

Investors Relations Contact: sukhee.lee@humm-group.com



Chumm®group | **TODAY'S ANNOUNCEMENTS**

<u>>|</u> 01 02 na **Churm**egroup

Return to dividends commencing in 1H22

Exploring divestment of New Zealand Commercial business

COMMITMENT TO SHAREHOLDERS



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- Committed to growing shareholder value
- Will balance returns and investment for growth
- **03** Investment to be measured against key performance hurdles

Chumegroup | who we are









Bigger ticket instalment plan financier Strength through a diversified offering for consumers and SMEs Leader in credit decisioning and funding for larger purchases Profitable with the ability to self-fund our growth

USe

Chum[®]group | Market Leadership



MARKET LEADER in BNPL transactions over \$500 in value¹



#2 NBFI commercial asset finance lender²



THE LEADING NBFI issuer of new credit cards in New Zealand (33% of market in 4Q21)



#1 BNPL FINANCIER

in residential solar and home improvement in Australia

Whurmegroup



#1 BNPL FINANCIER

in key health verticals – private audiology equipment and dental



B2B PLATFORM OF CHOICE

for blue chip partners to offer customers the latest trends in instalment payments

5

Chum[®]group | **OUR ACHIEVEMENTS**

Proven ability to scale

- Strongly grown the BNPL business hitting over a \$1b in volume in FY21
- Strongly grown the Commercial business on a pathway to \$1b in volume over the medium-term
- Almost doubled total **humm**group customers from 1.4m as at June 2018 to 2.7m in June 2021
- More than doubled our BNPL merchants from 9.5k as at June 2018 to 20.8k in June 2021

2. Proven ability to deliver technology transformation

- Swiftest credit decision in market: 3 minutes to apply for up to \$30k
- Fully digitised customer experience: 4.8 app rating
- New BNPL stack for UK and Canada to be replatformed for AU
- Continual roll-out of new features to drive engagement and transaction frequency to 19x per year across Australian consumer products in FY21

3. Continued efficiency gains

- Remain committed to target sub 40% CTI
- Employees down from ~1,100 in December 2018 to ~700 in June 2021
- Operating expenses excluding marketing and depreciation reduced from \$150.8m in FY19 to \$134.0m in FY21¹
- Advanced on decommissioning legacy products and technology

4. 15-year proven record in capital markets

- Securitised over \$5b in receivables through public markets
- Decisioned and financed almost \$20b in purchases
- Improved capital efficiency by 210 basis points between FY18 (16.0%) and FY21 (13.9%)²
- Reduced corporate gearing from 36% in June 2018 to nil in June 2021

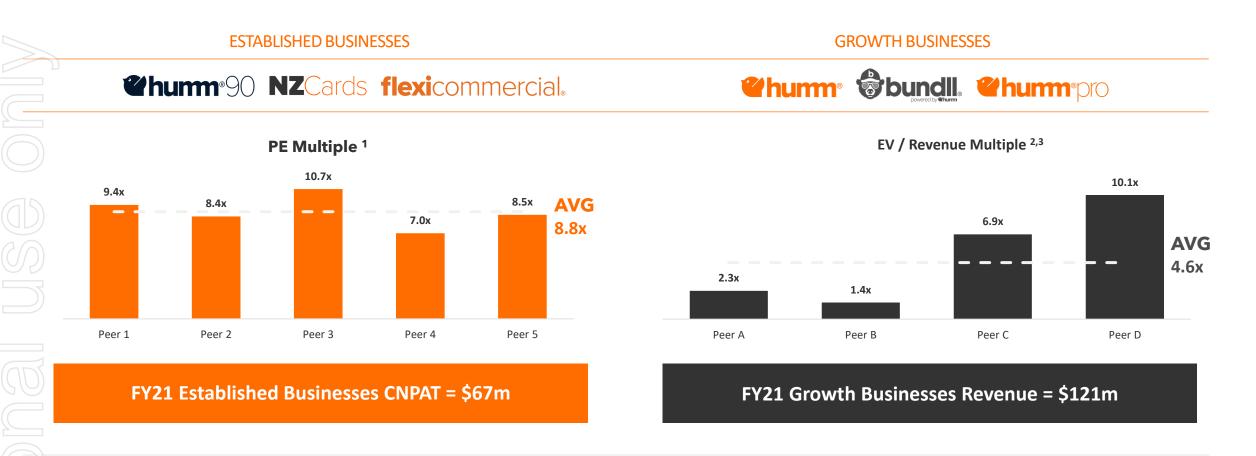
"hum" group | two distinct businesses

	ESTABLISHED BUSINESSES	RAPID GROWTH BUSINESSES
	Thum ®90 NZCards flexicommercial.	Chume Spindle Chume pro
CHARACTERISTICS	Stable earnings and growthLeading market positionsStrong margin	 High-growth Disruptive – continual innovation Low cost and rapid customer acquisition
OPPORTUNITY	 Over \$70b in traditional banking revenue being disrupted¹: \$48b in business banking \$28b in consumer finance Return of international travel: ~\$350m volume annually 	 Addressable market in 'Big things' of \$500b+ Differentiated value proposition in 'Big things' Enhanced data insights to drive volume and reduce credit losses Partnerships to support low cost customer acquisition
COMPETITIVE DYNAMICS	 Distrust of banks Longer term convergence between Cards and BNPL Speed to yes a critical factor for all customers, particularly commercial Big 4 is retreating from the SME market 	 Crowded BNPL market at low-value end Limited competition in 'Big things' given requirement for sophisticated credit and funding Global banks retreating from white label retail cards businesses BNPL has delivered strong customer loyalty giving BNPL unique power at the nexus of customer, merchant, payments and loyalty





Chum[®]Group | EQUITY MARKET VALUATION COMPARISONS



hummgroup market capitalisation today is \$451m⁴ with unrestricted cash on balance sheet of \$65m⁵

1. FY21 earnings. 2. FY21 Revenue. 3. Enterprise value excludes non-recourse financing. 4. 22 October 2021. 5. 30 September 2021

Whumm•group

Characterist INVESTMENT CHECKLIST



Whummegroup

WHY YOU SHOULD THINK ABOUT BUYING HUMMGROUP SHARES



We're the only profitable BNPL player in Australia



Benefit from a global niche financing bigger ticket items



We're a portfolio of strategic and successful businesses



We're not dependent on future equity issues to fund cash losses from growth



Whummegroup

Accelerated growth as travel and in-store spending returns to normal



Attractive compared to other equity market valuations

hummgroup is not licensed to provide financial product advice in relation to hummgroup shares. Prospective investors should obtain their own advice from a professional adviser who has regard to their own financial situation and needs. See disclaimer for an outline of some of the risks involved.

