



25 June 2026

Ms Teresa Dyson

Chair of the Board of Directors
Humm Group Limited
Level 14, 255 Pitt Street
Sydney NSW 2000

(via email)

Dear Ms Dyson and Members of the Board,

Re: The realisation of shareholder value through a sale of the Commercial division

I write in my capacity as a substantial and long-standing shareholder of Humm Group Limited (“Humm” or “the Company”). I have corresponded with successive boards of the Company over the past year, and I do so again now with a single, constructive purpose: to set out why the only remaining path to maximising value for all shareholders is to sell the Company’s Commercial division.

The Company is beset by operational and governance dysfunction. The Takeovers Panel has declared unacceptable circumstances in its affairs;¹ key human capital is at growing risk of departure; and Mr Abercrombie and TAG continue to exert influence over the Company, with the evident prospect of further stake creep. In these conditions, there is no path that maximises value for shareholders while these two distinct businesses remain combined in a single listed entity under this shareholding structure. The structure has itself become the principal impediment to value.

It follows that the choice before the Board is not the conventional one between selling the Company and continuing to operate it unchanged. Both of those courses have been overtaken by events. Selling the Commercial division to a strategic owner, and returning the proceeds, would deliver materially more value to shareholders than either of the two alternatives that remain: the status quo of continuing to “go it alone” as a listed conglomerate; or a renewed attempt to sell the

¹The conduct of the Company’s affairs in connection with these matters was the subject of a declaration of unacceptable circumstances by the Takeovers Panel. See [Takeovers Panel media release TP26-011, ‘Humm Group Limited – Declaration of Unacceptable Circumstances’](#).

Company as a whole, an exercise that has now failed twice and that the structure of the register renders unachievable.

Only a separation captures the strategic value of the Commercial franchise in the hands of the party best placed to own it, and it is to that case that I now turn.

1. The market values the whole Company at little more than half its tangible book — while its core asset earns market-leading returns

Before turning to the remedy, it is worth stating plainly the problem the Board must confront. The Company's ordinary shares trade at around 45 cents — little more than half of their tangible book value. That is not an ordinary discount. It is a market verdict of near-total loss of confidence in any pathway to value realisation under the Company's current corporate structure and shareholder register — the kind of discount ordinarily reserved for businesses expected to erode capital indefinitely.

That verdict is plainly wrong as applied to the Company's core asset. The Commercial division is a market-leading franchise, and a high-returning one. Even in the soft first half of FY26 — a credit trough in which the division's net loss rate rose to approximately 1.3% of receivables — Commercial earned a pre-tax return on equity of approximately 16% on a risk-weighted basis, against a blended group return of roughly 6.5%; on FY25 figures the divisional return approached 29%.² With credit losses guided back toward the 1.0–1.1% target, the division sustainably earns a mid-teens-to-high-twenties return on equity through the cycle. This is not a business that deserves to trade below book. It is a scarce, scaled and cash-generative franchise trapped inside a holding-company structure that the market refuses to credit.

The gulf between what the Company is worth as perceived by the market, and what its principal division is demonstrably worth, is the entire subject of this letter. It will not be closed by another quarter of results, nor by a third control process. It will be closed only by placing the Commercial division in the hands of another owner, free and clear from the governance and shareholder baggage embedded in the Humm listed entity.

2. A sale of the whole Company is no longer a credible path to value

Over the past twelve months the Company has initiated, and exhausted, two separate control processes. Neither produced a binding transaction. The unavoidable reality is that the Company's register, taken together with the conduct of its boardroom, is fundamentally incompatible with a

²Segment figures from the Company's 1H26 Interim Report (Note 2, Segment Information) and Results Presentation (11 February 2026), and FY25 Annual Report. Commercial segment PBT was \$61.2 million in FY25 and approximately \$38.2 million on a 1H26-annualised basis. Equity is not disclosed by segment; allocating it on a risk-weighted basis (secured Commercial carries approximately 1.8x less capital than unsecured Consumer), Commercial's pre-tax RoE was approximately 29% in FY25 and approximately 16% in 1H26, against a blended group pre-tax return of approximately 6.5–9.8%. Commercial net loss/ANR rose from approximately 1.0% (FY25) to 1.3% (1H26), and is guided back toward the 1.0–1.1% target.

credible sale of the whole. The Abercrombie Group (“TAG”) holds an entrenched and dominant position on the register, and its presence — and the conflicts that attend it — has deterred credible third-party interest from acquiring the Company outright. The result is not a competitive market for control but an impasse, and one that will persist for so long as the present ownership structure endures.

