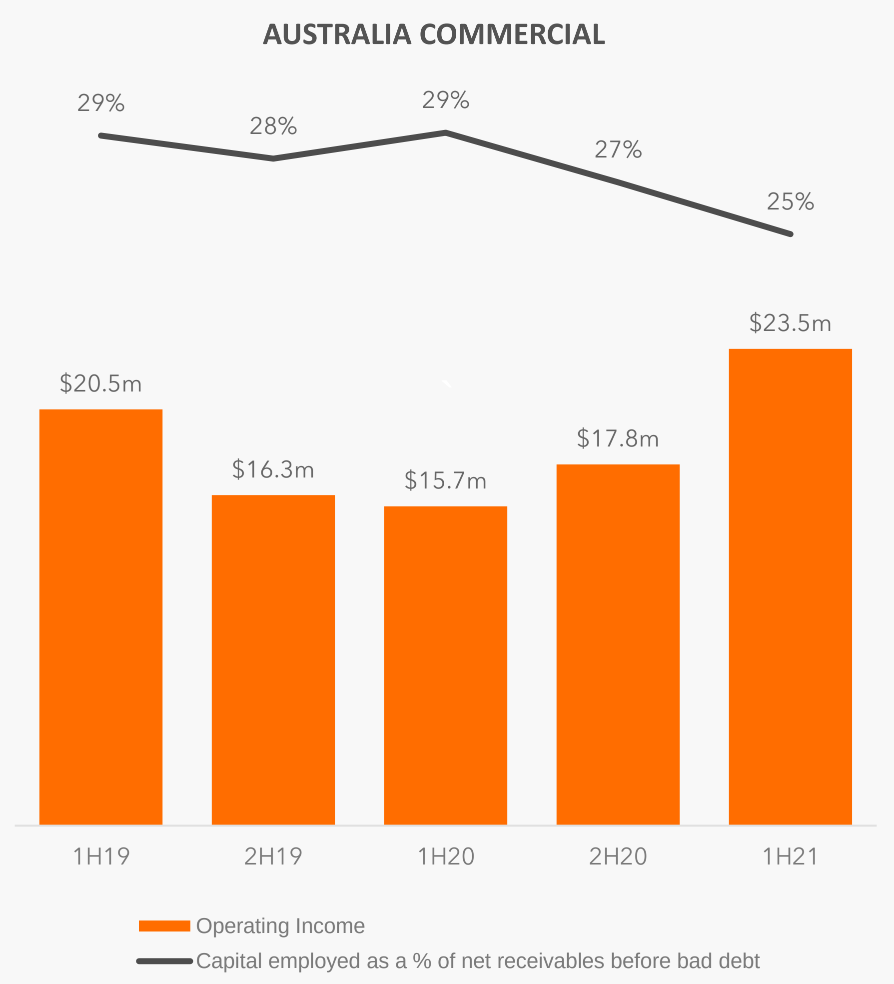
- Cash NPAT of $13.8m, up 46.8% in (1H20: $9.4m).
- Volume up 46.9% driven by strong origination growth in Australia, solidifying the strategy to focus on lending via the broker channel.
- Strong credit quality observed in 2H20 SME lending maintained in 1H21 while increasing volumes significantly.
- Gross profit of $36.7m, down 3.4% from a changing portfolio mix, resulting in lower margins and the cessation of consumer leasing.
- Operating expenses of $15.7m, down 29.3% from simplifying the Australia Commercial business and reduced costs from consumer leasing.
- Access to up to $100m government guarantee for 50% of losses associated with new asset finance loans under the SME Guarantee Scheme 2.0.



Commercial & Leasing //

Australia Commercial changing profile.

- Operating income of $23.5 million increased 49.3% on 1H20.
- Continued growth in operating income despite changing profile as product mix moves from commercial leasing to SME lending in Australia Commercial.
- Materially different portfolio from a credit performance perspective.
- Capital deployed as a proportion of portfolio continues to decline.
- **flexicommercial** strategic review in progress with initial recommendation to increase capital efficiency with a $300m asset-backed securities ("ABS") transaction expected to launch in March 2021.
- Asset-backed securities transaction together with the proposed introduction of mezzanine debt into the warehouse facility will lead to a further material reduction in capital employed.