"hum" group | INTRODUCTION OF SPEAKERS



REBECCA JAMES Group Chief Executive Officer



CHRIS LAMERS Deputy Group CEO & Chief Customer Growth Officer



ADRIAN FISK Chief Financial Officer



ROB WRIGHT Commercial Australia & New Zealand



TIM MOULTON Country Head – Canada

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nly AGENDA onal **Churm**egroup

01 Our vision

- 02 Instalment products overview
- **03** Partnerships
- 04 International expansion
- **05** Commercial and Leasing
- **06** | Finance
- 07 Summary

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Chum[®]Group | STRATEGIC PRIORITIES TO DELIVER SHAREHOLDER VALUE

MISSION
VISION

STRATEGIC PRIORITIES

Whurmegroup

To provide easy instalment plans that enable you to buy now pay later and budget responsibly for the things customers need and love.

To be the favoured way to pay for bigger purchases.

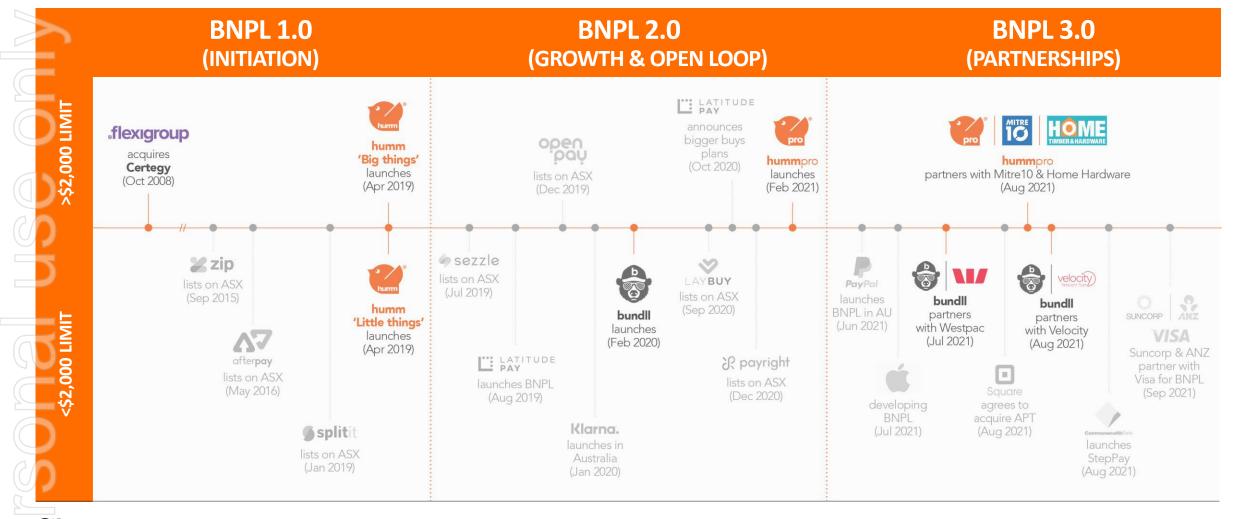
	GROW NPAT IN ESTABLISHED BUSINESSES	GROW SCALE AND REVENUE IN GROWTH BUSINESSES
 \$28b disruption in consumer finance \$48b disruption in SME finance Create value for our merchants by increasing ATVs and conversions Be the B2B payment and technology solution of choice for partners to 	Via continued leadership in established businesses	Via targeted growth opportunities
• Prudently investing excess profits to fuel growth of businesses offer customers access to the latest trends in instalment payments	 \$28b disruption in consumer finance 	 Create value for our merchants by increasing ATVs and conversions Be the B2B payment and technology solution of choice for partners to offer customers access to the latest trends in instalment payments

• Expand BNPL into SME segment via hummpro

DELIVER PLATFORM EFFICIENCIES

- Instant credit decisioning with continual loss improvements driven by data and scale
- Leadership in funding and securitisation to gain competitive advantage and improve capital efficiency

"Hum"group | MARKET CONTEXT



Whurmegroup

OUR CUSTOMER PROPOSITION

BNPL for grown ups Quick and easy to process application, and quick approval. Awesome service So much better than a personal loan An ally for life's expenses

Khummegroup

OUR MERCHANT PROPOSITION

Probably about 60% of our business is done through **humm**, on average. If it wasn't for that ability, 60% of our business would disappear. Our average sale price is around \$3,500. The fact that you guys are not only offering something that is interest free, but it's not the longest term - so people don't freak out and are more willing to buy

With the previous finance provider, the interest was 22.98% on the contract. You can imagine how many deals I would lose when the interest came to the table

The platform you have is bang on the money...so smooth

Chumegroup

33

4000

hum® | OUR VALUE PROPOSITION

MERCHANT

FUNDED

Nil

LOW-VALUE, SHORT TERM PLANS

\$1-\$2k

Fashion Retail

Jewellery Beauty

The bigger buy now pay later.

BLENDED FUNDING ~70% Merchant // ~30% Consumer¹

\$1 **}}}}}\$}\$}\$**\$}}

Nil

Retail // Luxury retail // Dental // Solar Home improvement // Clothing Auto // Veterinary

~11%

1. humm AU

APR

VERTICALS

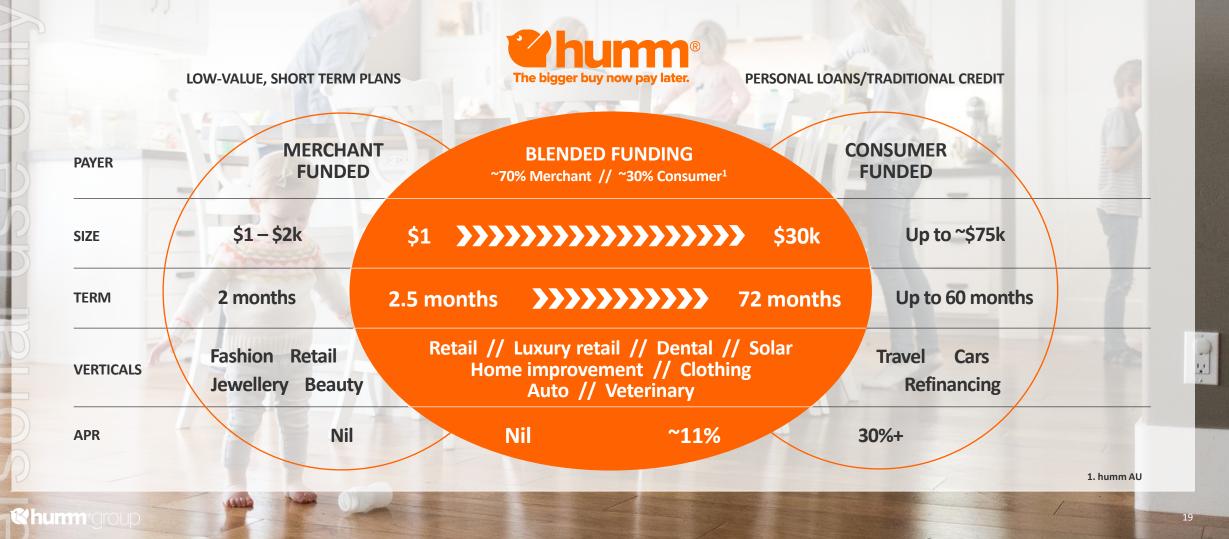
PAYER

SIZE

Khumedronb

33

OUR VALUE PROPOSITION



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humm® | TOTAL ADDRESSABLE MARKET

