

WISR commentary and highlights for Q1FY19

HIGHLIGHTS

Highlights for Q1FY19, compared to the previous quarter, included:

- 49% increase in personal loan origination volume
- 17% increase in total audience to WISR sites
- Technology upgrades lower cost of borrowing, improve customer creditworthiness

Wednesday 31 October 2018, Sydney - WISR, Australia's first neo-lender (ASX: WZR), saw continued strong loan growth and customer acquisition in the first quarter of the 2019 financial year.

Between July and September 2019 the company saw loan origination value grow by 49% when compared to the previous quarter, as well as 22% increase in overall loan volume.

The result is the third consecutive quarter that WISR has recorded quarterly loan growth in excess of 45%. The company also announced it had surpassed \$50 million in loan originations since beginning operations, almost half of which were written from the beginning of 2018.

Anthony Nantes, Chief Executive Officer, WISR said borrower shift away from traditional lenders, brand awareness and broadened product offerings had driven quarterly growth.

"WISR continues to attract strong creditworthy customers at a time when many traditional lenders are seeing a fall in personal finance commitments," Mr Nantes said.

"This is the beginning of borrower flight from the big banks. Findings from the Royal Commission into banking have prompted more Australians to look for better deals and a fairer, more transparent approach to financial services."

During the quarter WISR saw a significant increase in home renovation (up 26%), vehicle (up 17%) and lifestyle (up 33%) related settled loans when compared to the previous quarter.

WISR also continued to attract an increasing number of visitors through marketing activity and release of new financial services such as WISRCredit, with the volume of online visitors increasing 17% during the quarter.

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WISR Credit, Australia's first credit score comparison service, was launched in mid-August. Nearly 10,000 visitors have since subscribed to the platform to learn more about their credit scores and information from major credit agencies and other sources during the quarter.

Technology upgrades lower cost of borrowing, improve customer creditworthiness

During the quarter WISR introduced a number of significant upgrades to its proprietary loan technology platform, resulting in an increase in more creditworthy borrowers and lower average loan interest rates.

Borrower creditworthiness during the quarter was at near record levels - with the average borrower credit score at 712, up from 675 during the same quarter this time last year.

WISR's Intelligent Credit Engine (ICE), which performs sophisticated credit risk analysis, identity verification, personalised interest rate modelling and institutional lender matching, can now draw from a wider range of data sources to make lending decisions.

WISR is now able to automatically pull down two years of historical transactional data into ICE to better predict the future financial behaviour of potential borrowers. The ICE algorithm then synthesises up to 110 data points to determine borrower suitability and personalise the interest rate.

The platform improvements provide the company with a competitive advantage ahead of Open Banking regulation being introduced next year and the recent implementation of Comprehensive Credit Reporting.

"WISR puts the financial wellness of our customers at the centre of everything we do and we have been vigilant in the area of responsible lending through initiatives such as our platform improvements," Mr Nantes said.