Credit risk management //

Data driving improvements over time.

BNPL

- Net loss / ANR down 80bps to 4.1%.
- Lower net loss driven by reduced arrears and improved portfolio performance from ongoing enhancements to the credit decisioning engine and implementation of the group fraud platform.

Australia Cards

- Net loss / ANR down 40bps due to strong credit performance and lower volume, offset by a decrease in receivables. The decline in receivables arose from higher levels of repayment.

New Zealand Cards

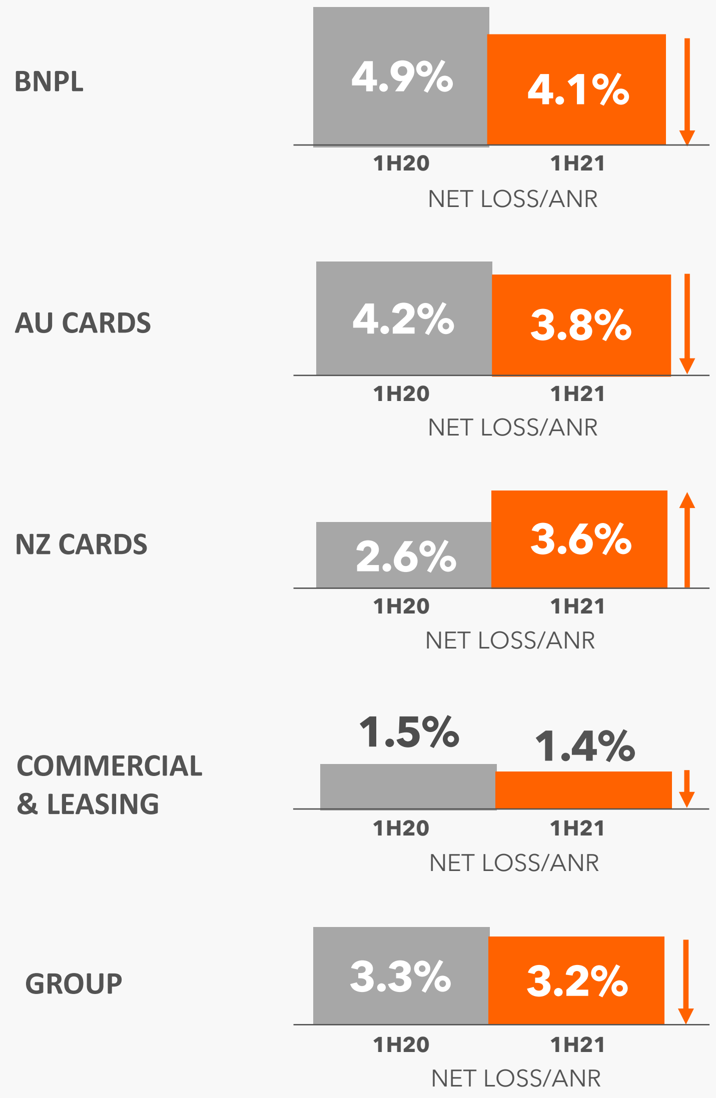
- Net loss / ANR up although in line with industry benchmarks, reflecting the maturing of the Mastercard Scheme portfolio.

Commercial and Leasing

- Net loss / ANR down slightly despite strong receivables growth from SME lending reflecting higher credit quality in Australia Commercial; 95% of Australia loans previously in hardship now performing.

Group

- Net loss / ANR down 10bps despite reduction in average net receivables.

