



2018

wisr

ANNUAL REPORT



More than
80,000
Australians
have come to
Wistr since we
launched as
the country's
first neo-lender.



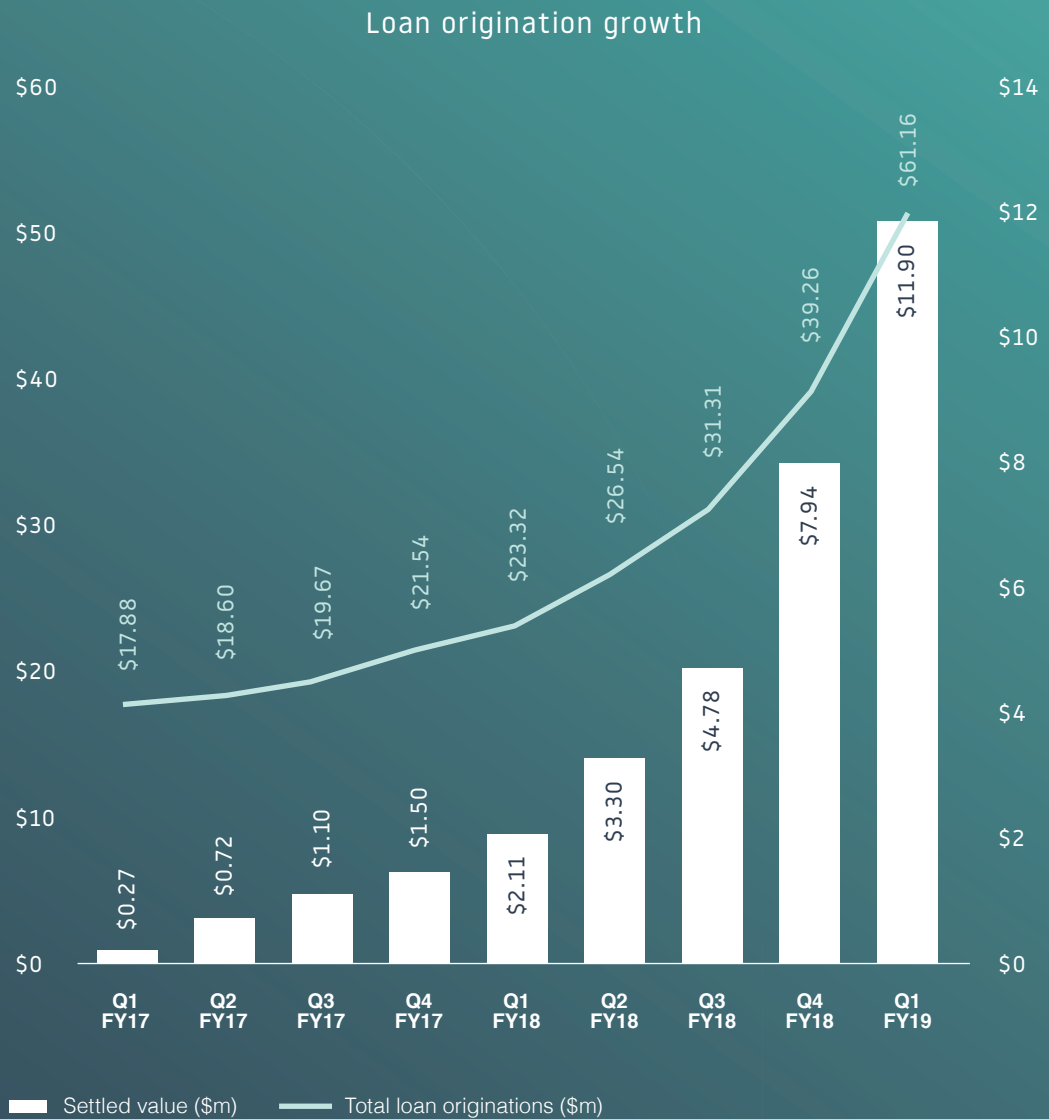
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Accessing the augmented reality features in the Annual Report

This year's Annual Report includes a number of augmented reality (AR) features that bring the Wistr story to life. To access the AR content you will need to download the free **Zappar App**, which can be found on the Apple and Google Play app stores. Once downloaded, all you have to do is open the app, point your smartphone camera at a zapcode in the Annual Report to make them come to life. If you prefer you can also view the media rich content at www.wistr.com.au/about/ShareholderInformation.





A 409% increase in loan originations during FY2018.

Highlights.

Financial performance



Operating revenue up by 37% to **\$1.6 million**



Loan origination volumes up **409%**



\$75 million in loan funding agreements secured during year with capacity to increase



7.60% net return from DirectMoney Personal Loan Fund during FY18¹

Innovation and technology



Increased new products from two to five during the financial year, including new financial apps and money education tools



80%+ automation in loan assessment and processing made it even easier for customers to apply for a Wisir loan



110 customer data points now used in credit assessment to meet responsible lending requirements and deliver personalised loans



50%+ of all brokers across Australia now able to be accredited for online lending platform

1: The DirectMoney Personal Loan Fund ARSN 602 325 628 (the "Fund"), issued by One Managed Investment Funds Limited ACN 117 400 987 AFSL 297042 as Responsible Entity of the Fund. Wisir Investment Management Pty Ltd is the investment manager of the Fund

Customer quality



More than 80,000 Australians have now come to Wizr looking for smarter and fairer financial products



More than 42% of Wizr's new customers are young borrowers, aged less than 35 years - up from the historical average of around 20%



50 Net Promoter Score average across the business means customers more likely to recommend than other lenders



Average credit score of 703 means Wizr customers are prime borrowers more creditworthy than national average

People and culture



Key executive appointments included Chief Operating Officer, Chief Marketing Officer, Head of Partnerships, Head of Digital and Head of Product



Staff recognised at leading industry awards including the national Young Leaders in Finance, Women In Finance and Optus Business Leader Of The Year awards



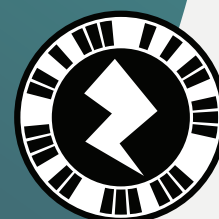
39% of senior positions held by women



34 employees across Australia



See more of Wizr's neo-lender journey.



Chairman's review.



“Wistr was both a new name and a promise to our customers. A promise in which competitive, transparent and respectful ways of business was at the core of everything that we do.”

John Nantes
Executive Chairman

Dear Shareholder,

On behalf of the Board of Directors it gives me great pleasure to present this Annual Report.

This has been a transformative year for Wistr, one that has seen the successful delivery of a new strategy, continued focus on governance, encouraging financial highlights and a clear pathway for future growth.

STRATEGY

In January 2018 the board announced it would be seeking a new company direction. One which would better reflect the needs of Australians for a fairer financial future.

In doing so we sought to deliver a new business approach, brand position, increased support from institutional lenders and investors. Much of what was set-out in our initial strategic vision has already been achieved or well underway.

The reaction from shareholders, partners, customers and stakeholders alike has been pleasing and encouraging. We have seen significant increases in our customer base and received stakeholder support.

Wistr was both a new name and a promise to our customers. A promise in which competitive, transparent and respectful ways of business was at the core of everything that we do. Importantly, this shift in business strategy has created scalability and differentiation in a competitive environment.

I believe in the near term this new strategic approach will be reflected in increased margins and revenue - even though this is not necessarily reflected in the few months since the strategy has been put in place.

REPUTATION AND GOVERNANCE

There has rarely been a time when the reputation of traditional financial sector has been so challenged. In the later part of the financial year barely a day went by when findings from the Royal Commission into banking did not appear in the headlines.

As an industry challenger, particularly one that is committed to fairer financial services, the experiences of our competitors come as both an opportunity and a sobering reminder. Many Australians are disillusioned or at least frustrated with traditional lenders and looking for alternatives. Our customer growth is testament to this.

However, our company also knows that we must remain vigilant. Thus against this backdrop, Wistr continued to deliver consistently strong credit quality - exceeding its target for arrears and book performance, and continued to attract more prime customers. Today Wistr customers have both higher income and credit scores than the national average.

The Company was also the first in the country to release tools, such as WistrCredit and Wistr@Work, that help Australians make more informed decisions about their financial futures. This will continue to be a focus for the Company into the future.

In keeping with its commitment to financial wellness and responsible lending, Wistr's development of the credit decisioning engine is also now well ahead of the competition compliance curve and the expected mandates resulting from the Banking Royal Commission.

Through recent capital raising which concluded in August 2018, we will continue to invest in technology and expertise to maintain our high level of compliance and trust with our customers.

FINANCIAL HIGHLIGHTS

Wizr Limited reported a net loss after tax of \$6.2 million for the full-year ended 30 June 2018. This result includes non-cash related costs of \$427k related to loan funding fees.

REVENUE

Wizr reported revenue of \$1,590,690 for the full-year ended 30 June 2018. Revenue was derived from interest earned on loans held on balance sheet, growth in loan establishment and other fees, fees earned from servicing loans sold to third parties, ongoing fees from borrowers related to late payments and borrower referral sales.

This was a 37% increase in revenue on the previous financial year primarily as a result of direct and broker channel activity increasing total loan originations - particularly in the second half of the year following the launch of the new brand.

Wizr also focused on increasing the number of ways to generate revenue through the addition of further customer centric products and services, which will directly benefit our customers financial well being and grow its revenue streams as a result.

As part of this activity the Company announced a capital raising via a Placement of 83,910,000 fully paid ordinary shares (Shares) at an issue price of \$0.05 each for a total amount raised of \$4,195,500.00 to sophisticated and professional investors of the Company (Placement).

EXPENSES

The Company incurred expenses of \$8 million in FY2018, up 15% from FY2017 expenses of \$7 million. This was predominantly driven by an increase in employee expenses, investment into the research and development of innovation in products and services delivered by Wizr, and marketing spend attributed to customer acquisition and launch of the new brand.

The Company spent approximately \$4.3 million on employee expenses. Included in staff costs were the value of some management incentive schemes of \$527k which are share based and therefore a non-cash item. Net write offs in FY2018 against personal loans held on the Company's balance sheet were \$80k, which is significantly lower than FY2017 of \$390k. As at 30 June 2018, the Company held \$3.6 million of loans on its balance sheet.

LOOKING FORWARD

The Company's transformation past financial year has provided a foundation for real growth going into FY2019.

The coming year will see Wizr's continued focus on delivering a globally-unique business model, with a focus on increasing business margins, reducing the cost of customer acquisition.

Specific strategic priorities for FY2019 include:


- Further investment in proprietary tech platform to support Company growth
- Increasing revenue through new, complimentary revenue lines
- Cost effective customer acquisition through Wizr ecosystem of products
- Customer growth through onboarding of major strategic partners into the Wizr@Work and Wizr&Co initiatives
- Delivery of next generation Wizr credit decisioning engine as part of an ongoing commitment to responsible lending and fairer customer outcomes

It is an exciting time for the Company, one which could not have been possible if not for the hard work, advice and expertise of the entire Wizr team.

I would like to thank the Board and management team for their continued support, vision and experience during this truly exciting time for this transformed organisation.



John Nantes
Executive Chairman

 Chairman John Nantes shares his thoughts on the Wizr transformation here.



CEO's review.



“Wistr now holds a unique place in the market as a purpose-led fintech company truly focused on the financial wellness of our customers, with a business model that is capital light, scalable and poised for growth.”

Anthony Nantes
Chief Executive Officer

In 2018 we transformed our business model, reducing customer acquisition costs and securing two large, blue-chip debt funding partners with deal structures that make our position unique in the Australian fintech landscape.

We drove significant growth in our loan originations, making us the fastest growing lender in our category. We continued our investment into our proprietary technology platform, which is scalable to over \$1 billion in annual loan originations and will continue to be a key competitive advantage in terms of automation, efficiency, customer experience and margin achievable.

We've built and launched tech products that are not only innovative in an Australian context but also globally, and in doing so created new ways that allow us to connect with our customers at all stages of their financial journey, delivering innovative technology and tools to help them along the way.

Wistr now holds a unique place in the market as a purpose-led fintech company truly focused on the financial wellness of our customers, with a business model that is capital light, scalable and poised for growth.

There continues to be a huge opportunity in Australia to disrupt the incumbents, and with such a strong foundation now in place we are perfectly positioned to take advantage of this opportunity.

None of this would have been possible without the extraordinary talent that exists inside our organisation. I feel privileged to lead a group of people who demonstrate every day their commitment to our customers, to our vision and to each other. Wistr is an incredible place to work, a workplace that combines high performance, dedication and humour, and is filled with individuals with immense capability and potential.

STRATEGY

During the year, Wistr's new Executive Leadership Team confirmed the Company's commitment to financial wellness for all Australians and focused the business on providing a smarter, fairer and wiser group of financial products and services, and re-branded the Company to “Wistr”.

Since the rebrand, more than 43% of Wistr's new customers are young borrowers, aged under 35 years (up from the historical average of less than 20%).

Recognising both the strengths but also the limitations of the peer-to-peer lending model, in 2018 the business model was transformed to a new, scalable model designed for long-term profitability. This transformation has been supported with strong institutional backing, as Wistr secured wholesale funding agreements with 255 Finance (\$50m) and Bendigo & Adelaide Bank (\$25m) as well as raising more capital with the support of both existing and new shareholders, creating a support base of truly blue-chip shareholders.

This shift in business model, whilst delivering long term value and scalability for the Company, has not necessarily been reflected in the FY2018 results as the flow on effects won't be realised immediately.

Whilst all key metrics for the Company are trending positively, revenue recognition in FY2018 does not immediately indicate the increased margins and revenue possible in the model going forward.

Yet our refreshed strategy delivers a truly unique business model in the global fintech sector, with a focus on increasing margins for the Company, reducing the cost of customer acquisition, and leveraging Wistr's technology and innovation to deliver more for every customer it interacts with.

Following the close of the financial year, Wizr significantly increased its introducer channels after its appointment to the panel of Connective, Australia's leading mortgage broker aggregator (July 2018). Together with other key broker aggregation partners, more than 50% of all finance brokers in Australia can now assist their clients with a Wizr personal loan.

Wizr continues to focus on building a profitable, scalable business by delivering beautiful customer experiences, world class tech and long term, Wizr-owned, partnership and product channels that attract prime customers to the Company.

OUTLOOK

Recent data has shown that in the USA fintechs similar to Wizr have, as of 2018, taken a 36% share of the personal loan market, which provides a strong proof point in the growth potential for Wizr in Australia.

Wizr sees regulatory changes and the impact of the Banking Royal Commission as an opportunity to increase market share among consumers seeking a fairer, more customer-centric approach to personal finance. Wizr's market leading loan origination growth rate in FY2018 has continued into FY2019, with loan originations passing the \$50 million milestone recently, and continuing on strongly into this current financial year.

The launch of the Wizr App in FY2019 will deliver a truly customer centric, automated financial wellness solution to the Australian market to assist with paying down debt and is expected to become a key pillar of the Company going forward.

This product, combined with the continued growth of WizrCredit and the Wizr@Work program will see important innovations built last year begin to deliver significant business value.

SUMMARY

Whilst we're still a young and fast-growing company, I believe we are one of the best placed in this market to take advantage of the change that is coming. We are mature enough in our systems, tools and people to be able to deliver amazing outcomes, but not big enough to be slowed down by the weight and size of our organisation.

I believe we have the right team, the right business model and technology platform, in the right market, at the right time to build something truly significant in this market. It is the perfect timing for online lending in Australia, with the next few years likely to be the 'golden age' of fintech for this country.

Having completed its business model transformation and recapitalisation as was promised, the Company is ideally positioned for long-term growth, with a truly unique suite of products and services that are tailored to the Wizr philosophy and commitment to our customers financial wellness as Australia's first neo-lender.

Wizr is looking forward to delivering on its vision of creating a company of significant size and meaning in the Australian consumer finance sector.



Anthony Nantes
Chief Executive Officer



CEO Anthony Nantes talks about Wizr's innovation mission here.



Brand.

Wizr launched its new brand in March 2018 to better reflect the Company's new focus and broader product offerings.

The brand and related marketing communications activities aimed to:

- Attract younger borrowers to help grow the overall customer base
- Build stronger ongoing connections with customers as shown through the Net Promoter Score
- Actively involve customers in business growth initiatives through the establishment of a Customer panel

ATTRACTING A YOUNGER, MORE AFFLUENT AUDIENCE

Younger adult borrowers are Australia's fastest-growing financial audience.

More than a quarter of young adults already have a personal loan and in the coming years will account for the single largest group of financial services customers. They have also proven to be an elusive audience for many traditional lenders - with attraction and retention proving notoriously difficult.

Some six months into the program and the Company had already seen strong results from the campaign. More than 42% of Wizr's new customers are young borrowers, aged less than 35 years - up from the historical average of around 20%.

The Millennial influx also helped the Company's bottom line, recording record growth in the financial half-year during the rebrand. During the campaign, total loan origination value more than doubled while new customer acquisition increased by 118%.



NEW NET PROMOTER SCORE

Wizr also launched its Net Promoter Score program for both direct and broker-acquired customers this year.

The Company received a NPS of 35 for direct customers, 54 for broker acquired customers and 50 overall. The Company will use this information to guide customer and marketing programs moving forward.

According to a report by DBM Consultants released in July 2018, the average NPS for a non-bank lender was 20.3 and -15.7 for a Big 4 bank. Wizr will use industry data and its own past performance to establish new NPS benchmarks during FY19.