Total addressable retail market (A\$1.9t)



'Big things' total addressable market (A\$500b+)²

-				*		*
-	Home & Home Improvement	\$69b	\$74b	\$59b	\$2b	\$2b
m.	Health	\$13b	\$63b	\$55b	\$5b	\$5b
	Automotive	\$12b	\$51b	\$11b	\$7b	\$3b
	Luxury	\$4b	\$7b	\$2b	\$1b	\$1b
	Personal loans	\$8b	\$55b ¹	\$38b	\$2b	\$1b

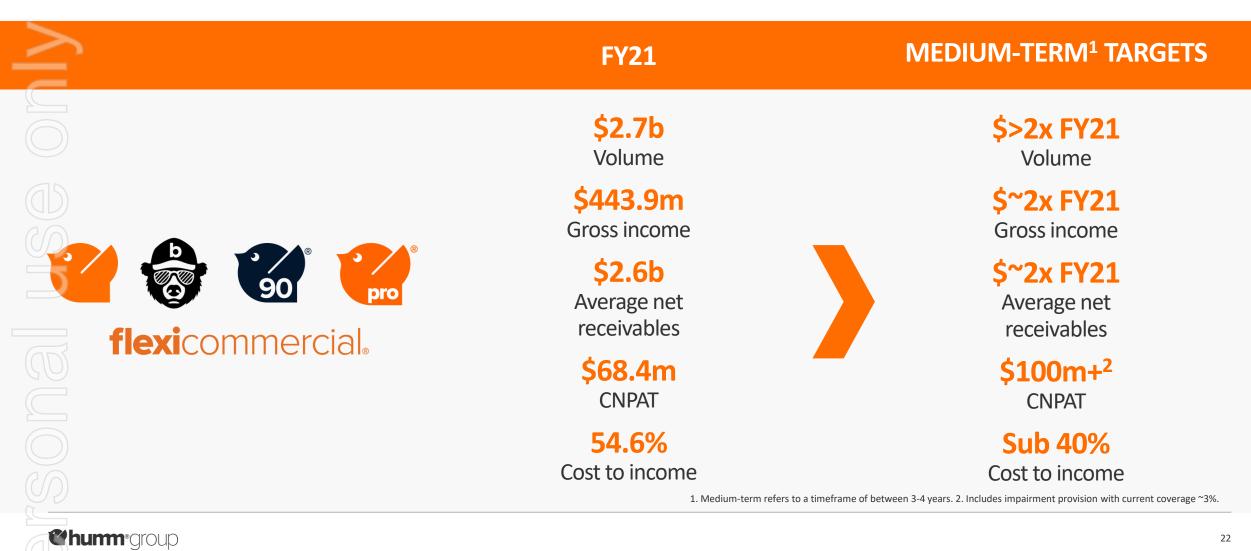
1. Total personal loan balance. 2. Figures based on a range of sources and management estimates.

Whurmegroup

CLEAR PARTNER OF CHOICE



Chum[®]Group | **GROWTH TARGETS**



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Chum[®]Group | STRATEGY FOR GROWTH

Expanding the reach of instalment payments

New merchants and platforms in current markets

Driving customer engagement

Driving customer engagement and transaction frequency New audiences New products New partnerships

Finding new audiences through partnerships for our innovative products International expansion

Expansion into new markets

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INSTALMENT PRODUCTS OVERVIEW

HUMMGROUP INVESTOR DAY // 27 OCTOBER 2021

The Founders

Live for cashflow

flexicommercial.

The Shoppers

Live life adding to cart

2 hum•90

The Amplifiers

Live life making what they have go further

Chum®

The Balancers Live in the moment

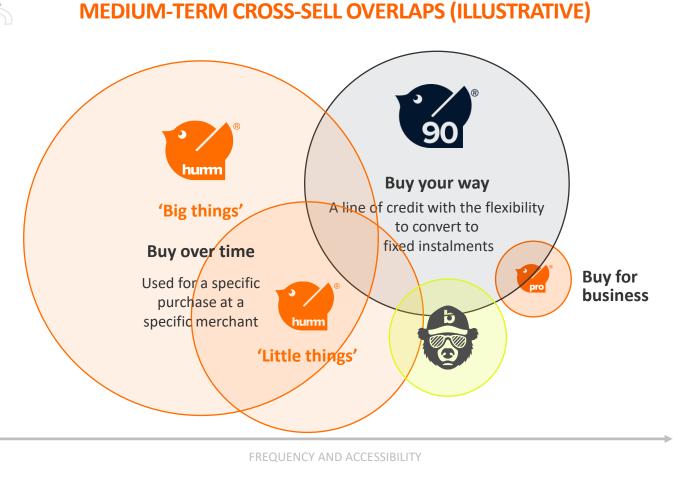
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Chum[®]group | **PRODUCT OVERVIEW**

PRODUCT		PRODUCT DESCRIPTION	AU	NZ	IE	CA	UK	TOTAL ADDRESSABLE MARKET (A\$m)
hymm	humm [®]	 Buy Now Pay Later The product going global Our traditional BNPL product allowing for purchases of up to A\$30,000 to be paid in instalments 		 Image: A start of the start of		 Image: A start of the start of	 Image: A start of the start of	\$500b+ opportunity in 'Big things' key verticals
bundli	b	 Buy Now. Pay Later. Anywhere The debit card replacement Everyday purchases with no minimum spend Consumer pays a fee for additional repayment time No merchant services fees 			×	×	×	\$450b
Cards (humm90/ New Zealand Cards)	90 [®]	 Credit card with instalment payment features for purchases above \$250 90+ days interest free Up to 60 months interest free with selected retail partners 	v		X	×	×	\$297b
hummpro	pro	Business credit card replacementBuy now pay later for small businessConsumer pays model			X	X	X	\$30b

CROSS-SELL/CUSTOMER ACQUISITION STRATEGY



FY21 CURRENT CROSS-SELL

18% overlap between humm ('Big things' and 'Little things') 25% of bundll customers have humm 3% overlap between Cards and humm