This impasse has been compounded by a prolonged period of boardroom dysfunction and conflict, the conduct of which has attracted adverse regulatory findings, including a declaration of unacceptable circumstances by the Takeovers Panel, and which culminated in the reconstitution of the Board in May 2026.³

The cumulative effect has been corrosive — to the Company’s standing with its funders and counterparties, to the confidence of its people, and to the credibility of any future whole-of-company process in the eyes of prospective acquirers. Two processes have now failed, and the circumstances that caused them to fail have not been removed by the recent Board changes; TAG remains the largest shareholder and is to nominate a director. Value can now be realised only by separating the Commercial division from the Company and placing it with another strategic owner.

3. The case for selling the Commercial division

Having established that the whole-of-company route is closed and that the market is mispricing a market-leading asset, I set out below the case for a standalone sale of the Commercial division. It rests on six propositions.

(1) As presently structured and valued, the Company’s cost of equity is punitively high, and the Commercial growth strategy cannot be funded.

For a financial institution, a share price of half tangible book is not merely a low rating; it is a binding operational constraint. A lender grows by funding receivables with a combination of debt and equity, and a company whose equity trades at half of book cannot raise or retain equity to support growth except by destroying value for its existing holders. The market is, in effect, imposing a punitive cost of equity and at that cost the Commercial division’s growth strategy simply cannot be funded or developed. In the hands of a trade owner funded on its own balance sheet and cost of capital, that constraint disappears entirely.

(2) Commercial is a unique, market-leading franchise, and a bona fide auction would draw strong interest that validates its value.

The Commercial division is one of a small number of scaled, independent equipment- and asset-finance franchises in the Australian market, and it earns returns well above its cost of capital through the cycle. A genuine, competitive process — conducted free of Mr Abercrombie’s

³Per the Company’s ‘Board reconstitution and EGM update’, 11 May 2026: Messrs Abercrombie and Hines resigned from the Board; Ms Dyson was appointed Chair; and the Board committed to appoint a nominee of The Abercrombie Group (the Company’s largest shareholder) no later than 1 July 2026.

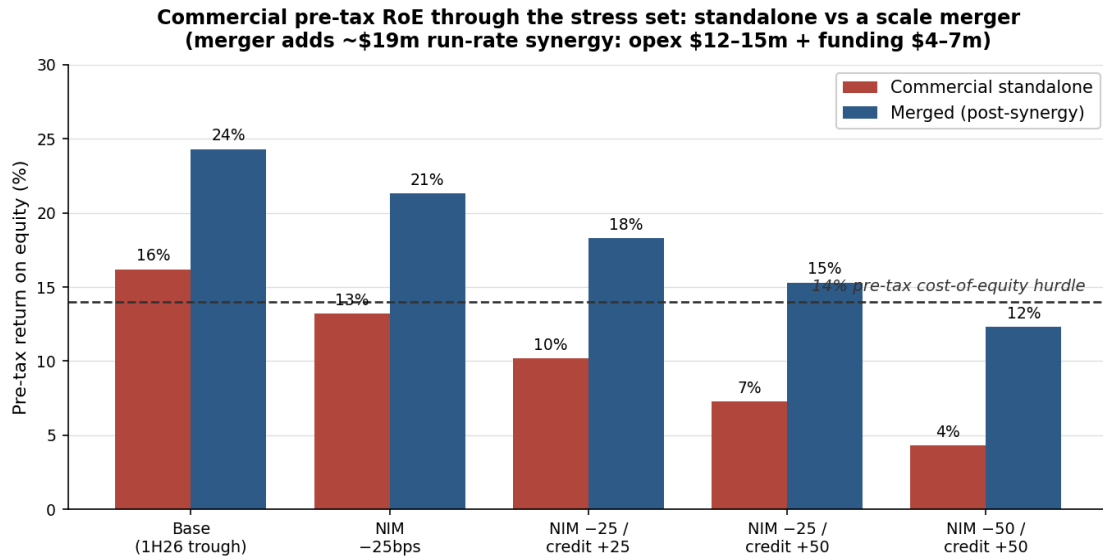
influence and with the full support of the Board — would, I am confident, attract strong interest from the logical acquirers of such a business: scaled non-bank business lenders; sponsor-owned and specialist equipment- and asset-finance platforms; and domestic and offshore banks seeking to build or rebuild asset-finance scale. There are numerous such parties, both at home and abroad. The competitive interest that a properly run process would generate is itself the most direct validation of a value the public market is presently refusing to credit.

(3) A combination for scale would future-proof the franchise on costs — and adds value through the cycle, and most of all into a downturn.