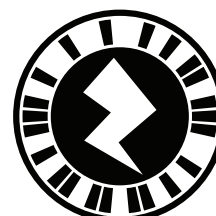
CUSTOMER PANEL

Wizr's engagement with customers has gone much further than just getting them to take-up its personal loans. Instead, they have been instrumental in helping create some of the solutions that will define the Company for years to come.

To achieve this, Wizr has created a customer experience program which brings active customers into the business to help with product development, delivery and improvement.

For example, collective confusion and frustration around credit scores from the group were instrumental in the development of the WizrCredit score comparison. Their input helped create strong customer support for the product, which saw more than 3,000 people come to the site at launch.

i Want to know who chooses Wizr? See more about our customers here.



1. <https://www.dbmconsultants.com.au/big-4-reputation-damaged-by-royal-commission/>

People and culture.



Wizr's successes during the past year are a reflection of the Company's skilled, diverse and committed team.

At 30 June 2018 the Company had 34 employees across a range of roles in locations throughout Australia. This is up from 25 employees the year before.

Included in this increase was a number of key executive appointments, brought on to help Wizr meet its growth goals. This included Mathew Lu, who was appointed Chief Operating Officer in May 2018. Mathew has 18 years experience across financial services and payment technology roles, including most recently with the Commonwealth Bank where he was Executive Manager for Retail and Commercial Credit Cards.

Other senior appointments included James Goodwin, who was appointed as Chief Marketing Officer to help guide the Wizr rebrand and then deepen engagement with our increasing customer base, and Karen Taylor as Head of Partnerships, responsible for creating offers such as our Wizr@Work financial wellness program and building new relationships with aligned businesses.

DIVERSITY

The diversity of the Wizr workforce is both a priority for the Company and a key strength.

The Company deliberately recruits experts from a wide range of backgrounds, as it strongly believes that diversity and inclusion is critical to delivering on our organisational strategy and overall business success.

Today, Wizr is a diverse workforce that reflects contemporary, multicultural Australia and at the end of the financial year 39% of senior positions within the organisation were held by women.

Looking forward Wizr will continue to look to find, retain and promote high-performing women to key positions throughout the business.

"The culture at Wizr is one you could only correlate to a close knit community. It is a high energy, fast moving environment filled with down-to-earth, relatable people. Everyone at Wizr is approachable and always willing to go the extra mile; From the CEO to the credit managers and even the board members when they pop in. It is a truly fun and unique workplace."

Kyle Abourizk, Sales and Service

"I believe at Wizr it is our responsibility to prioritise financial wellness for all Australians and I am really excited to be in a role which enables me to extend Wizr's focus on financial wellness out to other partners."

Karen Taylor, Head of Partnerships

Technology.

Wisir continued to strengthen its core lending technology platform and develop new innovative financial applications during the financial year.

The project helped drive significant customer growth in personal loans, improve the broker experience and introduce a range of new financial services. It was the most ambitious technology project the Company has ever undertaken.

PROPRIETARY LENDING PLATFORM

Wisir's proprietary lending platform delivers responsible lending, that delivers fairer loans to customers in a more efficient manner.

Improvements to the platform means it now has the ability to scale operations more efficiently than in previous years and is now capable of processing and managing more than \$1 billion in loan originations each year.

Additional technology highlights to the platform this year have included:

- Improved automation - more than 80% of the Wisir customer journey is now online and fully automated, providing a more satisfying and simpler experience for customers.
- Better credit risk assessment - the Wisir Intelligent Credit Engine uses more than 110 data points to determine an applicant's suitability.
- Optimised loan review and authorization which can process and approve loans within 90 minutes. This a significant advantage for customers when compared to using traditional lenders which can take hours or days to complete the same task.

- Digitisation of review and approval of loan documents - unlike traditional banks, which may have up to a third of their operations still paper driven², Wisir customers can elect for an entirely electronic experience - including reviewing and approving materials via their computer or smartphone. This reduces the potential for process error and improves customer responsiveness.
- Roll out of the Wisir Partner Portal, which provides brokers and other affiliates with single point of access to their transaction history, static data, product info, calculators and access points to new and current applicants. This has been a major improvement in user experience and saves time for all parties.
- Prioritisation and assignment tools - these have been designed to allow the customer support teams to optimise the assessment of loans and achieve a 30% increase in productivity.

NEW PRODUCT DEVELOPMENT

Wisir continues to develop new technologies that support its core lending business and create new competitive opportunities.


Product milestones included providing customers a smarter, more comprehensive way of comparing their credit scores through WisirCredit.com.au, to helping them pay off debt faster with the coming WisirApp.

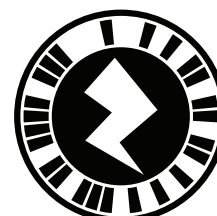
For the first time we also launched products designed to appeal to business customers, allowing them to offer financial tools and products based on the Wisir platform, such as Wisir@Work.

The Company's current product portfolio now includes:

- **Wisir personal loans** - We've helped thousands of Australians find a Wisir way of borrowing with personalised interest rates that provide a much fairer deal. In May 2018 the Company increased its personal loan limit from \$35,000 up to \$50,000¹, with a comparative interest rate up to 5% p.a. lower than the Big Four Banks².
- **WisirCredit** - The only site in Australia where customers can check and compare multiple credit scores in one place for free, WisirCredit gives customers a more holistic view on where they stand financially.
- **WisirApp** - Wisir App moved into early stage testing during the financial year. WisirApp helps address high levels of consumer debt with its innovative smartphone app. WisirApp works by rounding up everyday purchases to pay down credit cards and other forms of debt.
- **Wisir@Work** - The Company's first wellness-focused program was launched this year to help businesses assist their employees with one of the largest sources of workplace stress - personal finance.
- **Wisir Brokers** - More than 50% of Australian finance brokers can now offer a Wisir personal loan following the expansion of the Company's broker channel.

1. Excludes any additional fees and charges that may apply, which may reduce the maximum loan amount.
2. Rates as of 10th September 2018. All rates are based on a \$30,000 unsecured loan with a 5 year term. The Wisir rate is available to applicants with strong credit.

 Check out Wisir's growing range of financial fairness solutions.



Board of Directors.



JOHN NANTES
Executive Chairman

BA, U Melbourne; BComm, U Melbourne;
LLB, Deakin U; Dip. Fin Planning

Mr Nantes has over 20 years of experience in Financial Services. Prior to being the Chief Executive Officer of Adcock Private Equity, Mr Nantes was Group Head of Financial Services at Crow Horwath, which held over \$10b in funds under management and was Australia's largest SMSF provider with over 10,000 funds.

Mr Nantes has held various Chief Executive roles in Financial Services and Senior Executive roles in St George Bank and Colonial State Bank. Mr Nantes is also currently a non-executive director and responsible manager for Cashwerkz, a financial services company.



CRAIG SWANGER
Non-Executive Director

BSC Agr. U. Sydney;
MBA, FAICD

Mr Swanger has over 20 years of experience in financial services. He was previously Executive Director of Macquarie Global Investments, responsible for managing around \$10bn in client funds across Asia, North America and Australia.

He has extensive board experience, including Macquarie Bank's major funds management entity, Macquarie Investment Management Limited and a total of 15 internal external boards since 2003.

Mr Swanger more recently has worked with Australia's largest corporate bond and securitization distribution specialists, FIIG Securities.



CHRIS WHITEHEAD
Non-Executive Director

B.Sc (Chem), U Manchester; Advanced
Management, U. Penn-Wharton

Mr Whitehead has over 30 years' experience in financial services and technology, over a wide range of roles. He was formerly CEO of Credit Union Australia Limited from 2009 to 2015 and CEO Retail Banking at BankWest from 2001 to 2007.

Mr Whitehead has previously served as non-executive director for Cuscal Limited, St Andrews Insurance Group, Unisys West and a number of other financial services, technology and community organisations.

Financial Report.

The Directors present their report, together with the financial statements, on the consolidated entity (referred to hereafter as the Group) consisting of Wistr Limited (referred to hereafter as the Company or Parent Entity) and the entities it controlled at the end of, or during, the year ended 30 June 2018.



Directors' Report.

FOR THE YEAR ENDED 30 JUNE 2018

The Directors present their report, together with the financial statements, on the consolidated entity (referred to hereafter as the Group) consisting of Wisr Limited (referred to hereafter as the Company or Parent Entity) and the entities it controlled at the end of, or during, the year ended 30 June 2018.

DIRECTORS

The following persons were directors of the Company during the whole of the financial year and up to the date of this report, unless otherwise stated:

Name	Position
John Nantes	Executive Chairman
Craig Swanger	Non-Executive Director
Chris Whitehead	Non-Executive Director

Particulars of each director's experience and qualifications are set out later in this report.

PRINCIPAL ACTIVITIES

During the financial year, the Group's primary activity was writing personal loans for 3 and 5 year maturities to Australian consumers, then on-selling these loans to either the DirectMoney Personal Loan Fund ARSN 602 325 628 (the Fund), issued by One Managed Investment Funds Limited ACN 117 400 987 AFSL 297042 as Responsible Entity of the Fund, or to institutional and wholesale investors.

REVIEW OF OPERATIONS

The Group reported a net loss after tax of \$6.2 million for the full-year ended 30 June 2018. This result includes non-cash related costs of \$427k related to loan funding fees.

Table 1: Key financial results

FY2018	Reported	Excluding significant one-off items ¹
Revenues from ordinary activities	\$1.6 million	\$1.6 million
Loss before income tax	\$6.2 million	\$5.8 million
Earnings per share	(1.4 cents)	(1.3 cents)
FY2017	Reported	Excluding significant one-off items ²
Revenues from ordinary activities	\$1.2 million	\$1.2 million
Loss before income tax	\$5.4 million	\$4.6 million
Earnings per share	(1.4) cents	(1.2) cents

1. Excludes one-off expenses for Macquarie Bank Limited's Funder Fee (\$0.3 million), 255 Finance's Funder Fee (\$0.1 million) and Alceon's option expense (\$31k).

2. Excludes one-off expenses for Macquarie Bank Limited's Funder Fee (\$0.9 million).

Key Group highlights include:

- Revenue up 37%, increased to \$1,590,690 (FY2017: \$1,160,153)
- Loan origination volumes up 409% from FY2017
- Major business transformation completed with successful launch of the Wisr brand
- Two significant wholesale funding agreements, secured with 255 Finance Investments Pty Ltd (255 Finance) (\$50m) and Bendigo and Adelaide Bank Limited (Bendigo and Adelaide Bank) (\$25m) to support new business model and growth
- Marginal increase in full-year net loss after tax, up 14% to \$6,207,866 (FY2017: \$5,431,673)
- Successful build, pilot and launch of several innovative products and services

Directors' Report.

FOR THE YEAR ENDED 30 JUNE 2018

Revenue

The Group generated operating revenue of \$1,590,690 in FY2018, a 37% increase on FY2017 revenue of \$1,160,153. Revenue was derived from early crystallization of loan establishment fees through loan sales, fees earned from servicing loans sold to third parties, interest earned on loans on balance sheet, ongoing fees from borrowers related to late payments and borrower referral sales. In FY2018 the Group focused on increasing the number of ways to generate revenue through the addition of further customer centric products and services, which will directly benefit our customers financial wellbeing and grow our revenue streams as a result.

Expenses

The Group incurred expenses of \$8.0 million in FY2018, up 15% from FY2017 expenses of \$7.0 million. This was predominantly driven by an increase in employee expenses, investment into the research and development of innovation in products and services delivered by Wizr, and marketing spend attributed to the Group's commitment to strategically grow the Group's capabilities.

The Group spent approximately \$4.3 million on employee expenses, increasing staff numbers during the year to approximately 33 to set the Company up to build on and sustain the rapid growth being delivered in loan originations and customer acquisition and compliment the new set of products and services. Included in staff costs were the value of some management incentive schemes of \$527k which are share based and therefore a non-cash item.

Net write offs in FY2018 against personal loans held on the Group's balance sheet were \$80k, which is significantly lower than FY2017 of \$390k. As at 30 June 2018, the Group held \$3.6 million of loans on its balance sheet.

Strategy

During the year, Wizr's new Executive Leadership Team confirmed the Group's commitment to financial wellness for all Australians and focused the business on providing a smarter, fairer and wiser group of financial products and services, and re-branded the Company to "Wizr". Since the rebrand, more than 43% of Wizr's new customers are young borrowers, aged under 35 years (up from the historical average of less than 20%).

Recognising the limitations of the peer-to-peer lending model, in 2018 the business model was transformed to a new, scalable model designed for long-term profitability. This transformation has been supported with strong institutional backing, as Wizr secured wholesale funding agreements with 255 Finance (\$50m) and Bendigo & Adelaide Bank (\$25m) as well as raising more capital via placement to Alceon Group Pty Limited (Alceon) as another strategic investor in the Company, joining Macquarie Bank and Adcock Private Equity as shareholders.

This shift in business model, whilst delivering long term value and scalability for the Group, has not necessarily been reflected in the FY2018 results as the flow on effects will not be realised immediately. Whilst all key metrics for the Group are trending positively, revenue recognition in FY2018 does not immediately indicate the increased margins and revenue possible in the model going forward.

Wizr continued to deliver consistently strong credit quality, exceeding its targets for arrears and book performance, and continued to attract more prime customers to the Group, with Wizr customers having higher income and credit scores than the national average.

The refreshed strategy delivers a truly unique business model in the global fintech sector, with a focus on increasing margins for the Group, reducing the cost of customer acquisition, and leveraging the Group's technology and innovation to deliver more for every customer it interacts with.

Key initiatives in FY2018 included:

- Rebranding as Wizr in March 2018 to reflect the Group's focus on providing a smarter, fairer and wiser group of financial products and services;
- Increasing the personal loan limit from \$35,000 to \$50,000 to meet increased borrower demand;
- Increasing the margin and the ways the Group makes revenue, by increasing revenue-generating activities from two revenue lines in FY2017 to seven in FY2018;
- Ongoing investment in Wizr's proprietary technology platform to reduce acquisition costs and deliver faster, better credit decisions, resulting in more than 80% of the customer journey being fully automated;
- In keeping with its commitment to financial wellness and responsible lending, Wizr's credit decisioning engine is now well ahead of the compliance curve and the expected mandates resulting from the Banking Royal Commission;
- Expanded the Executive Leadership Team with the appointment of Mathew Lu from CBA Bank as Chief Operating Officer in May 2018;
- Developed Australia's first credit rating comparison site, WizrCredit.com.au, enabling consumers to check and compare multiple credit scores for the first time in Australia, and providing a new customer acquisition channel (launched August 2018);
- Developed Wizr app and began beta testing phase (full consumer launch in FY2019);
- Built and successfully piloted the Wizr@Work program, with a focus on financial wellness in the workplace, as a key growth initiative.

Directors' Report.

FOR THE YEAR ENDED 30 JUNE 2018

Following the close of the financial year, Wisr significantly increased its introducer channels after its appointment to the panel of Connective, Australia's leading mortgage broker aggregator (July 2018). Together with other key broker aggregation partners, more than 50% of all finance brokers in Australia can now assist their clients with a Wisr personal loan.

Wisr continues to focus on building a profitable, scalable business by delivering beautiful customer experiences, world class tech and long term, Wisr-owned, partnership and product channels that attract prime customers to the Group.

Strategic priorities for FY2019 include:

- Further investment in the proprietary tech platform to support Company growth;
- Increasing revenue through new, complimentary revenue lines;
- Cost effective customer acquisition through the Wisr ecosystem of products;
- Customer growth through onboarding of major strategic partners into the Wisr@Work and Wisr&Co initiatives;
- Delivery of next generation Wisr credit decisioning engine as part of an ongoing commitment to responsible lending and fairer customer outcomes.

Outlook

Recent data has shown that in the USA fintechs similar to Wisr have, as of 2018, taken a 36% share of the personal loan market, which provides a strong proof point in the growth potential for Wisr in Australia. Wisr sees regulatory changes and the impact of the Banking Royal Commission as an opportunity to increase market share among consumers seeking a fairer, more customer-centric approach to personal finance.

Wisr's market leading loan origination growth rate in FY2018 has continued into FY2019, with loan originations in the first two months of FY2019 already approximately matching the entire final quarter of FY2018, with August 2018 a record breaking largest month in the history of the Group. The Group is on track to pass \$50 million in cumulative total loans written in the coming weeks.

The launch of the Wisr App in late 2018 will deliver a truly customer centric, automated financial wellness solution to the Australian market to assist with paying down debt and is expected to become a key pillar of the Group going forward. This product, combined with the continued growth of WisrCredit and the Wisr@Work program will see important innovations built last year begin to deliver business value.

It is perfect timing for online lending in Australia. Having completed its business model transformation and recapitalisation as was promised, the Group is ideally positioned for long-term growth, with a truly unique suite of products and services that are tailored to the Wisr philosophy and commitment to our customers financial wellness as Australia's first neo-lender. Wisr is looking forward to delivering on its vision of creating a company of significant size and meaning in the Australian consumer finance sector.

DIVIDENDS

There were no dividends declared or paid in the financial year.

SIGNIFICANT CHANGES IN STATE OF AFFAIRS

There were no significant changes in the state of affairs of the Group during the financial year.

EVENTS SINCE THE END OF THE FINANCIAL YEAR

On 31 August 2018, the Company completed a capital raise via a placement of 83,910,000 fully paid ordinary shares at an issue price of \$0.05 each for a total amount of \$4,195,500 (to be received in two tranches) to sophisticated and professional investors.