MEDIUM-TERM TARGETS EXPECTED ECO-SYSTEM CROSS-SELL

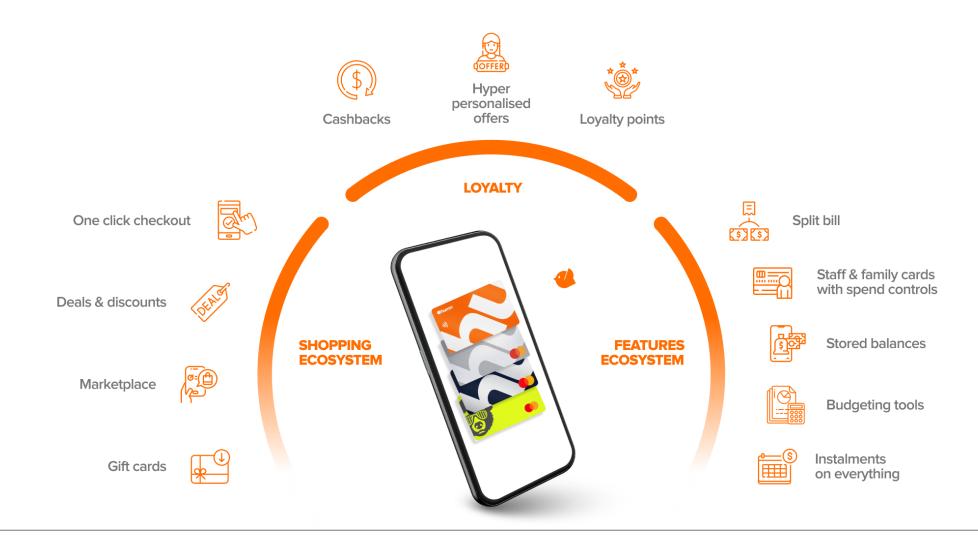
30%+ overlap between humm ('Big things' and 'Little things') 35%+ of bundll customers have humm 15%+ overlap between Cards and humm

"hum"group | The power of one (Video)





"Hum"group | THE POWER OF ONE



HUMM OFFERS A SIMPLE AND SAVVY WAY OF BUYING THOSE BIGGER GOODS OR SERVICES CUSTOMERS WANT OR NEED IN THEIR LIFE

	FY20	FY21	MEDIUM-TERM TARGETS
Volume (A\$m)	90.9	178.7	~3.5x FY21
Product yield (%) ¹	19.3 ²	17.0 ²	~39.0 ³
Net loss/volume (%)	8.0	2.2	<2.5
Cost of funding/borrowings (%)	3.4	3.1	~4.0

MARKET OPPORTUNITY

A true companion to the 'Big things' wallet targeting the \$349b retail market.

OUR ASPIRATION

Become the leading single instalment payment provider for merchants wishing to offer only one finance solution to customers ('Big things' and 'Little things') in verticals such as health, automotive, and big box retail.

OUR STRATEGY FOR GROWTH

- Increase places to shop via **humm** marketplace and drive transaction frequency to 10x in the medium-term.
- Provide value to merchants by driving **humm** customers to transact at a higher transaction value and on a repeat basis.
- Shift revenue to include greater interchange and customer fees.

HUMM AUSTRALIA (BIG THINGS)	FY20	FY21	MEDIUM-TERM TARGETS
Volume (A\$m)	553.4	553.4	~1.25x FY21
Product yield (%)	19.3 ²	17.0 ²	~17.0 ³
Net loss/volume (%)	5.0	2.9	<2.5
Cost of funding/borrowings (%)	3.4	3.1	~4.0

MARKET OPPORTUNITY

\$100b across higher value transaction verticals: health, automotive and home improvement as well as being a more consumer friendly personal loan alternative.

OUR ASPIRATION

Targeting 1m customers with an open 'Big things' wallet across Australia and New Zealand over the longer-term.

OUR STRATEGY FOR GROWTH

- 1. Position as the Bigger Buy Now Pay Later and the savvy alternative to person loans.
- 2. Target practice management software and point of sale integrations in key verticals.
- 3. Demonstrate value to merchants by driving conversions and higher transaction values from humm customers.
- 4. Protect yield through an ever-increasing blended revenue model of merchant service fees, interchange and customer fees.

1. Gross income / average net receivables. 2. Yield on a blended basis across both 'Little things' and 'Big things'. 3. Based on volume written during the year.



BUY NOW. PAY LATER. ANYWHERE. REPLACES THE DEBIT CARD

BUNDLL AUSTRALIA AND NEW ZEALAND	FY20	FY21	MEDIUM-TERM TARGETS
Volume (A\$m)	13.1	117.2	>6x FY21
Income/volume (%)	1.5	1.8	~4.0
Net loss/volume (%)	1.9	6.2	<2.0
Cost of funding/borrowings (%)	N/A	N/A	~4.0
Repeat transactions (p.a.)	N/A	97.1	~2x FY21

MARKET OPPORTUNITY

Adds BNPL functionality to the debit card product to target a market of \$450b across Australia and New Zealand.

OUR ASPIRATION

Be the payment solution of choice for partners to offer customers instalment payments.

OUR STRATEGY FOR GROWTH

- 1. Dual acquisition strategy: Direct to customer and partnership distribution.
 - Leverage new features including stored balances, split bills and broader personal financial management tools.



The process of signing up is easy, and there's more control on payments as well as expenditures.



THE ONLY BUY NOW PAY LATER DESIGNED FOR BUSINESS

HUMMPRO AUSTRALIA AND NEW ZEALAND	FY21	MEDIUM-TERM TARGETS
Volume (A\$m)	4.7	~100.0
Income/volume (%)	0.4	6.0+
Net loss/volume (%)	0	<2.0
Cost of funding/borrowings (%)	N/A	~4.0
Repeat transactions (p.a.)	N/A	45+

MARKET OPPORTUNITY

Low cost working capital to support the 2.9m SMEs across Australia and New Zealand.

OUR ASPIRATION

To become an indispensable cash flow tool for small business.

OUR STRATEGY FOR GROWTH

- 1. Continued investment in marketing digital and traditional channels.
- 2. Cross-sell to flexicommercial brokers.
- 3. Ongoing Xero integration and additional plugins.
- 4. Expanding payment features through invoice payments (EFT) and cash withdrawals.



hummpro is so easy to use. I like that extra bit of cashflow.

***hum**[®]90 | product summary

нимм90	FY20	FY21	MEDIUM-TERM TARGETS
Volume (A\$m)	596.5	416.9	>2x FY21
Interest bearing balances (%)	57.2	58.9	60%+
Product yield (%)	16.7	19.2	>FY21
Cost of funding/borrowings (%)	3.3	3.3	~4.5%
Net loss/ANR (%)	4.5	4.3	<4.0%

The plans are also easy to set up and useful for spreading expenses out over time for a nominal cost.

I love all the little sneaky offers to save money! It's great.

PRODUCT DESCRIPTION

humm90 is a new breed of credit card, providing longer interest free periods, up to 60 months interest free at selected retailers and the ability to convert any purchase over \$250 to an interest free instalment payment plan.

MARKET OPPORTUNITY

13.7m Australians spending \$24.8b a month on credit cards.

OUR ASPIRATION

To drive customer usage to 12x a month delivering volume of over 2 times FY21 volume a year over the medium-term, with 60%+ of balances becoming interest bearing.

OUR STRATEGY FOR GROWTH

- 1. Increase direct to customer acquisition.
- 2. Embed long term interest free options into ecommerce check-outs.
- 3. Leverage loyalty programs and offers to drive transaction frequency to make **humm**90 front of the digital wallet.
- 4. Cross-sell initiatives from existing products.