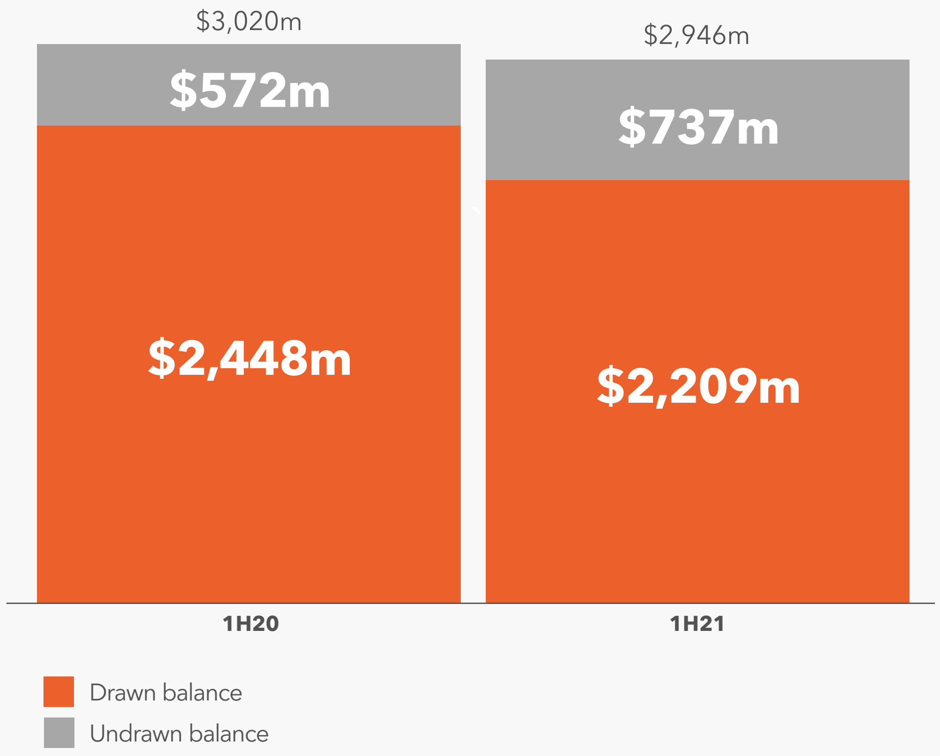


Note: Net loss includes bad debts and loss recoveries.

Wholesale funding facilities //

Headroom to fund future growth.

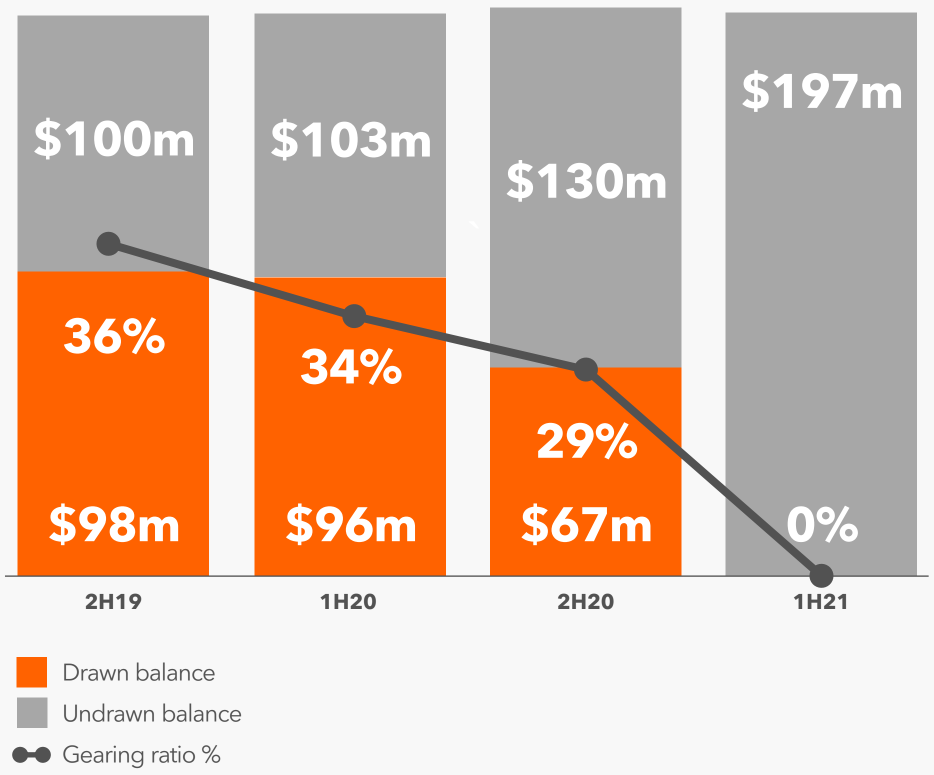
- Successful **humm** Australian securitisation of $250m executed in October 2020.
- Long established Australian securitisation program continuing to drive funding efficiency with over $470m of green ABS notes (certified by the Climate Bonds Standard Board) issued since 2016.
- Mezzanine funding of $70m secured for the Australia Cards portfolio in January 2021 releasing significant amount of capital.
- Expecting to launch a $300m ABS transaction in March 2021, supported by a pool of secured SME lending receivables to drive further capital efficiency for the Australia Commercial and Leasing business.