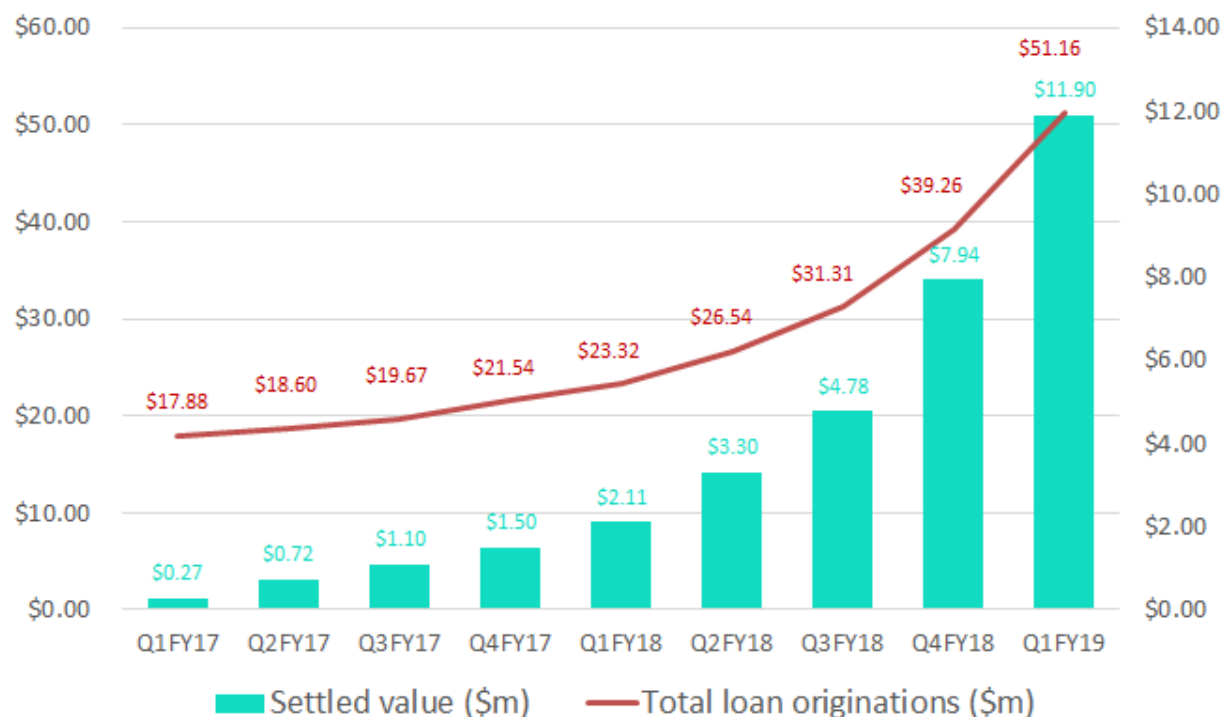
"We continued to deliver consistently strong credit quality - exceeding the target for arrears and book performance and continued to attract more prime customers. Today WISR customers have both higher income and credit scores than the national average."

The company also confirmed that as a regulated holder of an Australian Credit Licence and Australian Financial Service Licence, WISR was unlikely to be impacted by the Senate inquiry into credit and financial services targeted at Australians at risk of financial hardship.

For more on WISR visit www.wisr.com.au

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WISR personal loan originations quarterly growth (Q1FY17-Q1FY19)



For further information please contact

Mark Lenyszyn
 Communications and Investor Relations
 WISR Limited
 +612 8379 4008
m.lenyszyn@wizr.com.au

About WISR Limited

WISR (ASX: WZR) is Australia's first neo-lender with a commitment to the financial wellness of all Australians, through providing a smarter, fairer and wiser collection of financial products and services. WISR provides personal loans, the country's only credit comparison service with WISRCREDIT.COM.AU, apps, content and other products that use technology to provide better outcomes for borrowers, investors and everyday Australians.

Appendix 4C

Quarterly report for entities subject to Listing Rule 4.7B

Introduced 31/03/00 Amended 30/09/01, 24/10/05, 17/12/10, 01/09/16

Name of entity

Wisir Limited

ABN

80 004 661 205

Quarter ended ("current quarter")

30th September 2018

Consolidated statement of cash flows	Current quarter \$A'000	Year to date (3 months) \$A'000
1. Cash flows from operating activities		
1.1 Receipts from customers		
(a) Net of lending and loan repayments	-11,246	-11,246
(b) Net receipts from institutions	11,907	11,907
(c) Management fee income	93	93
1.2 Payments for		
(a) research and development	-	-
(b) product manufacturing and operating costs	-380	-380
(c) advertising and marketing	-276	-276
(d) leased assets	-	-
(e) staff costs	-1,109	-1,109
(f) administration and corporate costs	-453	-453
1.3 Dividends received (see note 3)	-	-
1.4 Interest received	11	11
1.5 Interest and other costs of finance paid	-7	-7
1.6 Income taxes paid	-	-
1.7 Government grants and tax incentives	234	234
1.8 Other (provide details if material)	-	-
1.9 Net cash from / (used in) operating activities	-1,226	-1,226

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (3 months) \$A'000
2. Cash flows from investing activities			
2.1 Payments to acquire:			
(a) property, plant and equipment			
(b) businesses (see item 10)			
(c) investments			
(d) intellectual property			
(e) other non-current assets			
2.2 Proceeds from disposal of:			
(a) property, plant and equipment			
(b) businesses (see item 10)			
(c) investments			
(d) intellectual property			
(e) other non-current assets			
2.3 Cash flows from loans to other entities			
2.4 Dividends received (see note 3)			
2.5 Other – net proceeds from R&D grant			
2.6 Net cash from / (used in) investing activities		-	-