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NZCards | product summary

NEW ZEALAND CARDS	FY20	FY21	MEDIUM-TERM TARGETS
Volume (A\$m)	750.6	695.4	\$950m+
Interest bearing balances (%)	60.0	60.0	60.0+
Product yield (%)	19.3	19.3	~FY21
Cost of funding/borrowings (%)	3.9	3.2	~4.0
Net loss/ANR (%)	3.2	4.0	~4.0

Very good option for a quick solution when you need some cash. The 3, 6 months interest free is amazing – gives you time to catch up with finances

We had Q Card for a year, and it has allowed us to access our home Reno's a lot quicker with a finance opportunity. Thank you.

PRODUCT DESCRIPTION

The New Zealand Cards portfolio is an established and seasoned business consistently generating strong profits and today issuing one in every three cards in the New Zealand market in 4Q21.

Brands span Q Mastercard; Farmers Mastercard and Flight Centre Mastercard.

MARKET OPPORTUNITY

2.8m New Zealanders spending \$3.5b a month on credit cards.

OUR ASPIRATION

Leading integrated credit and BNPL proposition in New Zealand.

OUR STRATEGY FOR GROWTH

- 1. Engaging and encouraging limit utilisation of existing customers with the introduction of new features: instalment plans and balance transfers.
- 2. Embed long term interest free options into ecommerce check-outs.
- 3. Migrating closed loop Q Card customers to Q Mastercard to enable spend anywhere.
- 4. Cross-sell initiatives from existing products.

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PARTNERSHIPS

Chum[®]Group | PARTNERSHIP RATIONALE

FOR HUMMGROUP

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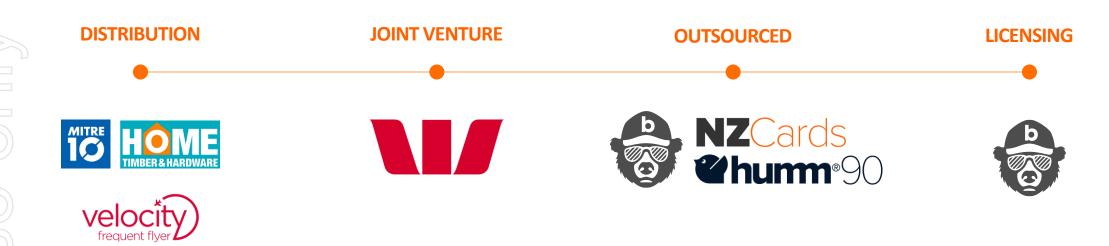
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FOR ENTERPRISES

CAPITAL LIGHT Capital light model	BANKS	LOYALTY PROGRAMS	RETAILERS	SCHEMES
LOW CUSTOMER ACQUISITION COSTS/FAST SCALING Access to high quality pre-qualified customers at a low cost		velocity frequent flyer	MITRE TIMBER & HARDWARE	mastercard
DEMAND FOR OUR TECHNOLOGY Unsolicited enquiries from more than 20 local and global banks, loyalty programs and retailers. Active	Banks partnering with BNPL to attract Millennials and Gen Z	Loyalty programs partnering to drive engagement	Merchants looking to BNPL to drive sales	Partnering with BNPL in changing payments landscape

discussions are ongoing

Chum[®]group | **PARTNERSHIP MODELS**



- Distribution only model
- Mitre10/Home Hardware: Retailers reducing trade account financing
- Velocity: Velocity members can collect points
- Very low cost of customer acquisition

- A distribution agreement for **bundll** to be marketed by Westpac to its customers
- Low cost of customer acquisition, leveraging Westpac NZ customer base
- Potential to become an equity investment through its subsidiary, Red Bird
- **humm**group manages the product day to day and earns fees based on key metrics
- Acquisition and marketing responsibilities with either partner / hummgroup or both
- Model where hummgroup's market knowledge is limited
- Fee per transaction or fee as a percentage of volume
- Monthly fee for maintenance
- Via the Mastercard strategic agreement, we are currently in discussions with banks across more than 18 markets

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INTERNATIONAL EXPANSION

WHY WE BELIEVE WE CAN COMPETE AND WIN

WE'RE 'BIG TICKET EXPERTS'



Leveraging a scalable platform with significant credit and funding expertise which is not easily replicable

WE HAVE ESTABLISHED MERCHANT RELATIONSHIPS IN KEY MARKETS



Entry into new markets via merchant 'pull' across retail, health and travel to offer **humm** in the United Kingdom and Canada

WE'RE LEVERAGING ONE POINT OF INTEGRATION TO SERVICE MULTIPLE MARKETS

दि

Embedded in practice management software, POS and payment gateways – one connection multiple points of distribution

WE FOCUS ON UNTAPPED VERTICALS



With a proven, highly rated instore customer experience we increase ATV and conversions for merchants

WE'RE AN ETHICAL LENDER



Competitors revolving credit products charging >30% APR and high late fees

WE HAVE A SWIFT PATHWAY TO PROFITABILITY



Our unit economics, especially in bigger ticket items, will be superior with profitability forecast over the medium-term

Chume | BNPL MARKET OPPORTUNITY

GLOBAL

US\$680 BILLION

will be spent by global consumers using ePOS finance/Buy Now, Pay Later (BNPL) over e-commerce channels in 2025, representing a **92% increase** over 2019.¹

1. INSIDER INTELLIGENCE, The Buy Now Pay Later Report, 2021.

CANADA

C\$50 BILLION

of the total represents the opportunity in Canada specifically,² with a **30% growth rate** over the last year alone.

2. Euromonitor Consulting Data Compilation for Visa Inc. (\$CDN).



£240+ BILLION

Outstanding credit debt in the United Kingdom as at 2020.

3. Woolard Review, February 2021.

CANADA AND UNITED KINGDOM: HOW OUR PRODUCTS WORK

We enable seamless approvals for purchases big, small or business related. Empowering consumers to choose how they wish to pay, with flexible terms from five fortnightly payments through to 72 months.

CANADA			UK			
	LITTLE THINGS	BIG THINGS		LITTLE THINGS	BIG THINGS	
Time to pay	6 fortnightly payments	6 months to 60 months	Time to pay	5 fortnightly payments	6 months to 72 months	
Monthly fee	Nil	\$1 – \$5 depending on retailer and plan	Monthly fee	Nil	£1-£3.50	
Setup fee	Nil	\$0 – \$200 depending on retailer and plan	Setup fee	Nil	£10-£45	
Late payment fee	Nil	Nil	Late payment fee	£7	£7	
Credit bureau inquiry	Soft	Hard over \$17,500	Credit bureau inquiry	Hard	Hard	

CANADA: OUR DIFFERENTIATED OFFERING

	Whumm ®	Klarna.	afterpay~>	paybright	🍫 sezzle	affirm	FLEXITI	• Fairstone
NO MINIMUM PURCHASE AMOUNT		×	×	×	×	X	×	x
LITTLE THINGS		\checkmark		\checkmark		\checkmark	×	×
BIG THINGS		×	×		×			
FLEXIBLE PAYMENT PLANS		x	×		x			
NO-FEE PRODUCTS				\checkmark		\checkmark	×	×
HIGH LIMITS > C\$20K		X	×	X	X	X		
	1. Peers includes a combination of BNPL and credit care							tion of BNPL and credit cards.