In May 2018, the Group completed a \$25 million wholesale funding agreement with Bendigo and Adelaide Bank Limited. As of the date of this report, the Group is in the process of completing the conditions precedent before the facility becomes fully operational.

ENVIRONMENTAL MATTERS

The Group is not subject to any significant environmental regulations under Australian Commonwealth or State law.

Directors' Report.

FOR THE YEAR ENDED 30 JUNE 2018

INFORMATION ON DIRECTORS

The names and details of the Company's directors in office during the financial year and until the date of this report are presented below.

John Nantes

Qualifications

Experience

- Executive Chairman
- LLB, B.Comm, B.A., Dip Financial Planning
- Mr Nantes has over 20 years of experience in Financial Services. Prior to being the Chief Executive Officer of Adcock Private Equity Pty Ltd, Mr Nantes was Group Head of Financial Services at Crowe Horwath, which held over \$10b in funds under management and was Australia's largest SMSF provider with over 10,000 funds. Mr Nantes has also been the CEO of Prescott Securities, a Stockbroking and Financial Planning business managing over \$2b in FUM, as well as the CEO of WHK Eastern Victoria, an accounting and specialist tax business. Mr Nantes has also held various Senior Executive roles in St George Bank and Colonial State Bank across retail, private banking and wealth management. Mr Nantes is also currently a non-executive director and responsible manager for Cashwerkz Pty Ltd, a financial services company.

Interest in shares and options as at 30 June 2018

- Ordinary shares held: 667,015
- Performance rights held: 12,000,000

Former directorships (last 3 years)

- None

Other current directorships

- Trustees Australia Limited (TAU:ASX)

Craig Swanger

Qualifications

Experience

- Non-Executive Director
- BCom (Hons), Graduate Diploma in Financial Markets
- Mr Swanger has over 20 years of experience in financial services. He was Executive Director of Macquarie Global Investments, responsible for managing around \$10bn in client funds across Asia, North America and Australia.

Mr Swanger has direct experience in structuring and raising funds from retail investors, including through managed funds, structured products and listed vehicles in several jurisdictions. He has extensive board experience, including Macquarie Bank's major funds management entity, Macquarie Investment Management Limited and a total of 15 internal external boards since 2003.

Mr Swanger was Chairman of 5 of the largest debt listed investment companies in Australia and New Zealand issued over the past decade, and more recently worked with Australia's largest corporate bond and securitization distribution specialists, FIIG Securities.

Interest in shares and options as at 30 June 2018

- Ordinary shares held: 636,364
- Performance rights held: 1,000,000

Former directorships (last 3 years)

- None

Other current directorships

- None

Directors' Report.

FOR THE YEAR ENDED 30 JUNE 2018

Chris Whitehead

Qualifications

Experience

Interest in shares and options as at 30 June 2018

Former directorships (last 3 years)

Other current directorships

- Non-Executive Director
- BSc in Chemistry, Wharton Advanced Management Program, FAICD, F Fin
- Mr Whitehead has over 30 years' experience in financial services and technology, over a wide range of roles. He was formerly CEO of Credit Union Australia Limited (2009 to 2015) and CEO Retail Banking at BankWest (2001 to 2007). He has served as CIO at BankWest and Advance and prior to this worked within the IT industry. Chris has previously served as non-executive director for Cuscal Limited, St Andrews Insurance Group, Unisys West and a number of other financial services, technology and community organisations.
- Ordinary shares held: 200,000
Performance rights held: 6,000,000
- None
- None

INFORMATION ON COMPANY SECRETARIES

Leanne Ralph

Qualifications

Experience

- B.Bus, Graduate Diploma in Applied Corporate Governance
- Leanne is an experienced Company Secretary with over 15 years in this field, and holds this position for a number of ASX-listed entities. She was the founder of Boardworx Australia Pty Ltd, a business specialising in the provision of outsourced Company Secretarial services.
- Leanne is a Fellow of the Governance Institute of Australia, a Graduate Member of the Australian Institute of Directors and is a member of the Governance Institute of Australia's Corporate and Legal Issues Committee.

May Ho

Qualifications

Experience

- LLB, B.Bus, Graduate Diploma in Applied Corporate Governance
- Miss Ho holds a Bachelor of Laws and Bachelor of Business (Accounting Major) degree and has completed a Graduate Diploma in Applied Corporate Governance. She is currently also Office Manager and Compliance Officer of the Group.
- Miss Ho has also had over 3 years' experience practicing as a solicitor in a private law firm in Sydney.

INDEMNIFICATION AND INSURANCE OF OFFICERS AND AUDITORS

The Group has entered into agreements with the following to indemnify them against liabilities incurred in their capacity as an officer/director of the Group to the extent permitted by law:

- | | |
|-------------------|-------------------|
| - John Nantes | - Stephen Porges |
| - Craig Swanger | - Campbell McComb |
| - Chris Whitehead | - Winton Willesee |
| - Peter Beaumont | - Andrew McKay |
| - Leanne Ralph | - Robert Parton |

Directors' Report.

FOR THE YEAR ENDED 30 JUNE 2018

During the financial year, the Group incurred a premium to insure the directors and officers of the Group. Disclosure of the nature of the liabilities covered and the amount of the premium payable is prohibited by the insurance contract.

The Group has not otherwise, during or since the end of the financial year, except to the extent permitted by law indemnified or agreed to indemnify an officer or auditor of the company or any of its controlled entities against a liability incurred as such an officer or auditor.

MEETINGS OF DIRECTORS

The number of meetings of the Company's Board of Directors and of each board committee held during the year ended 30 June 2018, and the number of meetings attended by each director were:

	Directors' Meetings		Remuneration and Nomination Committee Meetings	
	Number eligible to attend	Number attended	Number eligible to attend	Number attended
John Nantes	12	12	—	—
Craig Swanger	12	12	2	2
Chris Whitehead	12	12	2	2

PROCEEDINGS ON BEHALF OF THE COMPANY

No proceedings have been brought or intervened in on behalf of the Company with leave of the Court under section 237 of the *Corporations Act 2001*.

NON-AUDIT SERVICES

BDO East Coast Partnership were appointed Company auditor on 20 May 2015 and will continue in office in accordance with section 327 of the *Corporations Act 2001*. The Company may decide to engage the auditor on assignments additional to their statutory audit duties where the auditor's expertise and experience with the Group are important.

The following fees were paid or payable to BDO East Coast Partnership for non-audit services provided during the year ended 30 June 2018:

	\$
Taxation services	4,850

The directors are satisfied that the provision of non-audit services during the financial year, by the auditor (or by another person or firm on the auditor's behalf), is compatible with the general standard of independence for auditors imposed by the *Corporations Act 2001*.

The directors are of the opinion that the services as disclosed in Note 18 to the financial statements do not compromise the external auditor's independence requirements of the *Corporations Act 2001* for the following reasons:

- all non-audit services have been reviewed and approved to ensure that they do not impact the integrity and objectivity of the auditor; and
- none of the services undermine the general principles relating to auditor independence as set out in APES 110 Code of Ethics for Professional Accountants issued by the Accounting Professional and Ethical Standards Board, including reviewing or auditing the auditor's own work, acting in a management or decision-making capacity for the company, acting as advocate for the company or jointly sharing economic risks and rewards.

AUDITOR'S INDEPENDENCE DECLARATION

The auditor's independence declaration in accordance with section 307C of the *Corporations Act 2001* for the year ended 30 June 2018 has been received and can be found within the financial report.

Directors' Report.

FOR THE YEAR ENDED 30 JUNE 2018

PERFORMANCE RIGHTS

At the date of this report, the unissued ordinary shares of Wisr Limited under performance rights are as follows:

Effective Grant Date	Date of Expiry	Exercise Price	Number under Performance Rights
18 November 2015	18 November 2018	Nil	1,500,000
17 November 2016	17 November 2019	Nil	17,500,000
7 August 2017	31 July 2019	Nil	3,203,781
7 August 2017	31 July 2020	Nil	3,203,781
			25,407,562

Performance rights holders do not have any rights to participate in any issues of shares or other interests of the Company or any other entity.

There have been no performance rights granted over unissued shares or interests of any controlled entity within the Group during or since the end of the reporting period.

For details of performance rights issued to directors and executives as remuneration, refer to the remuneration report.

CORPORATE GOVERNANCE STATEMENT

Our Corporate Governance Statement is available on our website at: www.wisr.com.au/About/Policies.

Directors' Report.

FOR THE YEAR ENDED 30 JUNE 2018

REMUNERATION REPORT (AUDITED)

The Directors present Wistr Limited's 2018 remuneration report which sets out remuneration information for the Company's non-executive directors and other key management personnel.

The report contains the following sections:

- a) Key management personnel disclosed in this report
- b) Remuneration governance
- c) Service agreements
- d) Details of remuneration
- e) Equity instruments held by key management personnel
- f) Movement in performance rights
- g) Fair value of performance rights

a) Key management personnel disclosed in this report

The key management personnel are those persons having authority and responsibility for planning, directing and controlling the major activities of the Group, directly or indirectly, including any director (whether executive or otherwise) of the Parent Entity.

During the year ended 30 June 2018 and up to the date of this report, the following were classified as key management personnel:

Name	Position
John Nantes	Executive Chairman
Craig Swanger	Non-Executive Director
Chris Whitehead	Non-Executive Director
Anthony Nantes	Chief Executive Officer
Andrew Goodwin	Chief Financial Officer
Mathew Lu	Chief Operating Officer (KMP from 15 May 2018 to date)
Peter Beaumont	Chief Operating Officer (KMP until 15 May 2018)
David Doust	Executive Director of Wistr Finance Pty Ltd (retired 17 August 2017)

b) Remuneration governance

The Remuneration and Nominations Committee consists of Non-Executive Directors Chris Whitehead and Craig Swanger as members. The Remuneration and Nominations Committee has a Charter in place which specifies the authority delegated by the Board and to set out the role, responsibilities, membership and operation of the Committee.

The Remuneration and Nominations Committee ensures that executive reward satisfies the following key criteria for good reward governance practices:

- competitiveness and reasonableness;
- acceptability to shareholders;
- performance linkage and alignment of executive compensation;
- transparency; and
- capital management.

The Company has structured an executive remuneration framework that is market competitive and complimentary to the reward strategy of the organisation. Aligning to shareholders' interests, the framework:

- has economic profit as a core component;
- focuses on sustained growth in shareholder wealth as well as focusing the executive on key non-financial drivers of value; and
- attracts and retains high calibre executives who receive a base salary (which is based on factors such as length of service and experience), superannuation, and performance incentives.

In accordance with best practice corporate governance, the structure of non-executive director and executive remuneration is separate and distinct.

Directors' Report.

FOR THE YEAR ENDED 30 JUNE 2018

Company Performance

Given the growth nature of the Company, the lack of profit and other key financial variables as shown in the table below, salary and the award of Performance Rights are made on the basis of each individual's contribution to their specific role in the Company to date and their expected importance to the future of the Company. Performance Rights were deemed to provide an appropriate performance incentive for each individual as applicable.

	30 June 2018 \$	30 June 2017 \$	30 June 2016 \$
Operating revenue	1.591m	1.160m	1.237m
Loss	(6.208m)	(5.432m)	(8.754m)
Dividend	nil	nil	nil
Cash balance	1.549m	3.479m	1.265m
Share price	\$0.02	\$0.03	\$0.05

Non-executive directors

Non-executive director remuneration was designed to attract and retain directors of the highest calibre, whilst incurring a cost which is acceptable to shareholders.

The Constitution and the ASX Listing Rules specify that the aggregate remuneration of non-executive directors shall be determined from time to time by a general meeting. An amount not exceeding the amount determined is then divided between the directors as agreed. The latest determination was adopted by a special resolution passed at the Annual General Meeting held on 24 November 2006 when shareholders approved an aggregate remuneration of up to a maximum of \$500,000 per year.

The aggregate remuneration is reviewed annually. The remuneration for non-executive directors is comprised of cash, superannuation contributions and performance rights.

Retirement allowances for non-executive directors

There is no scheme to provide retirement benefits, other than statutory superannuation, to non-executive directors.

CEO remuneration

The remuneration aspects of the contract for the CEO aims to reward the CEO with a level and mix of remuneration commensurate with the position and responsibilities within the Company and so as to:

- align the interests of the CEO with those of the shareholders; and
- ensure total remuneration is competitive by market standards.

The Remuneration and Nominations Committee assesses the appropriateness of the nature and amount of remuneration of the CEO on a periodic basis by reference to relevant employment market conditions with the overall objective of ensuring maximum stakeholder benefit from the retention of a high quality CEO.

Fixed remuneration

The level of fixed remuneration for the CEO is set so as to provide a base level of remuneration which is both appropriate to the position and is competitive in the market. The CEO receives fixed remuneration by way of salary and company superannuation payments.

Other employees' remuneration

The Company aims to reward employees with a level of remuneration commensurate with their position and responsibilities within the Company and so as to ensure total remuneration is competitive by market standards. The CEO makes assessments and recommendations to the Board regarding employee remuneration.

Retirement benefits

No executives have entered into employment agreements that provide additional retirement benefits.

Directors' Report.

FOR THE YEAR ENDED 30 JUNE 2018

REMUNERATION REPORT (AUDITED) (continued)

c) Service agreements

The remuneration agreements of key management personnel as at 30 June 2018 are set out below:

KMP	Position held as at 30 June 2018 and any change during the year	Contract details (duration and termination)	Agreed gross cash salary per annum incl. superannuation \$
Mr J Nantes	Executive Chairman	No determined duration – subject to retirement and re-election rules of the Company's constitution. No notice required to terminate.	100,000
Mr C Swanger	Non-executive director	No determined duration – subject to retirement and re-election rules of the Company's constitution. No notice required to terminate.	60,000
Mr C Whitehead	Non-executive director	No determined duration – subject to retirement and re-election rules of the Company's constitution. No notice required to terminate.	60,000
Mr A Nantes	Chief Executive Officer	No fixed term. 6 months' notice to terminate.	273,750
Mr A Goodwin	Chief Financial Officer	No fixed term. 3 months' notice to terminate.	240,900
Mr M Lu	Chief Operating Officer (from 15 May 2018)	No fixed term. 1 months' notice to terminate	200,000
Mr P Beaumont	Chief Operating Officer (up until 15 May 2018)	No fixed term. 3 months' notice to terminate.	200,000
Mr D Doust	Executive director of Wisir Finance Pty Ltd (retired 17 August 2017)	No fixed term. 1 months' notice to terminate.	191,625

In addition to the above salary based compensation, the following key management personnel have been granted performance rights to align their compensation with the performance of the Company, as reflected in its share price. Performance rights are granted in tranches and are linked to increasing share prices over designated periods, as per the following table:

KMP	Share price target*	6 cents	12 cents	18 cents	25 cents	35 cents	50 cents
Mr J Nantes	No. of performance rights that will vest	4,000,000	4,000,000	4,000,000	–	–	–
	Minimum period to remain a director after re-admission	None	12 months from 17 Nov 2016	24 months from 17 Nov 2016	N/A	N/A	N/A
	Date performance rights lapse if conditions not met	17 Nov 2019	17 Nov 2019	17 Nov 2019	N/A	N/A	N/A
Mr C Swanger	No. of performance rights that will vest	333,333	333,333	333,334	–	–	–
	Minimum period to remain a director after re-admission	None	12 months from 17 Nov 2016	24 months from 17 Nov 2016	N/A	N/A	N/A
	Date performance rights lapse if conditions not met	17 Nov 2019	17 Nov 2019	17 Nov 2019	N/A	N/A	N/A

Directors' Report.

FOR THE YEAR ENDED 30 JUNE 2018

KMP	Share price target*	6 cents	12 cents	18 cents	25 cents	35 cents	50 cents
Mr C Whitehead	No. of performance rights that will vest	1,500,000	1,500,000	1,500,000	500,000	500,000	500,000
	Minimum period to remain a director after re-admission	None	12 months from 17 Nov 2016	24 months from 17 Nov 2016	None	12 months from 13 Jul 2015	12 months from 13 Jul 2015
	Date performance rights lapse if conditions not met	17 Nov 2019	17 Nov 2019	17 Nov 2019	18 Nov 2018	18 Nov 2018	18 Nov 2018
Mr P Beaumont	No. of performance rights that will vest	–	–	–	560,000	1,120,000	1,120,000
	Minimum period to remain an employee after re-admission	N/A	N/A	N/A	None	12 months from 13 Jul 2015	24 months from 13 Jul 2015
	Date performance rights lapse if conditions not met	N/A	N/A	N/A	4 Sep 2018	4 Sep 2018	4 Sep 2018

* The Performance Rights will be issued and will vest in tranches based on the volume weighted average price at or above the hurdle price for at least ten consecutive trading days. In addition, the term hurdle must be met.

d) Details of remuneration

The following table of benefits and payment details, in respect to the financial year, represents the components of remuneration for each member of the key management personnel of the Group:

	Short term benefits		Post employment benefits	Long-term benefits	Share based payments			
	Cash salary, fees & short-term compensated absences \$	Short-term incentive schemes \$	Super-annuation \$	Long service leave \$	Performance Rights \$	Shares \$	Total \$	% Performance Related
Directors (2018)								
John Nantes	91,324	–	8,676	–	9,493	–	109,493	8.67
Craig Swanger	54,795	–	5,205	–	791	–	60,791	1.30
Chris Whitehead	54,795	–	5,205	–	3,615	–	63,615	5.68
Total:	200,914	–	19,086	–	13,899	–	233,899	
Executives (2018)								
Anthony Nantes	250,000	95,890	32,860	–	–	255,079	633,829	56.81
Andrew Goodwin	210,000	–	19,950	–	–	209,082	439,032	47.62
Mathew Lu	23,728	–	2,254	–	–	–	25,982	–
Peter Beaumont ¹	159,817	–	15,183	–	337	63,119	238,456	26.61
David Doust ²	31,857	–	2,160	–	–	–	34,017	–
Total:	675,402	95,890	72,407	–	337	527,280	1,371,316	

Directors' Report.

