

Wisr Limited
Appendix 4E
Preliminary final report (unaudited)

1. Company details

Name of entity: Wisr Limited
ABN: 80 004 661 205
Reporting period: For the year ended 30 June 2019
Previous period: For the year ended 30 June 2018

2. Results for announcement to the market

Key information			\$A'000
Revenues from ordinary activities	Up	91% to	3,043
Loss from ordinary activities after tax attributable to members	Up	19% to	(7,405)
Loss for the year attributable to members	Up	19% to	(7,405)

Dividends paid and proposed

There were no dividends declared or paid in the reporting period.

3. Statement of Comprehensive Income

Refer Financial Statements below.

4. Statement of Financial Position

Refer Financial Statements below.

5. Statement of Changes in Equity

Refer Financial Statements below.

6. Statement of Cash Flows

Refer Financial Statements below.

7. Details of individual and total dividends and payment dates

There were no dividends declared or paid in the reporting period.

8. Details of dividend reinvestment plan

Not applicable.

9. Net tangible assets

	Reporting period Cents	Previous period Cents
Net tangible asset backing per ordinary security	<u>2.05</u>	<u>1.02</u>

10. Control gained over / loss of entities having material effect

On 31 July 2018, Wisr Finance Pty Ltd, 100% owned subsidiary of Wisr Limited, registered Wisr Notes 1 Pty Ltd, a 100% owned subsidiary of Wisr Finance Pty Ltd.

11. Details of associates and joint venture entities

Not applicable.

12. Significant information

Refer to 'Commentary on results for the period' below.

13. For foreign entities, which set of accounting standards is used in compiling the report?

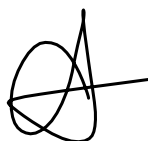
Not applicable.

14. Commentary on results for the period

The commentary on the results for the period is contained in the accompanying media release.

This report is based on accounts which are in the process of being audited.

15. Signed



Signed _____

Date: 30 August 2019

Craig Swanger
Director
Sydney

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Statement of profit or loss and other comprehensive income
For the year ended 30 June 2019

	Note	Consolidated 2019 \$	2018 \$
Revenue	2	3,042,587	1,590,690
Other income	3	680,547	231,514
Expenses			
Employee benefits expense		(5,024,824)	(3,801,276)
Depreciation and amortisation expense		(68,306)	(23,922)
Marketing expense		(1,464,841)	(1,521,198)
Customer processing costs		(1,172,658)	(208,783)
Loan asset impairments and write-offs		(235,521)	(79,962)
Property lease costs		(166,920)	(129,320)
Other expenses		(1,650,047)	(1,166,022)
Finance costs		(148,311)	(41,596)
Share based payment expense	14	(1,197,197)	(1,057,991)
Loss before income tax	4	(7,405,491)	(6,207,866)
Income tax expense		-	-
Loss after income tax for the year		(7,405,491)	(6,207,866)
Other comprehensive income			
Other comprehensive income for the year, net of tax		-	-
Total comprehensive income for the year		<u>(7,405,491)</u>	<u>(6,207,866)</u>
Loss for the year is attributable to:			
Owners of Wisr Limited		<u>(7,405,491)</u>	<u>(6,207,866)</u>
Total comprehensive income for the year is attributable to:			
Owners of Wisr Limited		<u>(7,405,491)</u>	<u>(6,207,866)</u>
		Cents	Cents
Basic earnings per share		(1.28)	(1.39)
Diluted earnings per share		(1.28)	(1.39)

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

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Statement of financial position
As at 30 June 2019

	Note	Consolidated 2019 \$	2018 \$
Assets			
Current assets			
Cash and cash equivalents		11,993,165	1,548,888
Loan receivables	5	4,641,313	1,556,568
Trade and other receivables	7	619,585	326,242
Other assets	8	550,597	553,458
Total current assets		<u>17,804,660</u>	<u>3,985,156</u>
Non-current assets			
Loan receivables	5	1,677,284	2,073,686
Property, plant and equipment	9	15,222	41,168
Intangible assets	10	579,608	-
Other financial assets	6	518,000	518,000
Total non-current assets		<u>2,790,114</u>	<u>2,632,854</u>
Total assets		<u>20,594,774</u>	<u>6,618,010</u>
Liabilities			
Current liabilities			
Trade and other payables	11	1,441,879	1,346,009
Employee benefits	12	380,062	240,389
Convertible notes		-	373,000
Secured note		2,000,000	-
Total current liabilities		<u>3,821,941</u>	<u>1,959,398</u>
Total liabilities		<u>3,821,941</u>	<u>1,959,398</u>
Net assets		<u>16,772,833</u>	<u>4,658,612</u>
Equity			
Issued capital	13	48,412,004	29,323,980
Reserves		1,895,482	1,900,051
Accumulated losses		(33,534,653)	(26,565,419)
Total equity		<u>16,772,833</u>	<u>4,658,612</u>