Corporate debt facilities //

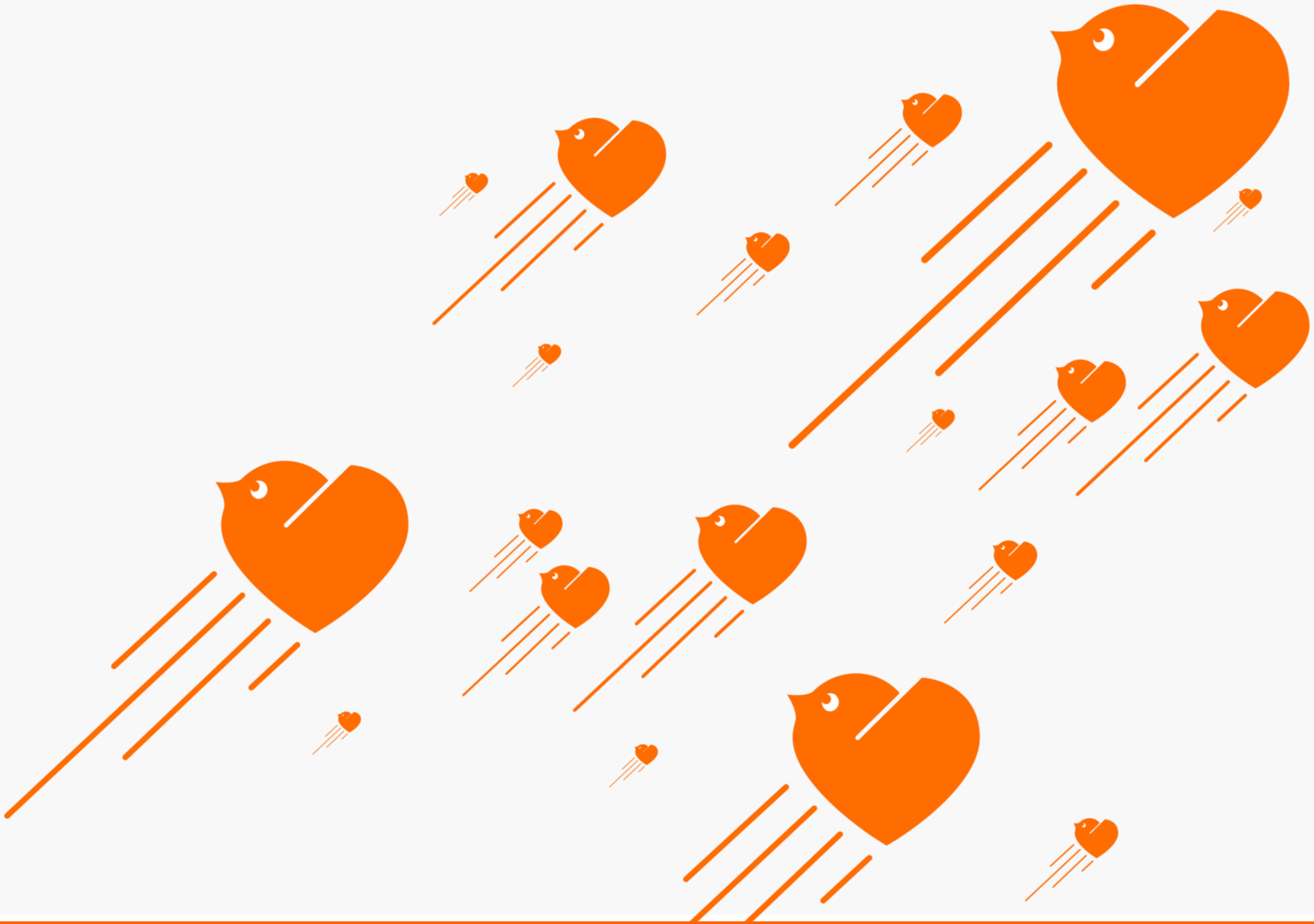
Growth underpinned by balance sheet flexibility.