3.	Cash flows from financing activities		
3.1	Proceeds from issues of shares	3,948	3,948
3.2	Proceeds from issue of convertible notes		
3.3	Proceeds from exercise of share options		
3.4	Transaction costs related to issues of shares, convertible notes or options *		
3.5	Proceeds from borrowings	2,000	2,000
3.6	Repayment of borrowings	-69	-69
3.7	Transaction costs related to loans and borrowings	-131	-131
3.8	Dividends paid		
3.9	Other (provide details if material)		
3.10	Net cash from / (used in) financing activities	5,748	5,748

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (3 months) \$A'000
4.	Net increase / (decrease) in cash and cash equivalents for the period		
4.1	Cash and cash equivalents at beginning of quarter/year to date	1,549	1,549
4.2	Net cash from / (used in) operating activities (item 1.9 above)	-1,226	-1,226
4.3	Net cash from / (used in) investing activities (item 2.6 above)	-	-
4.4	Net cash from / (used in) financing activities (item 3.10 above)	5,748	5,748
4.5	Effect of movement in exchange rates on cash held	-	-
4.6	Cash and cash equivalents at end of quarter	6,071	6,071

5.	Reconciliation of cash and cash equivalents at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts	Current quarter \$A'000	Previous quarter \$A'000
5.1	Bank balances	6,071	1,549
5.2	Call deposits		
5.3	Bank overdrafts		
5.4	Other (provide details)		
5.5	Cash and cash equivalents at end of quarter (should equal item 4.6 above)	6,071	1,549

6.	Payments to directors of the entity and their associates	Current quarter \$A'000
6.1	Aggregate amount of payments to these parties included in item 1.2	55
6.2	Aggregate amount of cash flow from loans to these parties included in item 2.3	-
6.3	Include below any explanation necessary to understand the transactions included in items 6.1 and 6.2	
Directors fees		

7. Payments to related entities of the entity and their associates	Current quarter \$A'000
7.1 Aggregate amount of payments to these parties included in item 1.2	
7.2 Aggregate amount of cash flow from loans to these parties included in item 2.3	
7.3 Include below any explanation necessary to understand the transactions included in items 7.1 and 7.2	

8. Financing facilities available <i>Add notes as necessary for an understanding of the position</i>	Total facility amount at quarter end \$A'000	Amount drawn at quarter end \$A'000
8.1 Loan facilities		
8.2 Credit standby arrangements		
8.3 Other (please specify)		

8.4 Include below a description of each facility above, including the lender, interest rate and whether it is secured or unsecured. If any additional facilities have been entered into or are proposed to be entered into after quarter end, include details of those facilities as well.

In Q3 2017, a wholesale funding agreement was entered into structured around the purchase of \$50 million in Wizr originated loan assets. This became operational in October 2017. Wizr continues to make use of this facility for the funding of loan assets.

9. Estimated cash outflows for next quarter	\$A'000
9.1 Research and development	-
9.2 Product manufacturing and operating costs	140
9.3 Advertising and marketing	200
9.4 Leased assets	-
9.5 Staff costs	1,000
9.6 Administration and corporate costs	160
9.7 Other	-
9.8 Total estimated cash outflows	1,500

10.	Acquisitions and disposals of business entities (items 2.1(b) and 2.2(b) above)	Acquisitions	Disposals
10.1	Name of entity		
10.2	Place of incorporation or registration		
10.3	Consideration for acquisition or disposal		
10.4	Total net assets		
10.5	Nature of business		

Compliance statement

- 1 This statement has been prepared in accordance with accounting standards and policies which comply with Listing Rule 19.11A.
- 2 This statement gives a true and fair view of the matters disclosed.

Sign here:


(Director/Company secretary)

Date: 31 October 2018

Print name:

May Ho

Notes

1. The quarterly report provides a basis for informing the market how the entity's activities have been financed for the past quarter and the effect on its cash position. An entity that wishes to disclose additional information is encouraged to do so, in a note or notes included in or attached to this report.
2. If this quarterly report has been prepared in accordance with Australian Accounting Standards, the definitions in, and provisions of, *AASB 107: Statement of Cash Flows* apply to this report. If this quarterly report has been prepared in accordance with other accounting standards agreed by ASX pursuant to Listing Rule 19.11A, the corresponding equivalent standard applies to this report.
3. Dividends received may be classified either as cash flows from operating activities or cash flows from investing activities, depending on the accounting policy of the entity.