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

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Statement of changes in equity
For the year ended 30 June 2019

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 (no cost associated with raise)	600,000	-	-	600,000
Share based payment expense during the period	119,255	944,786	-	1,064,041
Transfer of reserve to accumulated losses	-	(439,243)	439,243	-
Balance at 30 June 2018	<u>29,323,980</u>	<u>1,900,051</u>	<u>(26,565,419)</u>	<u>4,658,612</u>
Consolidated	Issued capital \$	Reserves \$	Accumulated losses \$	Total equity \$
Balance at 1 July 2018	29,323,980	1,900,051	(26,565,419)	4,658,612
Loss after income tax expense for the year	-	-	(7,405,491)	(7,405,491)
Other comprehensive income for the year, net of tax	-	-	-	-
Total comprehensive income for the year	-	-	(7,405,491)	(7,405,491)
<i>Transactions with owners in their capacity as owners:</i>				
Issue of share capital	19,695,500	-	-	19,695,500
Costs of raising capital	(1,143,877)	155,000	-	(988,877)
Share based payment expense during the period	-	1,197,198	-	1,197,198
Transfer of share based reserve to issued capital on exercise of options	476,790	(476,790)	-	-
Gain on funder forgiveness of options obligation	-	(426,696)	-	(426,696)
Issue of shares as a result of exercise of options for consideration	59,611	(17,024)	-	42,587
Transfer of reserve to accumulated losses	-	(436,257)	436,257	-
Balance at 30 June 2019	<u>48,412,004</u>	<u>1,895,482</u>	<u>(33,534,653)</u>	<u>16,772,833</u>

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

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Statement of cash flows
For the year ended 30 June 2019

	Consolidated	
	2019	2018
	\$	\$
Cash flows from operating activities		
Net of lending and repayments	(66,172,289)	(14,885,009)
Net proceeds from sale of loans	65,263,962	18,859,853
Payments to suppliers and employees	<u>(9,122,201)</u>	<u>(6,297,173)</u>
	(10,030,528)	(2,322,329)
Interest received	48,066	42,877
Management fees received	660,159	168,191
Interest and other finance costs paid	(138,452)	(43,601)
Proceeds from R&D tax incentive	<u>234,025</u>	<u>-</u>
Net cash used in operating activities	<u>(9,226,730)</u>	<u>(2,154,862)</u>
Cash flows from investing activities		
Payments for investments	-	(18,000)
Payments for development of technology assets	<u>(621,968)</u>	<u>-</u>
Net cash used in investing activities	<u>(621,968)</u>	<u>(18,000)</u>
Cash flows from financing activities		
Proceeds from issue of shares	19,739,501	600,000
Costs of raising capital paid	(988,877)	-
Repayment of convertible notes	(327,074)	(299,000)
Proceeds from issuance of secured note	2,000,000	-
Transaction costs related to loans and borrowings	<u>(130,575)</u>	<u>(58,550)</u>
Net cash provided by financing activities	<u>20,292,975</u>	<u>242,450</u>
Net (decrease) / increase in cash and cash equivalents	10,444,277	(1,930,412)
Cash and cash equivalents at the beginning of the financial year	<u>1,548,888</u>	<u>3,479,300</u>
Cash and cash equivalents at the end of the financial year	<u><u>11,993,165</u></u>	<u><u>1,548,888</u></u>

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

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Notes to the financial statements
For the year ended 30 June 2019

Note 1. Accounting policies

These financial statements for the year ended 30 June 2019 have been prepared in accordance with Australian Accounting Standards and Interpretations issued by the Australian Accounting Standards Board and the Corporations Act 2001. Wistr Limited ("the Group") is a for-profit entity for the purpose of preparing the financial statements.