FOR THE YEAR ENDED 30 JUNE 2018

REMUNERATION REPORT (AUDITED) (continued)

	Short term benefits		Post employment benefits	Long-term benefits	Share based payments			
	Cash salary, fees & short-term compensated absences \$	Short-term incentive schemes \$	Super-annuation \$	Long service leave \$	Performance Rights \$	Shares \$	Total \$	% Performance Related
Directors (2017)								
John Nantes	85,413	–	8,114	–	84,857	–	178,384	47.57
Craig Swanger	50,989	–	4,844	–	10,656	–	66,489	16.03
Chris Whitehead	50,989	–	4,844	–	33,767	–	89,600	37.69
Stephen Porges ³	22,352	–	2,123	–	2,565	–	27,040	9.48
Total:	209,743	–	19,925	–	131,845	–	361,513	
Executives (2017)								
Anthony Nantes	151,096	27,397	16,957	–	–	202,431	397,881	57.74
Peter Beaumont	180,871	27,397	19,785	–	11,167	100,000	339,220	40.85
Andrew Goodwin	33,333	–	3,167	–	–	24,343	60,843	40.01
David Doust	184,591	–	16,625	–	–	–	201,216	–
Total:	549,891	54,794	56,534	–	11,167	326,774	999,160	

1. KMP up until 15 May 2018.

2. Retired 17 August 2017.

3. Resigned from directorship on 8 November 2016.

Further details of performance-related remuneration paid or accrued for FY2018 in respect of specific key management personnel are discussed below:

- *Mr A Nantes*

In January 2018, Mr Nantes was awarded a short-term incentive comprised of \$27,397 (excl. superannuation) in cash and a grant of shares in the Company totalling \$59,255 (being 0.5% of the market capital value of the Company as at the opening of trading on the first business day after 31 December 2017) for new book growth, approved by the Board, of \$5 million by 31 December 2017.

Subject to Board determination, a grant of shares of a value equal to 0.5% of the market capital value of the Company as at the opening of trading on the first business day after 30 June 2018 may also be awarded for securing a lending facility, approved by the Board, of \$10 million by 30 June 2018. An amount of \$50,095 has been accrued in respect of this incentive for FY2018.

Subject to Board determination, a grant of shares of a value equal to 0.5% of the market capital value of the Company as at the opening of trading on the first business day after 30 June 2018 may also be awarded for achieving new book growth, approved by the Board, of \$10 million by 30 June 2018. An amount of \$50,095 has been accrued in respect of this incentive for FY2018.

Subject to Board determination and based on the achievement of KPI targets, a short-term cash incentive of \$75,000 (incl. superannuation) may also be awarded and has been accrued for FY2018.

Subject to Board determination on outcomes achieved for FY2018, a share based long-term incentive equal to 1% of the market capital value of the Company as at 30 June 2018, up to a maximum value of 200% of total remuneration may also be payable to Mr Nantes in the next financial year. An amount of \$95,635 has been accrued in respect of this incentive for FY2018.

- *Mr P Beaumont*

Subject to board determination, a share based long-term incentive equal to 1% of the market capital value of the Company as at 30 June 2018, up to a maximum value of 50% of total remuneration or \$100,000, whichever is the lesser, may also be awarded to Mr Beaumont in the next financial year. An amount of \$63,119 has been accrued in respect of this incentive for FY2018.

Directors' Report.

FOR THE YEAR ENDED 30 JUNE 2018

- *Mr A Goodwin*

Subject to the achievement of agreed KPI targets, a share based long-term incentive to a maximum value of \$200,000 for each of the financial years to 30 June 2018 may be awarded to Mr Goodwin in the next financial year. An amount of \$200,000 has been accrued in respect of this incentive for FY2018.

Other short-term and long-term incentives established in the year for the above KMPs are set out in Note 22 of the financial report.

Performance conditions set for KMP short-term and long-term incentives (as discussed above and in Note 22 of the financial report) align the KMP interests with the outcomes for shareholders, customers, and staff. The achievement of these performance conditions support the growth of company value whilst providing KMPs with remuneration packages that are above market rates relative to peer roles. Conversely, an underperformance of goals expose KMPs to a level of financial risk where their remuneration packages become well below market rates.

e) Equity instruments held by key management personnel

The table below shows the number of ordinary shares in the Company held by key management personnel.

	Balance at the start of the year	Received as compensation	Received on exercise of options or rights	Other changes during the year	Balance at end of the year
Directors (2018)					
John Nantes	667,015	–	–	–	667,015
Craig Swanger	–	–	–	636,364	636,364
Chris Whitehead	200,000	–	–	–	200,000
Total:	867,015	–	–	636,364	1,503,379
Executives (2018)					
Anthony Nantes	2,288,401	2,194,625	–	5,338	4,488,364
Andrew Goodwin	–	–	–	–	–
Mathew Lu	–	–	–	–	–
Peter Beaumont ¹	150,000	–	–	–	150,000
David Doust ²	28,967,470	–	–	(8,352,747)	20,614,723
Total:	31,405,871	2,194,625	–	(8,347,409)	25,253,087
Directors (2017)					
John Nantes	–	–	–	667,015	667,015
Craig Swanger	–	–	–	–	–
Chris Whitehead	–	–	–	200,000	200,000
Stephen Porges ³	3,557,400	–	–	–	3,557,400
Total:	3,557,400	–	–	867,015	4,424,415
Executives (2017)					
Anthony Nantes	249,744	2,038,657	–	–	2,288,401
Peter Beaumont	50,000	–	–	100,000	150,000
Andrew Goodwin	–	–	–	–	–
David Doust	28,967,470	–	–	–	28,967,470
Total:	29,267,214	2,038,657	–	100,000	31,405,871

1. KMP up until 15 May 2018.

2. Retired 17 August 2017.

3. Resigned from directorship on 8 November 2016.

Directors' Report.

FOR THE YEAR ENDED 30 JUNE 2018

REMUNERATION REPORT (AUDITED) (continued)

f) Movement in performance rights

The table below provides the number of performance rights held by Key Management Personnel at 30 June 2017 and 30 June 2018.

Name	Rights held at 30 June 2017 Number	Rights granted during FY18 Number	Rights exercised during FY18 Number	Rights lapsed during FY18 Number	Rights held as at 30 June 2018 Number	Vested at 30 June 2018* Number					
							Not exercisable	Exercis- able	% Vested	% For- feited	% Avail- able for vesting
Directors (2018)	12,000,000	–	–	–	12,000,000	8,000,000	–	–	67	–	33
J Nantes*	12,000,000	–	–	–	12,000,000	8,000,000	–	–	67	–	33
C Swanger*	6,000,000	–	–	(5,000,000)	1,000,000	666,666	–	–	11	83	6
C Whitehead*	6,000,000	–	–	–	6,000,000	4,500,000	–	–	75	–	25
Total:	24,000,000	–	–	(5,000,000)	19,000,000	13,166,666	–	–			
Executives (2018)											
A Nantes	–	–	–	–	–	–	–	–	–	–	–
A Goodwin	–	–	–	–	–	–	–	–	–	–	–
M Lu	–	–	–	–	–	–	–	–	–	–	–
P Beaumont*	2,800,000	–	–	–	2,800,000	2,800,000	–	–	100	–	–
D Doust	–	–	–	–	–	–	–	–	–	–	–
Total:	2,800,000	–	–	–	2,800,000	2,800,000	–	–			

* These Performance Rights will automatically vest and exercise for nil consideration on satisfaction of the Vesting Conditions.

The Vesting Conditions for the Performance Rights are:

- 1) The holder being a director/employee of the Company as at the relevant vesting determination dates specified in table g) below; and
- 2) The relevant volume weighted average price (VWAP) of the Company's ordinary shares is at least the price specified in table g) below for a period of 10 consecutive trading days.

Directors' Report.

FOR THE YEAR ENDED 30 JUNE 2018

g) Fair value of performance rights

	Performance Rights granted		Vesting Conditions			
	Number	Effective grant date	Fair Value per right at effective grant date (\$)	Earliest vesting determination date	VWAP Share Price condition (\$)	Expiry date
Directors (2018)***						
J Nantes**	4,000,000	17 Nov 2016	0.018057	17 Nov 2016	0.06	17 Nov 2019
	4,000,000	17 Nov 2016	0.004459	17 Nov 2017	0.12	17 Nov 2019
	4,000,000	17 Nov 2016	0.001326	17 Nov 2018	0.18	17 Nov 2019
C Swanger**	333,333	17 Nov 2016	0.018057	17 Nov 2016	0.06	17 Nov 2019
	333,333	17 Nov 2016	0.004459	17 Nov 2017	0.12	17 Nov 2019
	333,334	17 Nov 2016	0.001326	17 Nov 2018	0.18	17 Nov 2019
C Whitehead**	500,000	18 Nov 2015	0.031128	18 Nov 2015	0.25	18 Nov 2018
	500,000	18 Nov 2015	0.014440	13 Jul 2016	0.35	18 Nov 2018
	500,000	18 Nov 2015	0.005125	13 Jul 2017	0.50	18 Nov 2018
	1,500,000	17 Nov 2016	0.018057	17 Nov 2016	0.06	17 Nov 2019
	1,500,000	17 Nov 2016	0.004459	17 Nov 2017	0.12	17 Nov 2019
	1,500,000	17 Nov 2016	0.001326	17 Nov 2018	0.18	17 Nov 2019
Executives (2018)						
A Nantes	—	—	—	—	—	—
A Goodwin	—	—	—	—	—	—
M Lu	—	—	—	—	—	—
P Beaumont**	560,000	4 Sep 2015	0.067623	4 Sep 2015	0.25	4 Sep 2018
	1,120,000	4 Sep 2015	0.036867	13 Jul 2016	0.35	4 Sep 2018
	1,120,000	4 Sep 2015	0.015677	13 Jul 2017	0.50	4 Sep 2018
D Doust	—	—	—	—	—	—

*** These Performance Rights will automatically vest and exercise for nil consideration on satisfaction of the Vesting Conditions.

The Vesting Conditions for the Performance Rights are:

- 1) The holder being a director/employee of the Company as at the relevant vesting determination dates specified in the table; and
- 2) The relevant volume weighted average price (VWAP) of the Company's ordinary shares is at least the price specified in the table for a period of 10 consecutive trading days.

The total fair value of above rights at grant date issued to key management personnel is \$261,143. The value of rights granted during the period differs to the expense recognised as part of each key management person's remuneration in table d) above because this value is the grant date fair value calculated in accordance with *AASB 2 Share Based Payment*.

Directors' Report.

FOR THE YEAR ENDED 30 JUNE 2018

REMUNERATION REPORT (AUDITED) (continued)

This concludes the remuneration report, which has been audited.

This report is made in accordance with a resolution of directors.



.....
Craig Swanger

Director
Sydney

28 September 2018

Auditors Independence Declaration.

FOR THE YEAR ENDED 30 JUNE 2018



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Sydney NSW 2000
Australia

DECLARATION OF INDEPENDENCE BY ARTHUR MILNER TO THE DIRECTORS OF WISR LIMITED

As lead auditor of Wisr Limited for the year ended 30 June 2018, I declare that, to the best of my knowledge and belief, there have been:

1. No contraventions of the auditor independence requirements of the *Corporations Act 2001* in relation to the audit; and
2. No contraventions of any applicable code of professional conduct in relation to the audit.

This declaration is in respect of Wisr Limited and the entities it controlled during the period.

A handwritten signature in black ink, appearing to be 'A Milner'.

Arthur Milner
Partner

BDO East Coast Partnership

Sydney, 28 September 2018

Statement of Profit or Loss and Other Comprehensive Income.

FOR THE YEAR ENDED 30 JUNE 2018

	Note	Consolidated	
		2018 \$	2017 \$
Revenue	2	1,590,690	1,160,153
Other income	3	231,514	370,914
Expenses			
Employee benefits expense		(4,328,556)	(3,317,171)
Depreciation and amortisation expense		(23,922)	(12,124)
Other expenses		(3,105,284)	(2,500,204)
Finance costs		(41,596)	(72,713)
Share based payment expense	29	(530,712)	(1,060,528)
Loss before income tax	4	(6,207,866)	(5,431,673)
Income tax expense		—	—
Loss after income tax for the year		(6,207,866)	(5,431,673)
Other comprehensive income			
Other comprehensive income for the year, net of tax		—	—
Total comprehensive income for the year		(6,207,866)	(5,431,673)
Loss for the year is attributable to:			
Owners of Wistr Limited		(6,207,866)	(5,431,673)
Total comprehensive income for the year is attributable to:			
Owners of Wistr Limited		(6,207,866)	(5,431,673)
		Cents	Cents
Earnings per share for loss attributable to the owners of Wistr Limited			
Basic earnings per share	26	(1.4)	(1.4)
Diluted earnings per share	26	(1.4)	(1.4)

The above statement of profit or loss and other comprehensive income should be read in conjunction with the accompanying notes.

Statement of Financial Position.

AS AT 30 JUNE 2018

		Consolidated	
	Note	2018 \$	2017 \$
ASSETS			
Current assets			
Cash and cash equivalents	5	1,548,888	3,479,300
Loan receivables	6	884,509	1,727,404
Trade and other receivables	7	326,242	67,727
Other assets	8	553,458	287,054
Total current assets		3,313,097	5,561,485
Non-Current Assets			
Loan receivables	6	2,745,745	4,711,974
Property, plant and equipment	9	41,168	65,516
Available-for-sale financial assets	10	518,000	500,000
Total non-current assets		3,304,913	5,277,490
TOTAL ASSETS		6,618,010	10,838,975
LIABILITIES			
Current liabilities			
Trade and other payables	11	1,346,009	783,918
Employee benefits	12	240,389	180,620
Convertible notes	13	373,000	672,000
Total Current Liabilities		1,959,398	1,636,538
TOTAL LIABILITIES		1,959,398	1,636,538
NET ASSETS		4,658,612	9,202,437
EQUITY			
Issued capital	14	29,323,980	28,604,725
Reserves	15	1,900,051	1,394,508
Accumulated losses	15	(26,565,419)	(20,796,796)
TOTAL EQUITY		4,658,612	9,202,437

The above statement of financial position should be read in conjunction with the accompanying notes.

Statement of Changes in Equity.

FOR THE YEAR ENDED 30 JUNE 2018

Consolidated	Issued capital \$	Reserves \$	Accumulated losses \$	Total equity \$
Balance at 1 July 2016	22,409,803	819,894	(15,365,123)	7,864,574
Loss after income tax expense for the year	–	–	(5,431,673)	(5,431,673)
Other comprehensive income for the year, net of tax	–	–	–	–
Total comprehensive income for the year	–	–	(5,431,673)	(5,431,673)
<i>Transactions with owners in their capacity as owners:</i>				
Issue of share capital	5,702,641	–	–	5,702,641
Costs of capital raising	(320,406)	–	–	(320,406)
Share based payments	812,687	574,614	–	1,387,301
Balance at 30 June 2017	28,604,725	1,394,508	(20,796,796)	9,202,437

Consolidated	Issued capital \$	Reserves \$	Accumulated losses \$	Total equity \$
Balance at 1 July 2017	28,604,725	1,394,508	(20,796,796)	9,202,437
Loss after income tax expense for the year	–	–	(6,207,866)	(6,207,866)
Other comprehensive income for the year, net of tax	–	–	–	–
Total comprehensive income for the year	–	–	(6,207,866)	(6,207,866)
<i>Transactions with owners in their capacity as owners:</i>				
Issue of share capital	600,000	–	–	600,000
Share based payments (Note 15 (b))	119,255	944,786	–	1,064,041
Transfer of reserve to accumulated losses	–	(439,243)	439,243	–
Balance at 30 June 2018	29,323,980	1,900,051	(26,565,419)	4,658,612

The above statement of changes in equity should be read in conjunction with the accompanying notes.

Statement of Cash Flows.

FOR THE YEAR ENDED 30 JUNE 2018

	Note	Consolidated	
		2018 \$	2017 \$
Cash flows from operating activities			
Net of lending and repayments		(14,885,009)	(75,428)
Net proceeds from sale of loans		18,859,853	1,858,621
Payments to suppliers and employees		(6,297,173)	(4,951,501)
		(2,322,329)	(3,168,308)
Interest received		42,877	45,476
Management fees received		168,191	92,746
Interest and other finance costs paid		(43,601)	(74,598)
Proceeds from R&D tax incentive		–	365,547
Net cash used in operating activities	25	(2,154,862)	(2,739,137)
Cash flows from investing activities			
Payments for investments		(18,000)	–
Payments for property, plant and equipment		–	(73,093)
Net cash used in investing activities		(18,000)	(73,093)
Cash flows from financing activities			
Proceeds from issue of shares		600,000	5,702,641
Costs of raising capital paid		–	(320,406)
Repayment of convertible notes		(299,000)	(328,000)
Transaction costs related to loans and borrowings		(58,550)	(27,500)
Net cash provided by financing activities		242,450	5,026,735
Net (decrease) / increase in cash and cash equivalents		(1,930,412)	2,214,505
Cash and cash equivalents at the beginning of the financial year		3,479,300	1,264,795
Cash and cash equivalents at the end of the financial year		1,548,888	3,479,300

The above statement of cash flows should be read in conjunction with the accompanying notes.