- Substantially deleveraged the balance sheet to position **humm**group for growth.
- A portion of the 1H21 capital raise proceeds utilised to repay corporate borrowings.
- Nil net gearing as at 31 December 2020 with significant headroom across corporate debt facilities.
- Exploring options to further optimise capital structure and diversify corporate debt facilities to maintain liquidity.



1. Gearing is recourse (corporate) borrowings as a percentage of equity excluding intangible assets.

SUMMARY //



humm group // Moving forward

- We are on a mission to revolutionise the way people buy.
- We have a differentiated solution enabling seamless approvals for purchases big, small or business related.
- We empower consumers to choose how they wish to pay, with terms from five fortnights through to five years.
- We already have significant scale with 2.6 million customers, and we're just getting started.
- We have a significant market opportunity, both locally and internationally and with a total addressable market of $1.9t.
- We are well capitalised to put significant firepower power into our global market efforts and product experience.

MARKET OPPORTUNITY

Total addressable market	$1.9t
United Kingdom (new market)	$778b
Canada (new market)	$613b
Australia	$349b
New Zealand	$91b
Ireland	$77b

APPENDICES //

hummgroup // Customer-centric approach to regulation

ASIC report 672.

- Report highlights strong and continuous engagement from the BNPL sector.
- A number of ASIC's best practice recommendations implemented to BNPL product **humm** including:
  - preventing consumers from making another purchase where they have missed a payment for an existing purchase;
  - simple, clear and transparent contract terms for merchants and customers, including upfront disclosure of all applicable fees and charges; and
  - continued commitment to all complaints being managed efficiently, honestly and fairly as well as clearly outlining availability of simple and accessible hardship processes.
- Report shows **humm** makes substantially less than peers from late fee payments.

BNPL code of practice.

- Code first proposed by **humm**group in 2019.
- Code has introduced a number of key measures to provide the best consumer outcomes including:
  - an upfront and ongoing suitability assessment over the entire product life cycle;
  - an agreement to never initiate bankruptcy proceedings against a customer; and
  - a commitment to ensure fees are reasonable at all times and capped.
- Senate Committee's recommendation that the BNPL industry should be allowed to self regulate supports the development of the Code.
- Look forward to having the Code operating by 1 March 2021.