A merger of the Commercial division with a larger platform is highly value-additive, principally through cost and funding synergies that a sub-scale standalone operator cannot achieve. On the Company's own 1H26 disclosures, a combination would yield run-rate, pre-tax synergies of approximately \$16 to \$22 million. This comprises operating-expense synergies of approximately \$12 to \$15 million — some \$10 million from the removal of duplicated corporate and listed-company overhead (an acquirer already carries its own board, treasury and group functions), together with a further \$2 to \$5 million from overlapping back-office, technology and risk functions — and a funding-margin benefit of approximately \$4 to \$7 million as the combined loan book likely doubles in scale, allowing blended cost of funds to decline by an estimated 15 to 20 basis points.⁴ Customer-facing origination is deliberately preserved, so that volume and growth are protected. Comparable scale benefits would be available to any of several consolidation partners; they are a feature of the combination itself, not of any particular counterparty.

The most important feature of these synergies is not their size in benign conditions but their resilience in adverse ones. A merger is value-additive at every point in the cycle, but it matters most into a downturn, when the synergy buffer is the difference between a business that continues to earn its cost of capital and one that does not. The chart below sets out the Commercial division's pre-tax return on equity on a standalone basis against the merged, post-synergy basis across a range of stress scenarios combining margin compression and rising credit losses:

⁴Illustrative acquirer-accretion analysis based on the Company's 1H26 segment and FY25 disclosures. On the resulting returns (a ~\$19 million midpoint synergy applied to risk-weighted equity of ~\$235.8 million), the merged book earns a pre-tax RoE of approximately 24% at the 1H26 base and remains at or above the 14% pre-tax cost-of-equity hurdle across all but the most extreme combined stress, supporting an implied price-to-book of approximately 1.9x at base.



Pre-tax RoE, risk-weighted equity basis; merger adds ~\$19m run-rate synergy (opex \$12-15m + funding \$4-7m). Source: illustrative acquirer-accretion analysis based on the Company's 1H26 segmen, FY25t disclosures.

The conclusion is stark. On a standalone basis the Commercial division clears its 14% hurdle only in benign conditions, falling to mid-single-digit returns as the stress builds. The merged book, by contrast, sustains a double-digit return throughout and holds at or above the hurdle across all but the most extreme combined stress — earning approximately 24% at the 1H26 base, and still approximately 15% even under a 25 basis point margin squeeze combined with a 50 basis point increase in credit losses, against roughly 7% for the standalone business in the same case.

Thus, a scale combination does not merely enhance returns; it insulates the franchise against the very environment in which an unmerged Humm would struggle most. That is precisely the protection the Board should be securing for shareholders now, rather than after the cycle has turned.

(4) A sale now removes the risk of human-capital flight created by governance dysfunction and competitor interest.

A specialty finance franchise is, before all else, a business of people and relationships — of originators, of broker and vendor networks, and of credit and underwriting professionals whose knowledge and goodwill can leave at short notice. I am particularly concerned that many senior leaders within the Company are unwilling to continue under the ownership or influence of Mr Abercrombie and TAG, and that they may already be being targeted by competitors. Notwithstanding Mr Abercrombie's resignation from the Board, TAG remains the largest shareholder and is to nominate a director; he may well be creeping further at this moment given the decline in share price, with the creep window having opened up in mid-June.

For many senior leaders within the Company, the prospect of continued TAG influence is a powerful incentive to leave, and a direct competitor is the most probable destination.

The implication for the Board's timing is critical. The longer the Board waits, the more likely it becomes that these executives simply move on, causing irreversible franchise impairment. Separating and selling the business now therefore does more than crystallise value — it forecloses a real and present risk of further deterioration. Acting promptly is not merely the value-maximising course; it is the risk-minimising one.

(5) A sale unlocks a structural discount to value that cannot be closed in any other way; the Commercial division is worth at least 70 cents per share.

I have assessed the Commercial division principally on price to net tangible assets, the basis on which businesses of this character are most reliably valued. The division commits risk-weighted equity of approximately \$180 million to \$235 million, depending on the allocation basis.⁵ Applying a multiple of approximately 1.5 times even the higher of those figures — comfortably below the approximately 1.9 times the post-synergy economics support at the 1H26 base, and far below the levels at which comparable franchises have historically transacted — implies an equity value of approximately \$350 million, or about 70 cents per Humm share. I regard this as a floor, not a target; an earnings cross-check on run-rate merged divisional PBT of roughly \$57 million points to a higher valuation range (depending on synergy accrual and split with the acquirer).

The significance of that figure is best seen against the Company's own share price. At approximately 70 cents per share, the Commercial division alone is worth close to 1.6 times — approaching 160% of — the Company's current share price of roughly 45 cents. The market, in other words, is valuing the whole of Humm at well under the conservative standalone value of just one of its two divisions, ascribing effectively negative residual value to the Consumer business and to future growth. That discount is a direct product of the conglomerate structure and the governance overhang. A clean sale of the Commercial division is the only instrument that crystallises it.