Notes to the Financial Statements.

FOR THE YEAR ENDED 30 JUNE 2018

The consolidated financial statements of Wisir Limited (the Company) for the year ended 30 June 2018 was authorised for issue in accordance with a resolution of the directors on 28 September 2018. The directors have the power to amend and revise the financial report.

The consolidated financial statements and notes represent those of Wisir Limited and its controlled entities (the Group).

Wisir Limited is a company limited by shares incorporated and domiciled in Australia whose shares are publicly traded on the Australian Stock Exchange.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

a) Basis of preparation

These general purpose consolidated financial statements have been prepared in accordance with the *Corporations Act 2001*, Australian Accounting Standards and Interpretations of the Australian Accounting Standards Board and in compliance with International Financial Reporting Standards as issued by the International Accounting Standards Board. The Group is a for-profit entity for financial reporting purposes under Australian Accounting Standards. Material accounting policies adopted in the preparation of these financial statements are presented below and have been consistently applied unless stated otherwise.

Except for cash flow information, the financial statements have been prepared on an accrual basis and are based on historical costs, modified, where applicable, by the measurement at fair value of selected non-current assets, financial assets and financial liabilities.

When required by Accounting Standards, comparative figures have been adjusted to conform to changes in presentation for the current financial year.

i) Going concern

These financial statements have been prepared under a going concern basis.

The Directors believe that the Group will have sufficient resources to pay its debts and meet its commitments for at least the next 12 months from the date of this financial report due to the Group having:

- strong cash reserves boosted by the successful capital raise it completed on 31 August 2018 (see Note 21); and
- wholesale funding arrangements for future loan originations, both of which support its operational commitments.

ii) New and revised accounting standards and interpretations

The Group has adopted all of the new, revised or amending Accounting Standards and Interpretations issued by the Australian Accounting Standards Board (AASB) that are mandatory for the current reporting period.

iii) New accounting standards for application in future periods

Discussed below are certain new accounting standards and interpretations which have been published but are not mandatory for the 30 June 2018 reporting period and have not been early adopted by the Group. The Group has not yet fully assessed the potential impact of these new accounting standards and interpretations.

AASB 9: Financial Instruments and associated Amending Standards (applicable to annual reporting periods beginning on or after 1 January 2018).

The Standard will be applicable retrospectively (subject to the provisions on hedge accounting outlined below) and includes revised requirements for the classification and measurement of financial instruments requirements for financial instruments and hedge accounting.

The key changes that may affect the Group on initial application include certain simplifications to the classification of financial assets, simplifications to the accounting of embedded derivatives, upfront accounting for expected credit loss, and the irrevocable election to recognise gains and losses on investments in equity instruments that are not held for trading in other comprehensive income. AASB 9 also introduces a new model for hedge accounting that will allow greater flexibility in the ability to hedge risk, particularly with respect to hedges of non-financial items. Although the Group doesn't currently hedge, should the entity elect to change its hedge policies in line with the new hedge accounting requirements of the Standard, the application of such accounting would be largely prospective. Based on a preliminary assessment performed over each line of business and product type, the effects of AASB 9 are not expected to have a material effect on the Group.

AASB 15: Revenue from Contracts with Customers (applicable to annual reporting periods beginning on or after 1 July 2018, as deferred by AASB 2015-8: Amendments to Australian Accounting Standards – Effective Date of AASB 15).

AASB 15 establishes a single comprehensive model for entities to use in accounting for revenue arising from contracts with customers. The Group have not yet started their assessment of the impact of AASB 15 on the financial statements. It is impracticable at this stage to provide a reasonable estimate of such impact.

When effective, this Standard will replace the current accounting requirements applicable to revenue with a single, principles-based model. Apart from a limited number of exceptions, including leases, the new revenue model in AASB 15 will apply to all contracts with customers as well as non-monetary exchanges between entities in the same line of business to facilitate sales to customers and potential customers.

The core principle of the Standard is that an entity will recognise revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for the goods or services.

Notes to the Financial Statements.

FOR THE YEAR ENDED 30 JUNE 2018

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

To achieve this objective, AASB 15 provides the following five-step process:

- identify the contract(s) with a customer;
- identify the performance obligations in the contract(s);
- determine the transaction price;
- allocate the transaction price to the performance obligations in the contract(s); and
- recognise revenue when (or as) the performance obligations are satisfied.

The transitional provisions of this Standard permit an entity to either: restate the contracts that existed in each prior period presented per AASB 108: Accounting Policies, Changes in Accounting Estimates and Errors (subject to certain practical expedients in AASB 15); or recognise the cumulative effect of retrospective application to incomplete contracts on the date of initial application. There are also enhanced disclosure requirements.

AASB 16: Leases (applicable to annual reporting periods beginning on or after 1 January 2019)

When effective, this Standard will replace the current accounting requirements applicable to leases in AASB 117: Leases and related Interpretations. AASB 16 introduces a single lessee accounting model that eliminates the requirement for leases to be classified as operating or finance leases.

The main changes introduced by the new Standard include:

- recognition of a right-to-use asset and liability for all leases (excluding short-term leases with less than 12 months of tenure and leases relating to low-value assets);
- depreciation of right-to-use assets in line with AASB 116: Property, Plant and Equipment in profit or loss and unwinding of the liability in principal and interest components;
- variable lease payments that depend on an index or a rate are included in the initial measurement of the lease liability using the index or rate at the commencement date;
- by applying a practical expedient, a lessee is permitted to elect not to separate non-lease components and instead account for all components as a lease; and
- additional disclosure requirements.

The transitional provisions of AASB 16 allow a lessee to either retrospectively apply the Standard to comparatives in line with AASB 108 or recognise the cumulative effect of retrospective application as an adjustment to opening equity on the date of initial application.

The directors anticipate that the adoption of AASB 16 will not have a material impact on the Group's financial statements.

b) Principles of consolidation

The consolidated financial statements incorporate the assets and liabilities of the Company and all subsidiaries as at 30 June 2018, and the results of all subsidiaries for the year then ended.

Subsidiaries are all those entities over which the Company has the power to govern the financial and operating policies, generally accompanying a shareholding of 100% of the voting rights. The existence and effect of potential voting rights that are currently exercisable or convertible are considered when assessing whether the Company controls another entity.

Subsidiaries are fully consolidated from the date on which control is transferred to the Group. They are de consolidated from the date that control ceases.

Intercompany transactions, balances and unrealised gains on transactions between Group companies are eliminated. Unrealised losses are also eliminated unless the transaction provides evidence of the impairment of the asset transferred. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the Group.

Investments in subsidiaries are accounted for at cost in the individual financial statements of the Company, less any impairment charges.

c) Income tax

The income tax expense or benefit for the period is the tax payable / refundable on the current period's taxable income based on the national income tax rate for each jurisdiction adjusted by changes in deferred tax assets and liabilities, attributable to temporary differences between the tax bases of assets and liabilities and their carrying amounts in the financial statements, and to unused tax losses.

Deferred tax assets and liabilities are recognised for temporary differences at the tax rates expected to apply when the assets are recovered or liabilities are settled, based on those tax rates which are enacted or substantively enacted for each jurisdiction. The relevant tax rates are applied to the cumulative amounts of deductible and taxable temporary differences to measure the deferred tax asset or liability.

An exception is made for certain temporary differences arising from the initial recognition of an asset or a liability. No deferred tax asset or liability is recognised in relation to these temporary differences if they arose in a transaction, other than a business combination, that at the time of the transaction did not affect either accounting profit or taxable profit or loss.

Deferred tax assets are recognised for deductible temporary differences and unused tax losses only if it is probable that future taxable amounts will be available to utilise those temporary differences and losses.

Deferred tax liabilities and assets are not recognised for temporary differences between the carrying amount and tax bases of investments in controlled entities where the parent entity is able to control the timing of the reversal of the temporary differences and it is probable that the differences will not reverse in the foreseeable future.

Notes to the Financial Statements.

FOR THE YEAR ENDED 30 JUNE 2018

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets and liabilities and when the deferred tax balances relate to the same taxation authority. Current tax assets and tax liabilities are offset where the entity has a legally enforceable right to offset and intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

Current and deferred tax balances attributable to amounts recognised directly in equity are also recognised directly in equity.

Wisr Limited and its wholly owned controlled entities have implemented the tax consolidation legislation as of 1 January 2004.

The head entity, Wisr Limited, and the controlled entities in the tax consolidated group continue to account for their own current and deferred tax amounts. These tax amounts are measured as if each entity in the tax consolidated group continues to be a standalone taxpayer in its own right.

In addition to its own current and deferred tax amounts, Wisr Limited also recognises the current tax liabilities (or assets) and the deferred tax assets arising from unused tax losses and unused tax credits assumed from controlled entities in the tax consolidated group.

Assets or liabilities arising under tax funding agreements with the tax consolidated entities are recognised as amounts receivable from or payable to other entities in the group.

Any difference between the amounts assumed and amounts receivable or payable under the tax funding agreement are recognised as a contribution to (or distribution from) wholly owned tax consolidated entities.

d) Share based payments

The Company provides benefits to employees in the form of share-based payment transactions, whereby employees render services in exchange for shares or performance rights (equity-settled transactions).

The cost of the transactions with employees is measured by reference to the fair value at the date at which they are granted. The fair value is determined by an external valuer using a binomial model. In valuing equity-settled transactions, no account is taken of any performance conditions, other than conditions linked to the price of the shares of the Company (market conditions). The cost of equity-settled transactions is recognised as an expense, together with a corresponding increase in equity, over the period in which the performance conditions are fulfilled, ending on the date on which the relevant employees become fully entitled to exercise the rights (vesting date).

The cumulative expense recognised for equity-settled transactions at each reporting date until vesting date reflects (i) the extent to which the vesting period has expired and (ii) the number of rights that, in the opinion of the Directors of the Company, will ultimately vest.

This opinion is formed based on the best available information at balance date. No adjustment is made for the likelihood of market performance conditions being met as the effect of these conditions is included in the determination of fair value at grant date. Where the terms of an equity-settled option are modified, at a minimum an expense is recognised as if the terms had not been modified. In addition, an expense is recognised for any increase in the value of the transaction as a result of the modification, as measured at the date of the modification.

e) Foreign currency transactions and balances

Functional and presentation currency

Items included in the financial statements of each of the Group's entities are measured using the currency of the primary economic environment in which the entity operates (the functional currency). The consolidated financial statements are presented in Australian dollars, which is Wisr Limited's functional and presentation currency.

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised through profit or loss, except when deferred in equity as qualifying cash flow hedges and qualifying net investment hedges.

f) Revenue recognition

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the entity and the revenue can be reliably measured. The following specific recognition criteria must also be met before revenue is recognised:

i) Interest income

Interest revenue is recognised as interest accrues using the effective interest method. This is a method of calculating the amortised cost of a financial asset and allocating the interest income over the relevant period using the effective interest rate, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to the net carrying amount of the financial asset.

ii) Loan establishment fees

Loan establishment fees are deferred and recognised as an adjustment to the effective interest rate as these fees are an integral part of generating an involvement with the resulting financial instrument.

iii) Government grants

Government grants revenue is recognised at fair value when there is reasonable assurance that the grant will be received and the grant conditions will be met.

Notes to the Financial Statements.

FOR THE YEAR ENDED 30 JUNE 2018

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

g) Impairment of assets

Assets are tested for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable, and as a minimum, annually. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash inflows which are largely independent of the cash inflows from other assets or groups of assets (cash-generating units). Non-financial assets, other than goodwill, that suffered an impairment are reviewed for possible reversal of the impairment at the end of each reporting period.

h) Cash and cash equivalents

Cash and cash equivalents include cash on hand, deposits held at call with banks, other short term highly liquid investments with original maturities of three months or less, and bank overdrafts.

i) Property, plant and equipment

All property, plant and equipment are initially measured at cost and are depreciated over their useful lives on a straight-line basis. Depreciation commences from the time the asset is available for its intended use. Leasehold improvements are depreciated over the shorter of either the unexpired period of the lease or the estimated useful lives of the improvements.

The useful lives used for each class of depreciable assets are as follows:

Class of Asset	Useful Life
Plant and equipment	2-5 years

The carrying amount of plant and equipment is reviewed annually by directors to ensure it is not in excess of the recoverable amount. The recoverable amount is assessed on the basis of the expected net cash flows that will be received from the asset's employment and subsequent disposal. The expected net cash flows have not been discounted in determining recoverable amounts.

j) Leases

Lease payments for operating leases, where substantially all the risks and benefits remain with the lessor, are recognised as expenses in the periods in which they are incurred on a straight line basis.

k) Financial instruments

Recognition and initial measurement

Financial instruments, incorporating financial assets and financial liabilities, are recognised when the entity becomes a party to the contractual provisions of the instruments. Trade date accounting is adopted for financial assets that are delivered within timeframes established by marketplace convention.

De-recognition

Financial assets are derecognised where the contractual rights to receipt of cash flows expires or the asset is transferred to another party whereby the entity no longer has any significant continuing involvement in the risks and benefits associated with the asset. Financial liabilities are derecognised where the related obligations are either discharged, cancelled or expire. The difference between the carrying value of the financial liability extinguished or transferred to another party and the fair value of consideration paid, including the transfer of non-cash assets or liabilities assumed is recognised in profit or loss.

Classification and subsequent measurement

Financial instruments are subsequently measured at fair value, amortised cost using the effective interest method, or cost. Where available, quoted prices in an active market are used to determine fair value. In other circumstances, valuation techniques are adopted.

Amortised cost is calculated as the amount at which the financial asset or financial liability is measured at initial recognition less principal repayments and any reduction for impairment, and adjusted for any cumulative amortisation of the difference between the initial amount and the maturity amount calculated using the effective interest method.

The *effective interest method* is used to allocate interest income or interest expense over the relevant period and is equivalent to the rate that exactly discounts estimated future cash payments or receipts (including fees, transaction costs and other premiums or discounts) through the expected life (or when this cannot be reliably predicted, the contractual term) of the financial instrument to the net carrying amount of the financial asset or financial liability. Revisions to expected future net cash flows will necessitate an adjustment to the carrying amount with a consequential recognition of an income or expense item in profit or loss.

The consolidated entity does not designate any interests in subsidiaries, associates or joint venture entities as being subject to the requirements of Accounting Standards specifically applicable to financial instruments.

i) Financial Assets at Fair Value through Profit or Loss

Financial assets are classified at 'fair value through profit or loss' when they are held for trading for the purpose of short-term profit taking, derivatives not held for hedging purposes, or when they are designated as such to avoid an accounting mismatch or to enable performance evaluation where a group of financial assets is managed by key management personnel on a fair value basis in accordance with a documented risk management or investment strategy. Such assets are subsequently measured at fair value with changes in carrying amount being included in profit or loss.

Notes to the Financial Statements.

FOR THE YEAR ENDED 30 JUNE 2018

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

ii) *Available-for-sale investments*

Available-for-sale investments are non-derivative financial assets that are either not capable of being classified into other categories of financial assets due to their nature or they are designated as such by management. They comprise investments in the equity of other entities where there is neither a fixed maturity nor fixed or determinable payments.

They are subsequently measured at fair value with any remeasurements other than impairment losses and foreign exchange gains and losses recognised in other comprehensive income. When the financial asset is derecognised, the cumulative gain or loss pertaining to that to that asset previously recognised in other comprehensive income is reclassified into profit or loss.

Available-for-sale financial assets are classified as non-current assets when they are not expected to be sold within 12 months after the end of the reporting period. All other available-for-sale financial assets are classified as current assets.

iii) *Loans and Receivables*

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market and are subsequently measured at amortised cost. Gains or losses are recognised in profit or loss through the amortisation process and when the financial asset is derecognised.

iv) *Financial Liabilities*

Non-derivative financial liabilities other than financial guarantees are subsequently measured at amortised cost. Gains or losses are recognised in profit or loss through the amortisation process and when the financial liability is derecognised.

v) *Trade and Other Payables*

Due to their short term nature trade and other payables are not discounted. They represent liabilities for goods and services provided to the Group prior to the end of the financial year that are unpaid and arise when the Group becomes obliged to make future payments in respect of the purchase of these goods and services. The amounts are unsecured and are usually paid within 30 days of recognition.

Impairment

At the end of each reporting period, the consolidated entity assesses whether there is objective evidence that a financial asset has been impaired. A financial asset (or group of financial assets) is deemed to be impaired if, and only if, there is objective evidence of impairment as a result of one or more events (a loss event) having occurred which has an impact on the estimated future cash flows of the financial asset(s).

In the case of financial assets carried at amortised cost, loss events may include: indications that the debtors or a group of debtors are experiencing significant financial difficulty, default or delinquency in interest or principal payments; indications that they will enter bankruptcy or other financial reorganisation; and changes in arrears or economic conditions that correlate with defaults.