UNITED KINGDOM: OUR DIFFERENTIATED OFFERING

	Whumm ®	Klarna.	clearpay	V LAYBUY	PayPal CREDIT	ZP	openpay	litachi Capital (UK) PLC
NO MINIMUM PURCHASE AMOUNT		\checkmark	\checkmark	×	×	\checkmark		×
LITTLE THINGS			\checkmark			\mathbf{X}		×
BIG THINGS		×	×	×		×	Ø	Ø
FLEXIBLE PAYMENT PLANS					x	\checkmark		\checkmark
NO-FEE PRODUCTS						\checkmark		
HIGH LIMITS £30K		×	×	×	×	×	×	
1. Peers includes a combination of BNPL and credit car						ation of BNPL and credit card		

Whurm•group

UK AND CANADA

HUMM UNITED KINGDOM AND CANADA	MEDIUM-TERM TARGETS
Volume (A\$m)	~5x FY22
Product yield (%)	12.0+
Net loss/volume (%)	~3.0
Cost of funding/borrowings (%)	~5.0

FY22 forecast Cash NPAT: A\$-12m to \$-14m

Investments in platforms, marketing, people and credit performance.

FY22 forecast volume: ~A\$150m

Subject to regulatory approvals.

Target to be profitable over the medium-term

PRODUCT DESCRIPTION

humm 'Big things' offers a simple and financially savvy way of buying those bigger goods or services customers want or need in their life.

MARKET OPPORTUNITY

~\$400b across higher value transaction verticals in health, automotive, home and home improvement as well as personal loans.

OUR ASPIRATION

Targeting 3m customers over the longer-term.

OUR STRATEGY FOR GROWTH

- 1. The Bigger Buy Now Pay Later an ally for life's expenses with a significant market opportunity to displace white label credit cards with a more transparent and simple financing arrangement.
- 2. Targeting practice management software and POS integrations across health, automotive and trade services.
- 3. Grow point of sale distribution with a construct that blends merchant and customer fees that delivers incremental sales for merchants.
- 4. Equal focus on instore customer experience (and swift approvals) along with ecommerce.

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COMMERCIAL AND LEASING

COMMERCIAL & LEASING

NZ COMMERCIAL DIVESTMENT





ollowing significant market
interest, humm group is
irrently exploring a possible
divestment of the
New Zealand Commercial
business

Divestment is subject to any proposed sale meeting management's valuation expectation







Any proposed transaction will not impact the successful Australian **flexicommercial** broker led commercial asset finance lending business

flexicommercial. OUR CUSTOMERS AND VALUE PROPOSITION

THE MARKET OPPORTUNITY

\$41b equipment finance market in Australia.

THE TARGET AUDIENCE

SMEs looking to grow their business via the purchase of revenue generating assets.

OUR POSITIONING

Superior service enabled by strong decisioning technology.

DIFFERENTIATION

- 1. Speed to yes 24 hours
- 2. Speed to settlement same day
- 3. Focused distribution broker origination
- 4. Full spectrum of lending from low doc to full credit assessment

NEW INITIATIVES

flexiassist – higher yield

Whummegroup

flexicommercial. | BROKER TESTIMONIAL

In our opinion, flexicommercial do three things very well.

First, distribution. They're a broker only distribution model. They focus on specialist equipment finance brokers and give them the comfort of not competing with them. Brokers come up against channel conflict with almost every other lender which makes the broker wary. flexicommercial's broker only model is a competitive advantage for them.

Second, product. They have a simple well-designed product with a credit team that is dependable, predictable and repeatable. Brokers need predictability. Brokers have dozens of options so they simply need to know what the lender will and will not buy. flexicommercial does this well.

Third, service. They provide this via well trained BDMs with knowledge of the credit appetite and the influence to escalate transactions where necessary. The other factor with regards to service is access to and communication with credit.

Do these three things well and price is no longer a major consideration.

For example, we put two deals to flexicommercial on the second last day of the financial year which was settled the very next day. These deals were originally placed with major lenders and pulled because the broker was not confident that those lenders could settle the transactions prior to 30 June which was critical for the end borrower to receive the instant tax write-off.

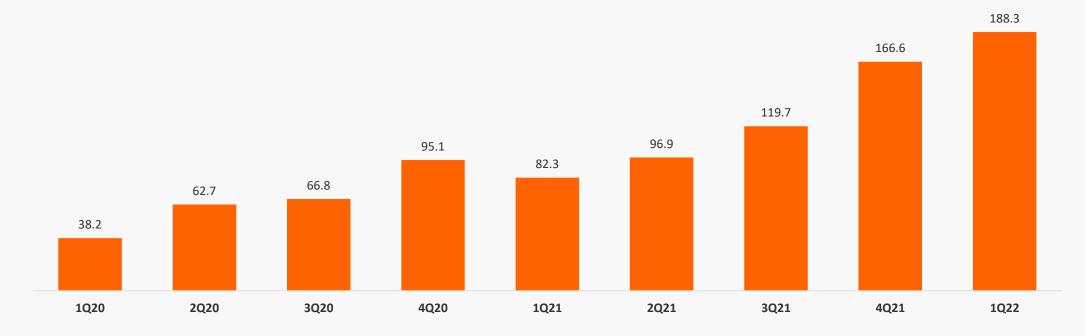
A LEADING SYDNEY BASED COMMERCIAL ASSET FINANCE BROKER

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Whummegroup

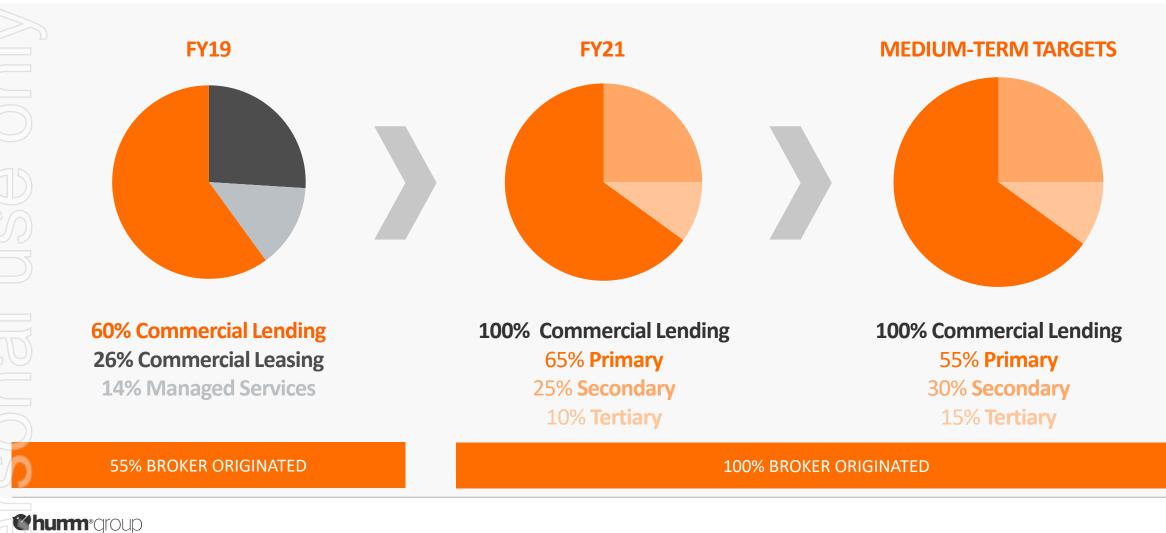
flexicommercial. | STRONG GROWTH SINCE REORIENTING THE BUSINESS