(6) A sale of the Commercial division is straightforward to execute, requiring only an ordinary majority of shareholders (and perhaps not even that)

Finally, the transaction is readily achievable. A disposal of the Commercial division would perhaps constitute a disposal of the Company's "main undertaking" for the purposes of ASX Listing Rule 11.2, given that Commercial represents the substantial majority of the Company's receivables, earnings and growth. Listing Rule 11.2 requires that such a disposal be approved by holders of the Company's ordinary shares by ordinary resolution — that is, a simple majority of the votes cast.⁶ Whilst there is also a chance a waiver on this requirement could be received from the ASX, even

⁵ Raper Capital estimates based on FY25 disclosures. Assumed lower equity consumed in Commercial commensurate with low realized losses, higher credit quality.

⁶ ASX Listing Rule 11.2 requires an entity proposing to dispose of its main undertaking to obtain the approval of the holders of its ordinary securities by ordinary resolution, and to comply with any conditions ASX may impose.

absent this, a simple majority vote is the entirety of the shareholder threshold, and on any reasonable transaction it is well within reach. Both the substantial independent register and a rationally self-interested TAG have every reason to support a sale that crystallises value plainly unavailable by any other means.

That is, the sale of a division to a third-party purchaser is an asset disposal within the ordinary control of the Company and its shareholders — not a contest for control — and it is squarely within the Board’s power to initiate and to recommend.

4. The residual business: a well-capitalised Consumer franchise, retained and re-rated

A sale of the Commercial division would not leave shareholders with an empty shell. On the contrary, it would leave them owning a substantial, well-capitalised business in its own right. I am not advocating a fire-sale of the Consumer division. Once Commercial is sold and its allocated capital released, the residual business — the Company’s consumer finance and Australian and New Zealand cards portfolios — would retain book equity of approximately \$200 million, equivalent to roughly 40 cents per share, and would continue to generate a meaningful cash profit, the more so once relieved of the corporate overhead that a standalone Commercial sale allows to be reduced. If there are interested acquirers for this business, at that time, they could of course be then entertained on reasonable commercial terms, in the ordinary course.

A mature consumer-finance and cards business of this character would reasonably be valued at around 0.75 times its net book value. On approximately \$200 million of residual book equity, that implies a value of approximately \$150 million, or some 30 cents per share, retained by shareholders over and above the proceeds of the Commercial sale. Far from being diminished by the separation, the residual business would for the first time be valued transparently and on its own merits, rather than buried within a structure the market has comprehensively rejected.

5. The sum of the parts, and the Board’s responsibility to all shareholders

Taken together, the pieces are worth a substantial multiple of the Company’s prevailing share price. The sale of the Commercial division would return approximately 70 cents per share gross, minimum, to the Company; the retained residual business is worth approximately 30 cents per share on a conservative 0.75 times book; and the Company’s existing surplus capital provides further upside on top. Even netting taxes, transaction fees, and other contingencies, that suggests a sum-of-the-parts break-up value close to \$1 per share versus the current share price of around 45 cents. A separation would, in short, **place before shareholders over double the present market value**, by the only route now capable of achieving it.

That value cannot be achieved by a further attempt to sell the whole Company, which two processes and the structure of the register have shown to be unattainable. It cannot be achieved by continued standalone operation under a governance cloud, which is value-destructive and which risks the loss of the very people who make the Commercial division valuable. And it cannot be

achieved by a return of capital alone, which does nothing to crystallise the strategic premium that a natural owner of the Commercial franchise would pay.

I would close by respectfully reminding the Board of the nature of its duty. That duty is owed to every shareholder equally — not to the largest shareholder, not to the preservation of the Company's present form, and not to the avoidance of difficult decisions. It is the responsibility of this newly reconstituted Board to maximise value for all shareholders, and to do so through a process that is genuinely independent, competitive and free of the conflicts that have undermined every prior attempt.

Accordingly, I respectfully call upon the Board to:

- (a) appoint independent financial advisers and commence, without further delay, a competitive process for the sale of the Commercial division to a strategic owner;
- (b) take immediate steps to retain and appropriately incentivise the senior leadership of the Commercial division for the duration of any such process; and
- (c) commit to returning the proceeds of that sale, together with the Company's existing surplus capital, to shareholders to the extent not required by the residual business.

I make this submission publicly because the matter is one of urgency and, I believe, of common interest across the Company's independent register. I remain available to discuss any aspect of this letter constructively with you and your advisers.

Yours faithfully,

A handwritten signature in black ink, appearing to read 'Jeremy Raper', written in a cursive style.

Jeremy Raper