For financial assets carried at amortised cost (including loans and receivables), a separate allowance account is used to reduce the carrying amount of financial assets impaired by credit losses. After having taken all possible measures of recovery, if management establishes that the carrying amount cannot be recovered by any means, at that point the written-off amounts are charged to the allowance account or the carrying amount of impaired financial assets is reduced directly if no impairment amount was previously recognised in the allowance account.

When the terms of financial assets that would otherwise have been past due or impaired have been renegotiated, the consolidated entity recognises the impairment for such financial assets by taking into account the original terms as if the terms have not been renegotiated so that the loss events have occurred are duly considered.

i) Trade and other receivables

Trade receivables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method less provision for impairment. Trade receivables are generally due for settlement within 30 days. They are presented as current assets unless collection is not expected for more than 12 months after the reporting date.

Collectability of trade receivables is reviewed on an ongoing basis. Debts which are known to be uncollectible are written off by reducing the carrying amount directly. An allowance account (provision for impairment of trade receivables) is used when there is objective evidence that the Group will not be able to collect all amounts due according to the original terms of the receivables.

The amount of the impairment loss is recognised in the statement of profit or loss and other comprehensive income. When a trade receivable for which an impairment allowance had been recognised becomes uncollectable in a subsequent period, it is written off against the allowance account. Subsequent recoveries of amounts previously written off are credited in the statement of profit or loss and other comprehensive income.

Fair value estimation

The fair value of financial assets and financial liabilities must be estimated for recognition and measurement or for disclosure purposes. Unless otherwise disclosed in the notes to the financial statements, the carrying amount of the Group's financial instruments approximates their fair value.

Notes to the Financial Statements.

FOR THE YEAR ENDED 30 JUNE 2018

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

m) Trade and other payables

These amounts represent liabilities for goods and services provided to the Group prior to the end of financial year which are unpaid. The amounts are unsecured and are usually paid within 30 days of recognition. Trade and other payables are presented as current liabilities.

n) Contributed equity

Ordinary shares are classified as equity and recognised at the fair value of the consideration received by the Group. Incremental costs directly attributable to the issue of new shares or options are expensed as incurred.

o) Earnings per share

Basic earnings per share

Basic earnings per share is calculated by dividing the result attributable to equity holders of the Company by the weighted average number of ordinary shares outstanding during the financial year.

Diluted earnings per share

Diluted earnings per share adjusts the figures used in the determination of basic earnings per share to take into account the after income tax effect of interest and other financing costs associated with dilutive potential ordinary shares and the weighted average number of shares assumed to have been issued for no consideration in relation to dilutive potential ordinary shares.

p) Goods and services tax (GST)

Revenues, expenses and assets are recognised net of the amount of GST, except where the amount of GST incurred is not recoverable from the Australian Taxation Office. In these circumstances the GST is recognised as part of the cost of acquisition of the asset or as part of an item of the expense. Receivables and payables in the statement of financial position are shown inclusive of GST. The net amount of GST recoverable from, or payable to, the taxation authority is included with other receivables or payables in the statement of financial position.

q) Parent entity financial information

The financial information for the parent entity, Wisr Limited, has been prepared on the same basis as the consolidated financial statements, except that investments in subsidiaries are accounted for at cost net of impairment in the parent financial statements.

r) Employee benefits

Provision is made for the Group's obligation for employee benefits arising from services rendered by employees to the end of the reporting period. Short term employee benefits are benefits (other than termination benefits and equity compensation benefits) that are expected to be settled wholly within 12 months after the end of the annual reporting period in which the employees render the related service, including wages, salaries and personal leave. Short term employee benefits are measured at the (undiscounted) amounts expected to be paid when the obligation is settled, plus any related costs.

s) Critical accounting estimates and judgments

The Directors evaluate estimates and judgments incorporated into the financial statements based on historical knowledge and best available current information. Estimates assume a reasonable expectation of future events and are based on current trends and economic data, obtained both externally and within the Group.

Key estimates

Impairment of loan receivables

The Group assesses impairment at the end of each reporting period by evaluating conditions and events specific to the Group that may be indicative of impairment triggers.

Recoverable amounts are estimated using historical amounts received as consideration for sale of impaired loans to factoring organisations and recoveries from court judgments.

Refer to Note 1. k. for further detail on the treatment of impairment of loan receivables.

t) Fair value measurements

The Group measures some of its assets and liabilities at fair value on either a recurring or non-recurring basis, depending on the requirements of the applicable Accounting Standard.

Fair value is the price the Group would receive to sell an asset or would have to pay to transfer a liability in an orderly (ie unforced) transaction between independent, knowledgeable and willing market participants at the measurement date.

As fair value is a market-based measure, the closest equivalent observable market pricing information is used to determine fair value. Adjustments to market values may be made having regard to the characteristics of the specific asset or liability. The fair values of assets and liabilities that are not traded in an active market are determined using one or more valuation techniques. These valuation techniques maximise, to the extent possible, the use of observable market data.

To the extent possible, market information is extracted from either the principal market for the asset or liability (ie the market with the greatest volume and level of activity for the asset or liability) or, in the absence of such a market, the most advantageous market available to the entity at the end of the reporting period (ie the market that maximises the receipts from the sale of the asset or minimises the payments made to transfer the liability, after taking into account transaction costs and transport costs).

For non-financial assets, the fair value measurement also takes into account a market participant's ability to use the asset in its highest and best use or to sell it to another market participant that would use the asset in its highest and best use.

Notes to the Financial Statements.

FOR THE YEAR ENDED 30 JUNE 2018

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

The fair value of liabilities and the entity's own equity instruments (excluding those related to share-based payment arrangements) may be valued, where there is no observable market price in relation to the transfer of such financial instruments, by reference to observable market information where such instruments are held as assets. Where this information is not available, other valuation techniques are adopted and, where significant, are detailed in the respective note to the financial statements.

The Group measures and recognises the following assets and liabilities at fair value on a recurring basis after initial recognition:

- available-for-sale financial assets.

The Group does not subsequently measure any liabilities at fair value on a non-recurring basis.

a) Fair Value Hierarchy

AASB 13: Fair Value Measurement requires the disclosure of fair value information by level of the fair value hierarchy, which categorises fair value measurements into one of three possible levels based on the lowest level that an input that is significant to the measurement can be categorised into as follows:

Level 1

Measurements based on quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date.

Level 2

Measurements based on inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly or indirectly.

Level 3

Measurements based on unobservable inputs for the asset or liability.

The fair values of assets and liabilities that are not traded in an active market are determined using one or more valuation techniques. These valuation techniques maximise, to the extent possible, the use of observable market data. If all significant inputs required to measure fair value are observable, the asset or liability is included in Level 2. If one or more significant inputs are not based on observable market data, the asset or liability is included in Level 3.

Valuation techniques

The Group selects a valuation technique that is appropriate in the circumstances and for which sufficient data is available to measure fair value. The availability of sufficient and relevant data primarily depends on the specific characteristics of the asset or liability being measured. The valuation techniques selected by the Group are consistent with one or more of the following valuation approaches:

- *Market approach*: valuation techniques that use prices and other relevant information generated by market transactions for identical or similar assets or liabilities.
- *Income approach*: valuation techniques that convert estimated future cash flows or income and expenses into a single discounted present value.
- *Cost approach*: valuation techniques that reflect the current replacement cost of an asset at its current service capacity.

Each valuation technique requires inputs that reflect the assumptions that buyers and sellers would use when pricing the asset or liability, including assumptions about risks. When selecting a valuation technique, the Group gives priority to those techniques that maximise the use of observable inputs and minimise the use of unobservable inputs. Inputs that are developed using market data (such as publicly available information on actual transactions) and reflect the assumptions that buyers and sellers would generally use when pricing the asset or liability are considered observable, whereas inputs for which market data is not available and therefore are developed using the best information available about such assumptions are considered unobservable.

b) Valuation techniques and inputs used to measure Level 2 fair values

Description	Fair Value at 30 June 2018 \$000	Valuation Technique(s)	Inputs Used
<i>Financial assets</i>			
Investment in DirectMoney Personal Loan Fund (Fund)	518	Market approach using monthly valuation reports provided by Fund's Investment Manager and Fund's Administrator.	Monthly valuation report provided Fund's Investment Manager and Fund's Administrator.

There were no changes during the period in the valuation techniques used by the Group to determine Level 2 fair values.

Notes to the Financial Statements.

FOR THE YEAR ENDED 30 JUNE 2018

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

u) Research & development expenditure

Research and development costs are charged to the statement of profit or loss and other comprehensive income as incurred, or deferred where it is probable that sufficient future benefits will be derived so as to recover those deferred costs.

2. REVENUE

	Consolidated	
	2018 \$	2017 \$
Effective interest income on financial assets	1,129,821	859,725
Other revenue from financial assets	417,485	251,971
Interest on cash	6,282	10,179
Interest from investments	37,102	38,278
Revenue	1,590,690	1,160,153

3. OTHER INCOME

	Consolidated	
	2018 \$	2017 \$
R&D tax incentive	223,264	365,547
Rental income	8,250	5,367
Other income	231,514	370,914

4. EXPENSES

Losses from ordinary activities before income tax includes the following other specific expenses:

	Consolidated	
	2018 \$	2017 \$
<i>Property lease costs</i>	129,320	127,227
<i>Superannuation expense</i>	298,277	238,221
<i>Marketing costs</i>	1,521,198	640,523
<i>Legal expenses</i>	29,745	197,799
<i>Write off of loan assets</i>		
Doubtful debts expense	(107,598)	32,028
Bad debt expense	187,560	278,871
Loss on sale of loan assets	–	78,966
	79,962	389,865

Notes to the Financial Statements.

FOR THE YEAR ENDED 30 JUNE 2018

5. CASH AND CASH EQUIVALENTS

	Consolidated	
	2018 \$	2017 \$
<i>Cash at bank</i>	1,548,888	3,479,300
<i>Reconciliation to cash and cash equivalents at the end of the financial year</i>		
The above figures are reconciled to cash and cash equivalents at the end of the financial year as shown in the statement of cash flows as follows:		
Balance as above	1,548,888	3,479,300
Balance as per statement of cash flows	1,548,888	3,479,300

6. LOAN RECEIVABLES

	Consolidated	
	2018 \$	2017 \$
<i>Current</i>		
Loan receivables	984,740	1,839,049
Less: provision for impairment of receivables	(100,231)	(111,645)
	884,509	1,727,404
<i>Non-current</i>		
Loan receivables	2,849,241	4,911,654
Less: provision for impairment of receivables	(103,496)	(199,680)
	2,745,745	4,711,974

Loan receivables comprise of personal loans between \$5,000 to \$50,000 with an interest range between 8.50% to 22.75%. The personal loans are repayable within the ranges of 3 to 5 years.

The fair value of the loan receivables is considered to approximate the carrying value.

Movements in the provision for impairment of receivables were as follows:

	Consolidated	
	2018 \$	2017 \$
Opening balance	311,325	279,297
Doubtful debts provision raised	30,697	282,095
Bad debts written off	(138,295)	(190,175)
Delinquent loans sold	—	(59,892)
Closing balance	203,727	311,325

Notes to the Financial Statements.

FOR THE YEAR ENDED 30 JUNE 2018

7. TRADE AND OTHER RECEIVABLES

	Consolidated	
	2018 \$	2017 \$
<i>Current</i>		
Accrued interest on loan receivables	52,679	49,538
Accrued management fee income	42,011	–
Other accrued income	231,552	13,281
Trade receivables	–	4,908
	326,242	67,727

8. OTHER ASSETS

	Consolidated	
	2018 \$	2017 \$
<i>Current</i>		
Prepayments	187,733	18,846
Deposits	26,333	26,333
Cash held in trust	339,392	241,875
	553,458	287,054

9. PROPERTY, PLANT AND EQUIPMENT

	Consolidated	
	2018 \$	2017 \$
Plant and equipment, at cost	79,280	81,924
Less: accumulated depreciation	(38,112)	(16,408)
	41,168	65,516

10. AVAILABLE-FOR-SALE FINANCIAL ASSETS

	Consolidated	
	2018 \$	2017 \$
<i>Non-current</i>		
Investment in DirectMoney Personal Loan Fund	518,000	500,000

The Group has invested \$518,000 into the DirectMoney Personal Loan Fund. The DirectMoney Personal Loan Fund is a registered managed investment scheme where investors' money is pooled and invested into unsecured personal loans acquired from Wizr Finance Pty Ltd. The investment is classified as available for sale in accordance with AASB 139 *Financial Instruments: Recognition and Measurement*.

Notes to the Financial Statements.

FOR THE YEAR ENDED 30 JUNE 2018

11. TRADE AND OTHER PAYABLES

	Consolidated	
	2018 \$	2017 \$
<i>Current</i>		
Trade payables	744,518	232,057
Sundry payables	255,407	204,297
Accrued expenses	259,248	279,806
Superannuation payable	86,836	67,758
	1,346,009	783,918

12. EMPLOYEE BENEFITS

	Consolidated	
	2018 \$	2017 \$
<i>Current</i>		
Provision for annual leave	240,389	180,620

13. CONVERTIBLE NOTES AND INTEREST BEARING LIABILITIES

As of 30 June 2018, Wistr Marketplace Limited had \$373,000 (2017: \$672,000) of convertibles notes on issue that are secured against identified loans within Wistr Marketplace Limited's balance sheet. The carrying value of the loans pledged as security as of 30 June 2018 was \$286,274. The holders have recourse to these loans and a distribution of interest based on the gross return of the loans less a 4% loss reserve and 1.5% servicing fee.

These notes are currently in a rundown phase where holders receive periodic repayments of principal on the note based on the total principal repayments received from the loans secured against the note.

14. ISSUED CAPITAL

	Consolidated	
	2018 \$	2017 \$
a) Issued and paid up capital		
Ordinary shares fully paid	29,644,386	28,925,131
Costs of raising capital	(320,406)	(320,406)
	29,323,980	28,604,725

Ordinary shares participate in dividends and the proceeds on winding up the Company. At shareholder meetings, each ordinary share is entitled to one vote when a poll is called. Otherwise, each shareholder has one vote on show of hands.

	2018		2017	
	Number of shares	\$	Number of shares	\$
b) Reconciliation of issued and paid-up capital				
Opening balance as at 1 July	436,925,084	28,604,725	271,954,175	22,409,803
Issue of shares from rights issue	—	—	135,777,153	5,702,641
Costs of raising capital	—	—	—	(320,406)
Issue of shares as payment of funder fees	2,000,000	60,000	27,155,099	741,334
Issue of shares to CEO as part of short term incentive	2,194,625	59,255	2,038,657	71,353
Issue of shares to Alceon	14,285,715	600,000	—	—
Closing Balance as at 30 June	455,405,424	29,323,980	436,925,084	28,604,725

Notes to the Financial Statements.

FOR THE YEAR ENDED 30 JUNE 2018

14. ISSUED CAPITAL (continued)

c) Performance rights

As at 30 June 2018, there were a total of 37,082,562 (2017: 37,175,000) performance rights outstanding.

The Group has also awarded its staff an offer to participate in the Group's Long Term Incentive Plan (LTIP) in the form of performance rights and link to KPIs for the period 1 July 2017 to 30 June 2018. From an accounting perspective, these performance rights have been granted. However, the Board is currently assessing performance against KPIs in order to determine the final grant amount. There are also future share price hurdles for granted performance rights to vest. See Note 29(a)(i) of the Financial Report for more details.

Under the Company's Performance Rights Plan, these performance rights were issued at no cost to the recipients and represent a right to one ordinary share in the Company in the future for no consideration, subject to satisfying the performance conditions and compliance with the rules of the Plan.

d) Capital management

Management controls the capital of the Group in order to maintain a sustainable debt to equity ratio, generate long term shareholder value and ensure that the Group can fund its operations and continue as a going concern.

The Group's debt and capital includes ordinary share capital and financial liabilities, supported by financial assets. The Group is not subject to any externally imposed capital requirements.

The Group's objectives when managing capital are to maximize shareholder value and to maintain an optimal capital structure. In order to maintain or adjust the capital structure, the Group may adjust the amount of dividends paid to shareholders. Management gives particular regard to conservation of liquidity in its recommendations as to the declaration of dividends. There were no dividends declared in the year.

15. EQUITY – RESERVES AND ACCUMULATED LOSSES

a) Employee equity benefits reserve

The employee equity benefits reserve records items recognised as expenses on valuation of employee performance rights and accrual of employee short-term and long-term incentives.

b) Other share based payments reserve

The other share based payments reserve records funding expenses accrued and are expected to be paid in the form of shares.

Movement in reserves:	Employee equity benefits reserve \$	Other share based payments reserve \$	Total \$
At 1 July 2016	819,894	–	819,894
Share based payments expense	421,488	153,126	574,614
At 30 June 2017	1,241,382	153,126	1,394,508
Share based payments expense	571,535	373,251	944,786
Transfer from reserve to retained earnings	(439,243)	–	(439,243)
At 30 June 2018	1,373,674	526,377	1,900,051

Accumulated losses:	Consolidated	
	2018 \$	2017 \$
Opening balance	(20,796,796)	(15,365,123)
Total loss after income tax for the year	(6,207,866)	(5,431,673)
Transfer from reserve to retained earnings	439,243	–
Total	(26,565,419)	(20,796,796)

Notes to the Financial Statements.