COMMERCIAL AUSTRALIA VOLUME (A\$M)



Experienced team with a credible track record of delivering business transformation

flexicommercial. | CHANGING PORTFOLIO ORIGINATION MIX (VOLUME)



flexicommercial. | PRODUCT SUMMARY

FLEXICOMMERCIAL AUSTRALIA	FY20	FY21	MEDIUM-TERM TARGETS
Volume (A\$m)	263	465	1,000+
Number of transactions	3,930	6,142	~2x FY21
Average term (months)	52	50	55+
Product yield (%)	12.3	11.6	~9%
Average receivables (A\$m)	374	566	>3x FY21
Cost of funding/borrowings (%)	4.7	3.4	~4.0



PRODUCT DESCRIPTION

Equipment finance primarily comprising of chattel mortgages to fund the purchase of revenue generating assets for small to medium businesses.

MARKET OPPORTUNITY

\$41b market.

OUR ASPIRATION

Targeting \$1.0b+ in volume over the medium-term.

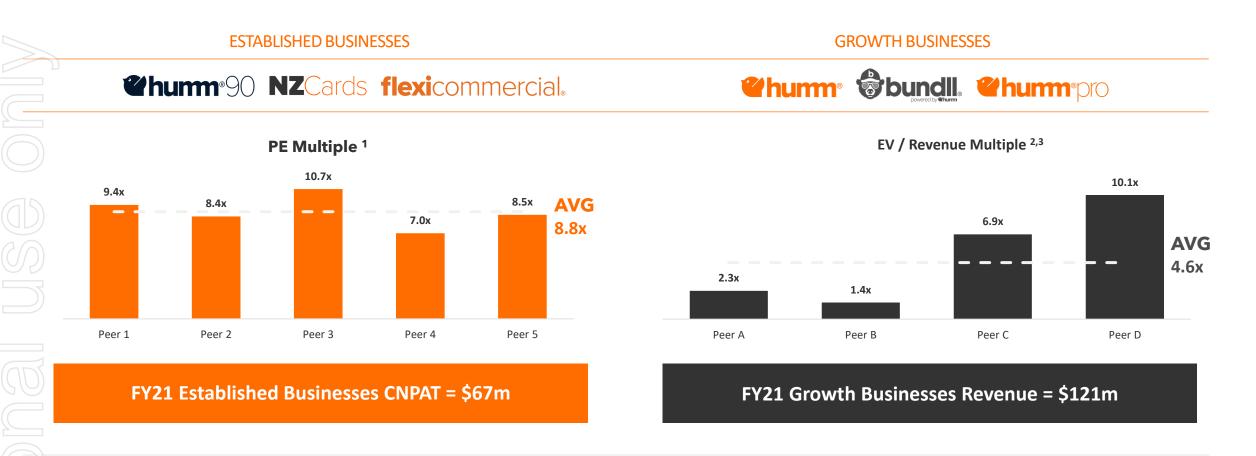
OUR STRATEGY FOR GROWTH

- 1. To be the best service provider to brokers.
- 2. Straight through processing of up to 60% of applications to continue to deliver the service proposition at scale without adding significant labour cost.
- 3. Focus on specific sub-regions where the market is underrepresented.
- 4. Increase return on equity through funding efficiency.

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FINANCIALS

Chum[®]Group | EQUITY MARKET VALUATION COMPARISONS

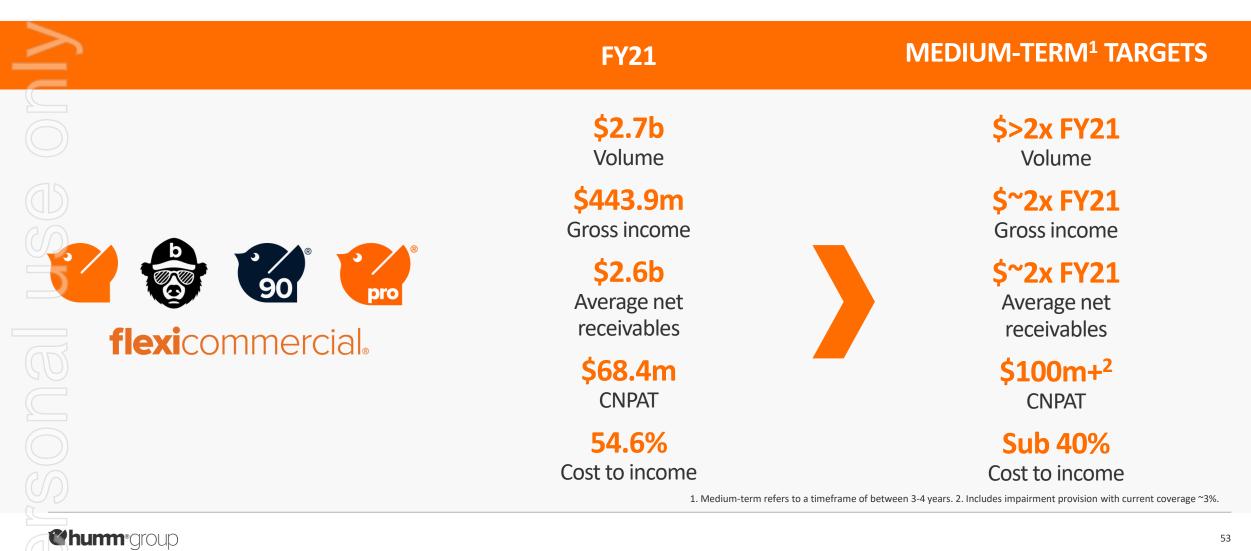


hummgroup market capitalisation today is \$451m⁴ with unrestricted cash on balance sheet of \$65m⁵

1. FY21 earnings. 2. FY21 Revenue. 3. Enterprise value excludes non-recourse financing. 4. 22 October 2021. 5. 30 September 2021

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Chum[®]Group | **GROWTH TARGETS**



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"hum"group | GROSS INCOME

INVESTMENT FOR GROWTH

Expect BNPL to deliver up to 40% of gross income for hummgroup over the medium-term.

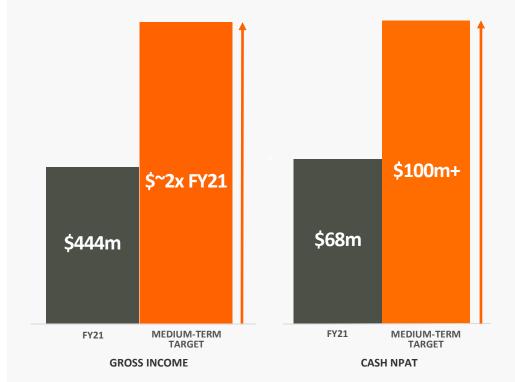
- Expect UK and Canada to represent at least 25% of gross income in the BNPL segment over the medium-term.
- Expect Commercial Australia to double FY21 gross income over the medium-term.