NPAT reconciliation //

hummgroup ($m)	1H21	1H20	v PCP%
Cash NPAT	43.4	34.5	25.8%
Non-cash items			
Amortisation of acquired intangible assets	1.1	1.2	(8.3%)
Share based payments	1.6	–	(0.0%)
Sale of Think Office Technology	1.2	–	(0.0%)
Redundancy and restructure	0.9	–	(0.0%)
Profit after income tax on statutory basis	38.6	33.3	15.9%

Profit and Loss ($m)	1H21	1H20	v PCP %
Interest income	172.9	181.8	(4.9%)
Fee and other income	52.3	58.9	(11.2%)
Gross income	225.2	240.7	(6.4%)
Cost of sales	(12.2)	(13.2)	(7.6%)
Interest expense	(38.7)	(45.7)	(15.3%)
Gross profit	174.3	181.8	(4.1%)
Depreciation and amortisation expenses	(13.3)	(9.6)	38.5%
Employment expenses	(38.0)	(48.2)	(21.2%)
Marketing expenses	(15.4)	(13.6)	13.2%
Receivables and customer loan impairment expenses	(25.0)	(38.6)	(35.2%)
Other operating expenses	(26.1)	(28.4)	(8.1%)
Profit before income tax	56.5	43.4	30.2%
Income tax expense	(17.9)	(10.1)	77.2%
Statutory profit/(loss) after income tax	38.6	33.3	15.9%
Non-cash items	4.8	1.2	300.0%
Cash NPAT	43.4	34.5	25.8%
Basic earnings per share (cents)	8.5	8.0	6.2%
Cash earnings per share (cents)	9.6	8.3	15.7%
Volume	1,249	1,350	(7.4%)
Closing receivables and customer loans	2,572	2736	(6.0%)

Balance Sheet ($m)	1H21	1H20	v PCP %
Cash and cash equivalents	175.1	168.2	4.1%
Receivables and customer loans[1]	2,465.9	2,670.8	(7.7%)
Equity and other investments	14.4	14.3	0.7%
Other assets	18.5	24.0	(22.9%)
Current and deferred tax assets	43.0	77.0	(44.2%)
Goodwill	240.6	245.2	(1.9%)
Other intangible assets	120.0	105.8	13.4%
Total assets	3,077.5	3,305.3	(6.9%)
Payables	50.8	46.4	9.5%
Borrowings	2,183.5	2,515.6	(13.2%)
Provisions	21.4	21.9	(2.2%)
Other liabilities	54.8	33.0	66.1%
Current and deferred tax liabilities	23.3	51.1	(54.4%)
Total liabilities	2,333.8	2,668.0	(12.5%)
Equity	743.7	637.3	16.7%
Gearing[2]	0.0%	33.6%	(LRG)
ROE[3]	13.1%	11.0%	210bps

1. Includes other debtors as disclosed in the statutory accounts.
2. Gearing is recourse (corporate) borrowings as a percentage of equity excluding intangible assets.
3. Calculated based on Cash NPAT.

Consolidated Cash Flow ($m)	1H21	1H20	v PCP %
NPAT	38.6	33.3	15.9%
Share-based payments	2.1	0.1	LRG
Depreciation and amortisation	13.3	9.6	38.5%
Impairment losses on loans and receivables	25	38.6	(35.2%)
Changes in other operating assets and liabilities	18.6	(15.6)	(219.2%)
Other non-cash movements	3.4	(0.1)	LRG
Operating cash flow	101.0	65.9	53.3%
Purchase of intangibles and property, plant and equipment	(17.2)	(11.1)	55.0%
Changes in customer loans and receivables	(47.5)	(137.4)	(65.4%)
Purchase of investments	(2.5)	–	–
Investing cash flow	(67.2)	(148.5)	(54.7%)
Dividends paid	(15.2)	(15.2)	–
Proceeds from share issuance, net of transaction costs	112.4	–	–
Cash payments relating to Finance Lease liability	(2.5)	(2.0)	25.0%
Net movement in non-recourse borrowings	(43.4)	126.3	(134.4%)
Repayment of corporate borrowings	(152.3)	(144.1)	5.7%
Drawdown of corporate borrowings	84.9	142.6	(40.5%)
Financing cash flow	(16.1)	107.6	(114.9%)
Effects of exchange rate changes on cash and cash equivalents	(0.1)	0.1	(200.0%)
Net increase/(decrease) in cash	17.6	25.1	(29.6%)

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