FOR THE YEAR ENDED 30 JUNE 2018

16. CAPITAL AND LEASE COMMITMENTS

a) Finance lease commitments

There are no finance lease commitments (2017: nil).

b) Operating lease commitments

Non-cancellable operating leases contracted for but not recognised in the financial statements.

	Consolidated	
	2018 \$	2017 \$
Payable – minimum lease payments:		
i) Within one year	110,089	161,126
ii) One to five years	–	110,089
iii) More than five years	–	–
	110,089	271,215

Wisr Finance Pty Ltd has a non-cancellable property lease with a 24 month term which commenced on 1 March 2017, with rent payable monthly in advance. Contingent rental provisions within the lease agreement require that the minimum lease payments shall be increased from and including each anniversary of the commencing date of the term by 4%.

17. INCOME TAX

	Consolidated	
	2018 \$	2017 \$
<i>Numerical reconciliation of income tax expense to prima facie tax payable</i>		
Loss from continuing operations before income tax expense	(6,207,866)	(5,431,673)
Tax at the tax rate of 27.5% (2017: 27.5%)	(1,707,163)	(1,493,710)
Tax effect of amounts which are not deductible (taxable) in calculating taxable income:		
– Temporary differences not recognised	19,828	90,799
– Non-recognition of current year tax losses	1,687,335	1,402,911
Income tax expense / (benefit)	–	–

As at 30 June 2018, the entity has unrecognised carried forward tax losses of \$27,498,694 (2017: \$21,362,929), the utilisation of which is dependent on the entity satisfying the requirements of the Same Business Test (SBT).

18. REMUNERATION OF AUDITORS

During the year, the following fees were paid or payable for services provided by the auditor:

	Consolidated	
	2018 \$	2017 \$
BDO East Coast Partnership		
– Audit of the financial report	83,000	60,500
– Taxation services	4,850	3,540
– Review of the half-yearly financial report	25,000	22,500
– Accounting advice	–	4,525
	112,850	91,065

Notes to the Financial Statements.

FOR THE YEAR ENDED 30 JUNE 2018

19. CONTINGENT LIABILITIES

Macquarie Bank Agreement

On 19 February 2016, the parent entity entered into a Loan Sale and Management Deed with Macquarie Bank Limited (Agreement) in which Macquarie Bank Limited (Macquarie) agreed to purchase a \$5 million loan portfolio from Wisor Finance Pty Ltd and provide certain services to the Company. A \$5 million cash consideration for the \$5 million loan portfolio was paid on 23 February 2016, at which point the loan portfolio was derecognised.

Note 19 of the Group's 2016 Annual Report detailed the various fees payable as tranches under the Agreement.

In accordance with the modification of the Agreement, Tranche 2 funder fee is the only contingent liability remaining under the Agreement and is payable for so long as Macquarie continues to hold an interest in the loan portfolio.

255 Finance Agreement

In August 2017, the Company entered into an agreement with 255 Finance structured around the purchase of \$50 million in Wisor originated loan assets over a multiple year period. The transaction included an issue of shares to 255 Finance and up to \$200,000 in options that vest upon certain hurdles being met. As at 30 June 2018, the Company took up a funder fee expense of \$64,740 related to these options. \$135,260 of options remain contingent on a certain volume of new loan originations being funded.

CEO Short and Long Term Incentives

The following short and long term incentives may be awarded by the Company to the CEO and are noted as contingent liabilities:

- Grant of shares equivalent to 1% of the market capital value of the Company as at 30 June 2019, up to a maximum value to be determined by the Company in July 2017, but to be between 100% to 200% of base remuneration subject to the discretion of the Board and outcomes to be agreed with the Board, or absent agreement, as determined by the Board;
- Grant of shares equivalent to 0.5% of the market capital value of the Company on achieving a share price of 6c based on the average weighted price of the equity of the Company for a consecutive 30 day period in the 90 days immediately preceding the first day of the Vesting Date being 6c. The Vesting Date being within 20 business days following 30 June 2019; and
- Grant of shares equivalent to 0.5% of the market capital value of the Company on achieving a share price of 12c based on the average weighted price of the equity of the Company for a consecutive 30 day period in the 90 days immediately preceding the first day of the vesting date being 12c. The Vesting Date being within 20 business days following 30 June 2019.

CFO Long Term Incentives

The Company may award the CFO an issue of shares in the Company to a maximum value of \$200,000 for each of the financial years to 30 June 2018 and subsequently, annually, subject to the discretion of the CEO and Board, and achievement of outcomes to be agreed with the CEO or absent agreement, as determined by the CEO.

Former COO Long Term Incentives

The following long term incentives may be awarded by the Company to the COO and are noted as contingent liabilities:

- Grant of shares equal to 1% market capital value of the Company as at 30 June 2019, up to a maximum value of 50% of total remuneration or \$100,000, whichever is the lesser, for each of the relevant years;
- Grant of shares equal to 0.25% of the market capital value of the Company on achieving a share price of 6c based on the average weighted price of the equity of the Company for a consecutive 30 day period in the 90 days immediately preceding the first day of the Vesting Date being 6c. The Vesting Date being within 20 business days following 30 June 2019; and
- Grant of shares equal to 0.25% of the market capital value of the Company on achieving a share price of 12c based on the average weighted price of the equity of the Company for a consecutive 30 day period in the 90 days immediately preceding the first day of the vesting date being 12c. The Vesting Date being within 20 business days following 30 June 2019.

Current COO Long Term Incentives

The Company may award the current COO an issue of shares in the Company, through an Executive Staff Share Scheme, to an annual value of \$70,000 unless agreed otherwise, effective from 1 July 2018 for each of the financial years, subject to the discretion of the CEO and Board, and achievement of outcomes to be agreed with the CEO or absent agreement, as determined by the CEO.

Notes to the Financial Statements.

FOR THE YEAR ENDED 30 JUNE 2018

20. SUBSIDIARIES

The consolidated financial statements incorporate the assets, liabilities and results of the following subsidiaries in accordance with the accounting policies described in Note 1:

Name	Status	Country of incorporation	% owned 2018	% owned 2017
Wistr Finance Pty Ltd	Registered 2 May 2006	Australia	100%	100%
Wistr Investment Management Pty Ltd	Registered 20 February 2015	Australia	100%	100%
Wistr Loans Servicing Pty Ltd	Registered 20 February 2015	Australia	100%	100%
Wistr Credit Management Pty Ltd	Registered 19 March 2015	Australia	100%	100%
Wistr Marketplace Limited	Registered 16 March 2015	Australia	100%	100%
Wistr Services Pty Ltd	Registered 13 January 2017	Australia	100%	100%
Wistr Funding Pty Ltd	Registered 9 April 2018	Australia	100%	–

21. EVENTS AFTER THE REPORTING PERIOD

On 31 August 2018, the Company completed a capital raise via a placement of 83,910,000 fully paid ordinary shares at an issue price of \$0.05 each for a total amount of \$4,195,500 (to be received in two tranches) to sophisticated and professional investors.

In May 2018, the Group completed a \$25 million wholesale funding agreement with Bendigo and Adelaide Bank Limited. As of the date of this report, the Group is in the process of completing the conditions precedent before the facility becomes fully operational.

22. KEY MANAGEMENT PERSONNEL DISCLOSURES

Compensation

The aggregate compensation made to directors and other members of key management personnel of the consolidated entity is set out below:

	Consolidated	
	2018 \$	2017 \$
Short-term employee benefits	972,206	814,428
Post-employment benefits	91,493	76,459
Long-term benefits	–	–
Share-based payments	541,516	469,786
Total KMP compensation	1,605,215	1,360,673

Short-term employee benefits

These amounts include fees and benefits paid to the executive Chair and non-executive directors as well as all salary, paid leave benefits, fringe benefits and cash bonuses awarded to executive directors and other KMP.

Post-employment benefits

These amounts are the current year's estimated cost of providing for the Group's superannuation contributions made during the year.

Long-term benefits

These amounts represent long service leave benefits accruing during the year.

Share-based payments

These amounts represent the expense related to the participation of KMP in equity-settled benefit schemes as measured by the fair value of the options, rights and shares granted on grant date.

Notes to the Financial Statements.

FOR THE YEAR ENDED 30 JUNE 2018

23. RELATED PARTY TRANSACTIONS

a) Parent entity

The legal parent is Wisor Limited.

b) Subsidiaries

Interest in subsidiaries are set out in Note 20.

c) Transactions with related parties

As at 30 June 2018, all transactions that have occurred among the subsidiaries within the Group have been eliminated for consolidation purposes. There were no other related party transactions (2017: nil).

24. PARENT ENTITY INFORMATION

a) Summary financial information

The individual financial statements for the parent entity show the following aggregate amounts:

Statement of financial position	2018 \$	2017 \$
Current assets	564,551	1,248,962
Non-current assets	14,943,118	13,402,500
Total assets	15,507,669	14,651,462
Current liabilities	79,026	53,267
Non-current liabilities	—	—
Total liabilities	79,026	53,267
<i>Shareholders' equity</i>		
Issued capital	22,311,751	21,592,496
Reserves	1,900,051	1,394,508
Accumulated losses	(8,783,159)	(8,388,809)
	15,428,643	14,598,195
Loss for the year	(833,593)	(1,380,416)
Total comprehensive income	(833,593)	(1,380,416)

b) Contingent liabilities

See Note 19.

c) Contractual commitments

The parent entity had no capital commitments for property, plant and equipment as at 30 June 2018 and 30 June 2017.

Notes to the Financial Statements.

FOR THE YEAR ENDED 30 JUNE 2018

25. CASH FLOW INFORMATION

	Consolidated	
	2018 \$	2017 \$
Reconciliation of loss after income tax to net cash outflows from operating activities		
Loss for the year	(6,207,866)	(5,431,673)
<i>Adjustments for non-cash items or items for which the cash flows are investing or financing cash flows</i>		
Depreciation	23,922	12,124
Share-based payments and accruals	1,064,040	1,387,301
Fundraising expenses	(45,750)	27,500
Loss on disposal of assets	426	–
<i>Changes in operating assets and liabilities:</i>		
Decrease in loan receivables	2,809,124	1,161,765
(Increase) / decrease in trade and other receivables	(258,515)	42,828
(Increase) / decrease in other assets	(96,528)	5,231
Increase in trade and other payables	496,516	1,067
Increase in provision for employee benefits	59,769	54,720
Net cash flows used in operating activities	(2,154,862)	(2,739,137)

26. EARNINGS PER SHARE

	2018 Cents	2017 Cents
Basic earnings per share	(1.4)	(1.4)
Diluted earnings per share	(1.4)	(1.4)

Weighted average number of shares used as the denominator

	Number of shares	Number of shares
Weighted average number of shares used as the denominator in calculating basic earnings per share	445,066,294	396,015,543
Adjustments for calculation of diluted earnings per share	–	–
Weighted average number of ordinary shares used in calculating dilutive earnings per share	445,066,294	396,015,543

The performance rights on issue have not been considered in the diluted earnings per share as their effect is anti-dilutive.

27. OPERATING SEGMENTS

The Group's business includes two related operating activities constituting one operating segment, which forms the basis of the Group's marketplace lending business. The Group makes personal loans to approved applicants in sizes ranging from \$5,000 to \$50,000 with loan maturities of three to five years. The Group also conducts activities to sell these loans after they have been settled to institutional investors and to the DirectMoney Personal Loan Fund (the Fund). The Group is the Investment Manager of the Fund.

The information in this report is presented on the same basis as the internal reports provided to the Chief Operating Decision Makers (CODM). The CODM is responsible for the allocation of resources to operating segments and assessing their performance.

Notes to the Financial Statements.

FOR THE YEAR ENDED 30 JUNE 2018

28. DIVIDENDS

a) Dividends paid during the year

Ordinary shares

There were no dividends paid during the year (2017: nil).

b) Franking Credits

	2018 \$	2017 \$
Franking credits available for subsequent reporting periods based on a tax rate of 27.5% (2017 – 27.5%)	1,542,955	1,542,955

The above amounts are calculated from the balance of the franking account as at the end of the reporting period, adjusted for franking credits and debits that will arise from the settlement of liabilities or receivables for income tax and dividends after the end of the year.

29. SHARE BASED PAYMENTS

The share based payment expense of \$530,712 consists of:

- Performance rights expense of \$103,510 accrued up to 30 June 2018;
- Funder fee expense totalling \$271,891 accrued during the year in relation to an agreement entered into between the Company and Macquarie Bank Limited on 19 February 2016;
- Funder fee expense totalling \$124,740 paid and accrued during the year in relation to an agreement entered into between the Company and 255 Finance in August 2017, of which the Company agreed to issue shares to 255 Finance and options that vest upon certain hurdles being met; and
- Options expense of \$30,571 accrued in relation to the grant of call options to Alceon Group Pty Limited (Alceon) in February 2018 as part of a strategic investment by Alceon in the Company.

(a) Performance rights

Effective Grant Date	Notes	2018		2017	
		Number of performance rights	Exercise price	Number of performance rights	Exercise price
Balance at beginning of year		37,175,000	Nil	32,175,000	Nil
– granted	(i)	6,565,125	Nil	17,500,000	Nil
– forfeited		(6,657,563)	Nil	(12,500,000)	Nil
– exercised		–	Nil	–	Nil
Balance at end of year		37,082,562	Nil	37,175,000	Nil

(i) Number of performance rights granted during the year

The Group has also awarded its staff an offer to participate in the Group's Long Term Incentive Plan (LTIP) in the form of performance rights and link to KPIs for the period 1 July 2017 to 30 June 2018. From an accounting perspective, these performance rights have been granted. However, the Board is currently assessing performance against KPIs in order to determine the final grant amount. There are also future share price hurdles for granted performance rights to vest. The total fair value of these performance rights at award date is \$219,407 of which \$83,683 (2017: nil) has been recognised as a share-based performance rights expense in accordance with AASB 2 Share-based payment for FY2018.

The fair value of the performance rights was calculated by an independent advisor using a path-dependent option pricing model, a 2.5% risk free rate of return and a 40% implied volatility which was based on the historical volatility of suitable reference companies and indexes.

The Group has also recognised a performance rights expense of \$19,827 (2017: \$166,068) for performance rights granted in prior financial years. The total fair value of those performance rights at grant date is \$1,047,580.

The fair value of the performance rights was calculated by an independent advisor using a path-dependent option pricing model, a 2% risk free rate of return and a 40% implied volatility which was based on the historical volatility of suitable reference companies and indexes.

There were no performance rights granted to key management personnel as share based payments during the year (2017: 17,500,000 rights granted).

Notes to the Financial Statements.

FOR THE YEAR ENDED 30 JUNE 2018

30. FINANCIAL RISK MANAGEMENT

The business of the Group and the industry in which it operates are subject to risk factors both of a general nature and risks which are specific to the industry and/or the Group's business activities.

The potential effect of these risk factors either individually, or in combination, may have an adverse effect on the future financial and operating performance of the Group, its financial position, its prospects and the value of its shares.

The following are the key risks that specifically relate to the Group:

(i) Credit risk

As a lending business, the Group is at risk of a larger than expected number of its borrowers failing or becoming unable to repay their loans, particularly for loans which are held on balance sheet as opposed to being funded by a third party. While loans are assessed according to a strict Credit Manual and Credit Risk Policy as well as being targeted at prime retail borrowers (not 'payday' lending customers), the loans may be unsecured and so are subject to the capacity of the individual borrower to repay the loan.

All loan balances are monitored on an ongoing basis for collectability and a provision for doubtful debts is raised when appropriate. Detail of the provisioning policy is provided in Note 1.k.

The maximum exposure to credit risk by class of recognised financial assets at the end of the reporting period is equivalent to the carrying amount and classification of those financial assets (net of any provisions) as presented in the statement of financial position.

	2018 \$	2017 \$
Less than 30 days	208,850	459,805
31 – 60 days	139,899	172,525
61 – 90 days	54,610	–
Greater than 90 days	192,348	17,839
	595,707	650,169

(ii) Inability to recover defaulted loans

If a borrower does not meet their required loan payments and the loan goes into default, the Group may not be able to recover the relevant portion of the value of the loan or the cost of recovery of the loan may be deemed to be greater than the amount potentially recoverable, even if the borrower owns assets such as a house. In this case the loan may be sold (at a loss) to a third party or written off as a bad debt. High levels of bad debts could limit profitability and adversely affect future performance. The Group mitigates this risk by approving loans according to a strict credit criteria. The risk is also mitigated through the use of third party funders for a proportion of loans.

(iii) Fraudulent borrowers

There is a general ongoing risk that borrowers may deliberately fabricate evidence to support loan applications and they have no intention of paying off their loan. The Group has procedures in place to detect fraudulent applications and activities, however the risk of fraud cannot be totally removed.

(iv) Personal Loans may be unsecured

The Group's loans may be issued on an unsecured basis. The Group's reputation and financial position could be adversely impacted if the Group's targeted credit performance of its loan book is not met and collections and debt recovery procedures prove less than effective.

(v) Costs of acquiring loans

The Group's business model and on-going commercial viability is directly linked to its ability to attract suitable borrowers and increase the volume of loans funded and managed by the Group. The Group has built its existing loan volumes using a mix of direct channel marketing (using search engine marketing and media advertising) and developing relationships with mortgage and finance brokers to introduce loans. The Group has forecasted the future costs of acquiring loans in the desired volumes however these costs are subject to market forces and cannot be predicted with certainty.