DISCONTINUED PRODUCTS

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Consumer Leasing gross income in FY21 of \$14m with expected run-off to complete in September 2023.

Once and Lombard (Australia Cards) average net receivables balance of \$80.8m as at June 2021 (June 2020: \$157.5m).



Chum®group | **OPEX AND CREDIT**

ACTIVITIES TO REACH SUB 40% CTI OVER MEDIUM-TERM

- Decommissioning legacy platforms of discontinued products.
- Re-platforming **humm** Australia and New Zealand to global tech stack.
- Continue to improve self-service capabilities.
- Automating further processes.

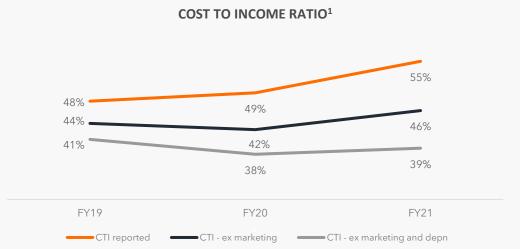
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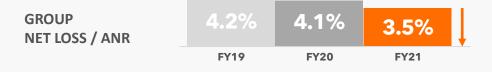
- Increase in overall marketing spend although at a much lower cost of acquisition per customer.
- Strong increase in gross income against operating expenses.
- Investment in international expansion will drive a moderate short-term increase in the cost to income ratio, with a continued focus on reducing core operational costs.

CREDIT AND PROVISIONING

- Commitment to continue improving credit performance over the medium-term.
- With volume growth expected to double over the medium-term, CNPAT will be affected by increased provisioning.
- Going forward, the impacts of credit provisions will be clearly separated out.

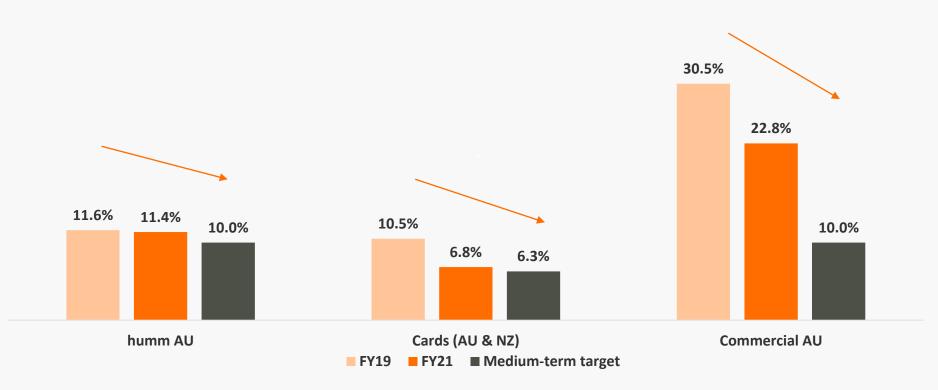
1. Cost to income is calculated on a Cash NPAT basis by dividing total expenses (operating, marketing, employment, depreciation and amortisation) by net operating income (gross income, less interest expense and direct cost of origination).





Chum[®]Group | IMPROVING CAPTIAL EFFICIENCY





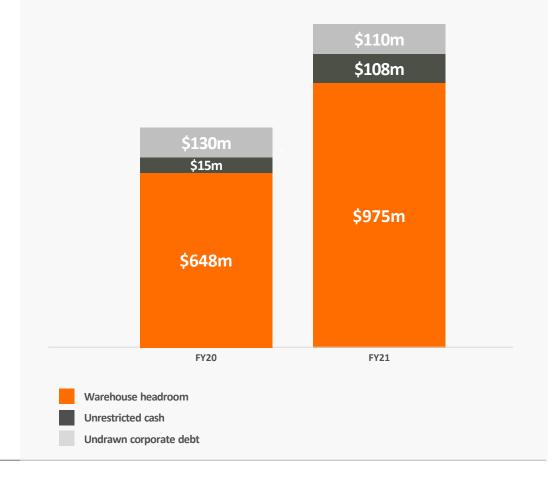
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"hum"group | **FUNDING**

HEADROOM TO FUND FUTURE GROWTH

- Strong balance sheet positioning the business for growth, with the ability to support forecast receivables growth in the UK and Canada.
- A\$110m three year syndicated revolving loan facility providing maximum flexibility.
- Further diversification of key banking partners during FY21.
- Successful introduction of warehouse mezzanine funding during FY21 with additional warehouse mezzanine investments expected to settle in 1H22.
- Well diversified funding platform.

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"Hum"group | securitisation

GROWTH UNDERPINNED BY ACCESS TO SECURITISATION MARKETS

- hummgroup's ability to access public securitisation markets is a competitive differentiator enabling diversification of funding sources and an extension of funding capacity beyond warehouse funding facilities.
- FY21 was a record year, with over \$1b of asset-backed securities ("ABS") issued.
- Increased securitisation activity Trans-Tasman continues to strengthen **humm**group's brand across public markets, with strong support from existing and new domestic and offshore investors.
- Funding costs have benefited from conducive market conditions, increased issuance volumes and strong investor demand for asset-backed paper.
- Interest expense benefits driven by reduced margins are expected to extend into FY22 and FY23
 with funding costs across public transactions locked in.
 - Over \$600m of issuance for FY22 expected to have settled by the end of October 2021, with both the NZ Cards ABS transaction in August 2021 and the recent **flexicommercial** ABS transaction upsized on account of strong investor demand. Both transactions priced inside of the previous issuances in 2H21.
- \$547m of Climate Bond certified green bonds issued since 2016.

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FINANCIAL YEAR	ISSUANCE VOLUME (A\$M)
FY18	494.5
FY19	582.2
FY20	544.2
FY21	1,043.3
FY22 YTD	614.9 ¹

1. Includes SME ABS securitisation in October 2021 that is expected to settle on 28 October 2021.

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CAPITAL MANAGEMENT

DIVIDEND POLICY

Board has approved recommencement of dividends with a payout ratio of 30% - 40% commencing in 1H22.

CASH POSITION

Unrestricted cash as at 30 September of \$65.2m.

Unrestricted cash estimated to improve by \$20m+ as at October month end, as a result of the expected completion of the \$390m flexicommercial ABS transaction releasing in excess of \$50m of capital. This cash will support growth forecasts over the coming months.

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SUMMARY

WHY YOU SHOULD THINK ABOUT BUYING HUMMGROUP SHARES



We're the only profitable BNPL player in Australia



Benefit from a global niche financing bigger ticket items



We're a portfolio of strategic and successful businesses



We're not dependent on future equity issues to fund cash losses from growth



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Accelerated growth as travel and in-store spending returns to normal



Attractive compared to other equity market valuations

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