(vi) Ability to source third party funding and sell loans

The Group's business model and on-going commercial viability is strongly linked to its ability to source sufficient third party funding to enable it to sell its loans and raise the funds to lend to potential borrowers.

The Group seeks to manage this risk by establishing multiple sources of loan buyers. The Group seeks to on-sell loans to the DirectMoney Personal Loan Fund (subject to that fund having sufficient funds available) and to institutional loan buyers.

Notes to the Financial Statements.

FOR THE YEAR ENDED 30 JUNE 2018

30. FINANCIAL RISK MANAGEMENT (continued)

(vii) Liquidity risk

Prudent liquidity risk management implies maintaining sufficient cash to ensure the ability to meet financial obligations as they fall due. The Group manages liquidity risk by maintaining a cash reserve and continuously monitoring forecast and actual cash flows.

Maturity Analysis – Group

2018	Within 1 year \$	1 – 5 years \$	Total \$
Financial assets			
Cash and cash equivalents	1,548,888	–	1,548,888
Loan receivables	884,509	2,745,745	3,630,254
Trade and other receivables	326,242	–	326,242
Available for sale financial assets	–	518,000	518,000
Total financial assets	2,759,639	3,263,745	6,023,384
Financial liabilities			
<i>Non-derivatives</i>			
Trade creditors	744,518	–	744,518
Other payables	601,491	–	601,491
Convertible notes*	373,000	–	373,000
Total non-derivatives	1,719,009	–	1,719,009
Net financial assets	1,040,630	3,263,745	4,304,375
2017	Within 1 year \$	1 – 5 years \$	Total \$
Financial assets			
Cash and cash equivalents	3,479,300	–	3,479,300
Loan receivables	1,727,404	4,711,974	6,439,378
Trade and other receivables	67,727	–	67,727
Available for sale financial assets	–	500,000	500,000
Total financial assets	5,274,431	5,211,974	10,486,405
Financial liabilities			
<i>Non-derivatives</i>			
Trade creditors	232,057	–	232,057
Other payables	551,861	–	551,861
Convertible notes*	672,000	–	672,000
Total non-derivatives	1,455,918	–	1,455,918
Net financial assets	3,818,513	5,211,974	9,030,487

* The repayment of the notes is linked to the repayment profile of the loans which provide security for the notes. Given the option the Group has to repay these notes prior to their maturity, the notes are shown as being current.

(viii) Market risk

a. Price risk

The Group's investment in the DirectMoney Personal Loan Fund (Fund) is exposed to variations in the unit price of the Fund. The unit price may vary subject to the credit performance of the loans held in the Fund. As the Group is the Seller of and Investment Manager of the Fund, the Group has a sound knowledge of the price risk associated with its investment. To date, the unit price has not declined in value.

b. Interest rate risk

The Group has no bank debt, fixed rate or otherwise. The Group earns interest from a portfolio of fixed rate loans held on its balance sheet.

Directors' Declaration.

FOR THE YEAR ENDED 30 JUNE 2018

The directors of the Company declare that, in the opinion of the directors:

- (a) the attached financial statements and notes thereto are in accordance with the *Corporations Act 2001*, including:
 - (i) giving a true and fair view of the financial position and performance of the consolidated entity; and
 - (ii) complying with Australian Accounting Standards, including the interpretations, and the *Corporations Regulations 2001*;
- (b) the financial statements and notes thereto also comply with International Financial Reporting Standards, as disclosed in Note 1;
- (c) the directors have been given the declarations required by s.295A of the *Corporations Act 2001*; and
- (d) there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable;

Signed in accordance with a resolution of the directors made pursuant to s.295(5) of the *Corporations Act 2001*.



.....
Craig Swanger

Director
Sydney

28 September 2018

Independent Auditors Report to the Members of Wistr Limited.

FOR THE YEAR ENDED 30 JUNE 2018



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Australia

INDEPENDENT AUDITOR'S REPORT

To the members of Wistr Limited

Report on the Audit of the Financial Report

Opinion

We have audited the financial report of Wistr Limited (the Company) and its subsidiaries (the Group), which comprises the statement of financial position as at 30 June 2018, the statement of profit or loss and other comprehensive income, the statement of changes in equity and the statement of cash flows for the year then ended, and notes to the financial report, including a summary of significant accounting policies and the directors' declaration.

In our opinion the accompanying financial report of the Group, is in accordance with the *Corporations Act 2001*, including:

- (i) Giving a true and fair view of the Group's financial position as at 30 June 2018 and of its financial performance for the year ended on that date; and
- (ii) Complying with Australian Accounting Standards and the *Corporations Regulations 2001*.

Basis for opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the Financial Report* section of our report. We are independent of the Group in accordance with the *Corporations Act 2001* and the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants* (the Code) that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

We confirm that the independence declaration required by the *Corporations Act 2001*, which has been given to the directors of the Company, would be in the same terms if given to the directors as at the time of this auditor's report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key audit matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial report of the current period. These matters were addressed in the context of our audit of the financial report as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

BDO East Coast Partnership ABN 83 236 985 726 is a member of a national association of independent entities which are all members of BDO Australia Ltd ABN 77 050 110 275, an Australian company limited by guarantee. BDO East Coast Partnership and BDO Australia Ltd are members of BDO International Ltd, a UK company limited by guarantee, and form part of the international BDO network of independent member firms. Liability limited by a scheme approved under Professional Standards Legislation, other than for the acts or omissions of financial services licensees.

Independent Auditors Report to the Members of Wisir Limited.

FOR THE YEAR ENDED 30 JUNE 2018



Share-based payments

Key audit matter	How the matter was addressed in our audit
<p>During the year ended 30 June 2018, the Company entered into several share based payments transactions.</p> <p>The calculation of share-based payments is complex and includes assumptions utilised in the fair value calculations and judgements regarding the equity instrument issued during the year. There is a risk that amounts are incorrectly recognised and/or inappropriately disclosed in the financial statements and consequently it was considered a key audit matter.</p> <p>Refer to note 1(d) and note 29 of the financial report for a description of the accounting policy and significant estimates and judgements applied to these transactions.</p>	<p>To address this matter, our audit procedures included, amongst others:</p> <ul style="list-style-type: none"> • Reviewing the terms and conditions of the various share based payment agreements; • Evaluating management's assessment of the likelihood of meeting the performance conditions attached to each of the agreements; • Testing management's methodology for calculating the fair value of the shares or options including assessing the valuation inputs using internal specialists where required; and • Evaluating the adequacy of the disclosures in respect of the accounting treatment of share-based payments in the financial statements, including the judgements involved, and the accounting policy adopted.

Other information

The directors are responsible for the other information. The other information comprises the information in the Group's annual report for the year ended 30 June 2018, but does not include the financial report and the auditor's report thereon, which we obtained prior to the date of this auditor's report, and the Highlight Report and Chairman's Report, which are expected to be made available to us after that date.

Our opinion on the financial report does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial report, our responsibility is to read the other information identified above and, in doing so, consider whether the other information is materially inconsistent with the financial report or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed on the other information that we obtained prior to the date of this auditor's report, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

When we read the Highlight Report and Chairman's Report, if we conclude that there is a material misstatement therein, we are required to communicate the matter to the directors and will request that it is corrected. If it is not corrected, we will seek to have the matter appropriately brought to the attention of users for whom our report is prepared.

Independent Auditors Report to the Members of Wistr Limited.

FOR THE YEAR ENDED 30 JUNE 2018



Responsibilities of the directors for the Financial Report

The directors of the Company are responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* and for such internal control as the directors determine is necessary to enable the preparation of the financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

In preparing the financial report, the directors are responsible for assessing the ability of the Group to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

Auditor's responsibilities for the audit of the Financial Report

Our objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this financial report.

A further description of our responsibilities for the audit of the financial report is located at the Auditing and Assurance Standards Board website (<http://www.auasb.gov.au/Home.aspx>) at:

http://www.auasb.gov.au/auditors_responsibilities/ar1.pdf

This description forms part of our auditor's report.

Report on the Remuneration Report

Opinion on the Remuneration Report

We have audited the Remuneration Report included in the directors' report for the year ended 30 June 2018.

In our opinion, the Remuneration Report of Wistr Limited, for the year ended 30 June 2018, complies with section 300A of the *Corporations Act 2001*.

Responsibilities

The directors of the Company are responsible for the preparation and presentation of the Remuneration Report in accordance with section 300A of the *Corporations Act 2001*. Our responsibility is to express an opinion on the Remuneration Report, based on our audit conducted in accordance with Australian Auditing Standards.

BDO East Coast Partnership

Arthur Milner
Partner

Sydney, 28 September 2018

ASX Additional Information.

AS AT 1 OCTOBER 2018

Additional information required by the ASX Limited Listing Rules and not disclosed elsewhere in this report is set out below. This information is effective as at 1 October 2018.

a. Distribution of shareholders

The distribution of issued capital as at 1 October 2018 were as follows:

Size of Holding	Number of shareholders	Number of ordinary shares	Percentage of issued capital (%)
1 – 1,000	116	32,912	0.01
1,001 – 5,000	97	254,040	0.05
5,001 – 10,000	53	435,472	0.08
10,001 – 100,000	250	12,697,824	2.37
100,001 and over	256	520,950,392	97.49
Total	772	534,370,640	100.00

There were 248 shareholders with unmarketable parcels totalling 542,424 shares as at 1 October 2018.

b. Distribution of performance rights holders

The distribution of unquoted Performance Rights on issue as at 1 October 2018 were as follows:

Size of Holding	Number of holders	Number of unquoted rights
1 – 1,000	–	–
1,001 – 5,000	–	–
5,001 – 10,000	–	–
10,001 – 100,000	–	–
100,001 and over	3	19,000,000
Total	3	19,000,000

c. Distribution of options

The distribution of unquoted Options on issue as at 1 October 2018 were as follows:

Size of Holding	Number of holders	Number of unquoted options
1 – 1,000	–	–
1,001 – 5,000	–	–
5,001 – 10,000	–	–
10,001 – 100,000	–	–
100,001 and over	2	21,382,470
Total	2	21,382,470

ASX Additional Information.

AS AT 1 OCTOBER 2018

d. Substantial shareholders

The names of substantial shareholders listed in the Company's register as at 1 October 2018 were as follows:

Shareholder	Number of fully paid ordinary shares	Percentage of issued capital (%)
ADCOCK PRIVATE EQUITY PTY LTD <ADCOCK PRIVATE EQUITY A/C>	178,715,502	33.44
ADCOCK GROUP SUPER PTY LTD <ADCOCK GROUP S/F A/C>	34,872,040	6.53
MACQUARIE BANK LIMITED	33,009,899	6.18
Total	246,597,441	46.15

e. Twenty largest shareholders of quoted equity securities

The twenty largest shareholders of quoted equity securities were as follows:

Shareholder	Number of fully paid ordinary shares	Percentage of issued capital (%)
ADCOCK PRIVATE EQUITY PTY LTD <ADCOCK PRIVATE EQUITY A/C>	178,715,502	33.44
ADCOCK GROUP SUPER PTY LTD <ADCOCK GROUP S/F A/C>	34,872,040	6.53
MACQUARIE BANK LIMITED	33,009,899	6.18
CS THIRD NOMINEES PTY LIMITED <HSBC CUST NOM AU LTD 13 A/C>	24,350,000	4.56
GREIG HOLDINGS PTY LIMITED <THE GREIG FAMILY A/C>	22,997,903	4.30
BUBBLYDAYS PTY LTD	20,023,631	3.75
MR DAVID JOHN DOUST + MRS SHIRLEY JUNE DOUST	16,566,233	3.10
P2P GLOBAL INVESTMENTS PLC	11,996,466	2.24
J P MORGAN NOMINEES AUSTRALIA LIMITED	10,125,348	1.89
MERRILL LYNCH (AUSTRALIA) NOMINEES PTY LIMITED	10,000,000	1.87
OZIBIZ CONSULTING SERVICES PTY LIMITED	7,064,897	1.32
HSBC CUSTODY NOMINEES (AUSTRALIA) LIMITED	6,851,250	1.28
CS FOURTH NOMINEES PTY LIMITED <HSBC CUST NOM AU LTD 11 A/C>	6,150,000	1.15
ANTHONY NANTES	4,238,620	0.79
TALL OAKS ASSET MANAGEMENT PTY LTD	4,000,000	0.75
DAVID EDWARD RUSSELL	3,853,580	0.72
ANDY ZAPLE <F3000 UNIT A/C>	3,581,531	0.67
MR KARIEM FOUAD SOBH	3,523,325	0.66
CAPITAL H MANAGEMENT PTY LTD <CAPITAL H A/C>	3,500,000	0.65
MLB HOLDINGS PTY LTD <MLB FAMILY A/C>	3,000,000	0.56
Total	408,420,225	76.41
Total quoted equity securities	534,370,640	100.00

The Company did not have any restricted securities on issue as at 1 October 2018.

ASX Additional Information.

AS AT 1 OCTOBER 2018

f. Unquoted equity securities

The Company had the following unquoted securities on issue as at 1 October 2018:

Unquoted Options

The Company had a total of 21,382,470 unquoted options on issue as at 1 October 2018. 7,096,755 options are held by Alceon Group Pty Limited. 14,285,715 options are held by 255 Finance Investments Pty Ltd.

Performance Rights

The Company had 3 holders of performance rights issued as part of an employee incentive scheme.

g. Voting rights

Ordinary Shares

In accordance with the Constitution each member present at a meeting whether in person, or by proxy, or by power of attorney, or in a duly authorised representative in the case of a corporate member, shall have one vote on a show of hands, and one vote for each fully paid ordinary share, on a poll.

Performance Rights

Holders of Performance Rights have no voting rights.

h. On-market buy-backs

There is no current on-market buy back in relation to the Company's securities.

Corporate Directory.

DIRECTORS

John Nantes (Executive Chairman)
Craig Swanger
Chris Whitehead

COMPANY SECRETARY

Leanne Ralph
May Ho

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SHARE REGISTER

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452 Johnston Street
Abbotsford, Victoria
Telephone: (03) 9415 5000

AUDITOR

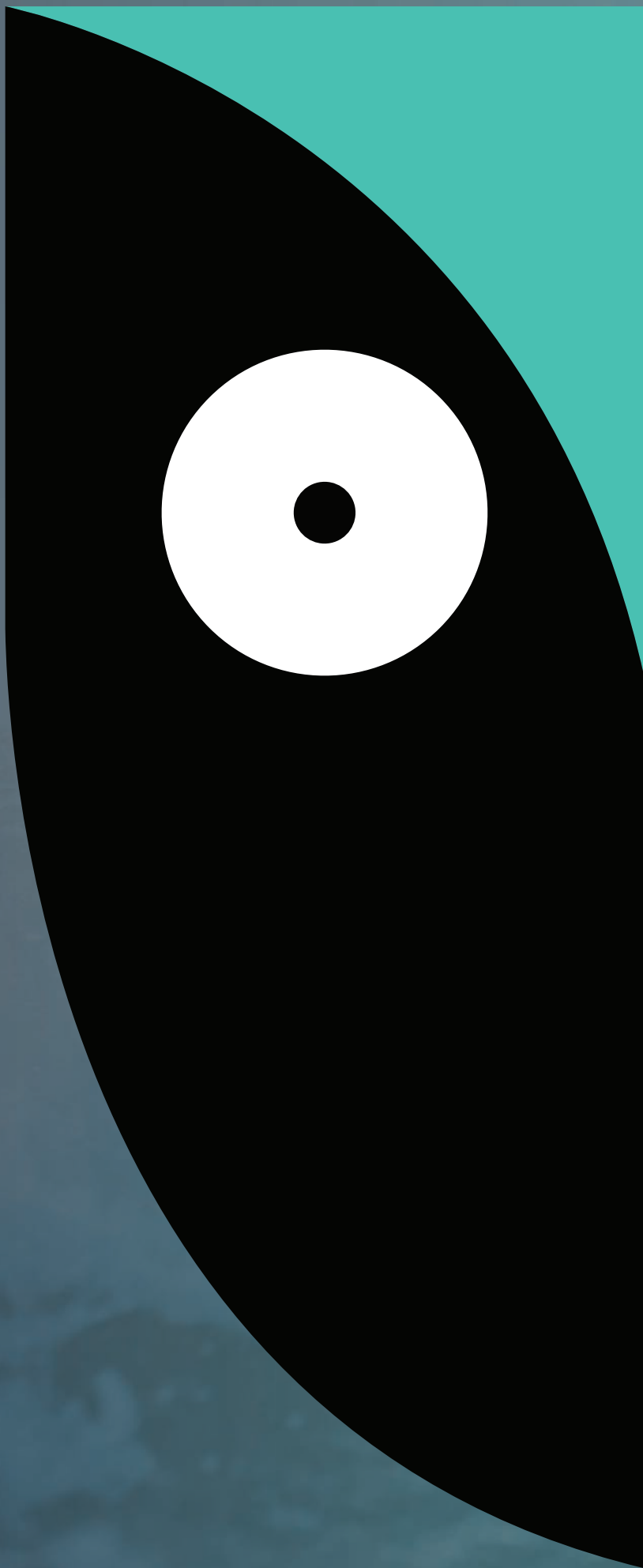
BDO East Coast Partnership
Level 11, 1 Margaret Street
Sydney, New South Wales

STOCK EXCHANGE LISTING

Shares are listed on the Australian Stock Exchange (ASX: WZR)

DOMICILE

Publicly listed company incorporated in Australia



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