The principal accounting policies adopted are consistent with those of the previous financial year, unless otherwise stated.

In the current financial year, the Group has applied *AASB 9 Financial Instruments* (as revised in July 2014) and *AASB 15 Revenue from Contracts with Customers*.

These financial statements are unaudited and are in the process of being audited.

Note 2. Revenue

	Consolidated	
	2019	2018
	\$	\$
Effective interest income on financial assets	1,917,670	1,129,821
Other revenue from financial assets	1,080,324	417,485
Interest on cash	6,611	6,282
Interest from investments	37,982	37,102
	<u>3,042,587</u>	<u>1,590,690</u>
Revenue		

Note 3. Other income

	Consolidated	
	2019	2018
	\$	\$
R&D tax incentive	229,840	223,264
Rental income	-	8,250
Gain on loan purchase	12,345	-
Gain on sale of loan assets	11,606	-
Gain on funder fee settlement	426,756	-
	<u>680,547</u>	<u>231,514</u>
Other income		

Note: The Gain on funder fee settlement of \$426,756 is the write back of previously accrued funder fee expense which were deemed no longer payable. The amount is agreed, however the classification is still under discussion with the auditors regarding whether the full amount is taken to other income given a portion of the previously accrued expense relates to prior financial years.

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Note 4. Expenses

	Consolidated 2019 \$	2018 \$
Losses from ordinary activities before income tax includes the following other specific expenses:		
<i>Property lease costs</i>	<u>166,920</u>	<u>129,320</u>
<i>Superannuation expense</i>	<u>386,159</u>	<u>298,277</u>
<i>Marketing costs</i>	<u>1,464,841</u>	<u>1,521,198</u>
<i>Legal expenses</i>	<u>40,041</u>	<u>29,745</u>
<i>Write off of loan assets</i>		
Doubtful debts expense	31,918	(107,598)
Bad debt expense	149,860	187,560
Loss on sale of loan assets	53,743	-
	<u>235,521</u>	<u>79,962</u>

Note 5. Loan receivables

	Consolidated 2019 \$	2018 \$
<i>Current</i>		
Loan receivables	4,814,406	1,643,922
Less: allowance for expected credit losses	<u>(173,093)</u>	<u>(87,353)</u>
	<u>4,641,313</u>	<u>1,556,568</u>
<i>Non-current</i>		
Loan receivables	1,739,837	2,190,059
Less: allowance for expected credit losses	<u>(62,553)</u>	<u>(116,374)</u>
	<u>1,677,284</u>	<u>2,073,686</u>

Loan receivables of \$1,504,191 (net of impairments) are classified as financial assets subsequently measured at amortised cost.

Loan receivables of \$4,814,416 are classified as financial assets subsequently measured at fair value through other comprehensive income.

Loan receivables comprise of personal loans between \$5,000 to \$50,000 using risk-based pricing with interest rates starting from 8.50% to 19.95%. The personal loans are repayable within the range of 3 to 5 years.

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

The impact of adopting *AASB 9 Financial Instruments* was assessed as having no material impact on the prior year. As a result, no changes have been made to the comparatives.

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Note 6. Other financial assets

	Consolidated	
	30 Jun 2019	30 Jun 2018
	\$	\$
<i>Non-current</i>		
Investment in DirectMoney Personal Loan Fund	518,000	518,000

The consolidated entity 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 fair value through profit or loss in accordance with AASB 9: *Financial Instruments*.

Valuation Techniques and Inputs Used to Measure Level 2 Fair Values

Description	Fair Value at 30 Jun 2019	Valuation Technique(s)	Inputs Used
	\$000		
<i>Other 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.

Note 7. Trade and other receivables

	Consolidated	
	2019	2018
	\$	\$
<i>Current</i>		
Accrued interest on loan receivables	178,756	52,679
Accrued management fee income	221,751	42,011
R&D tax incentive receivable	219,078	231,552
	619,585	326,242

Note 8. Other assets

	Consolidated	
	2019	2018
	\$	\$
<i>Current</i>		
Prepayments	198,291	187,733
Deposits	26,333	26,333
Cash held in trust	325,973	339,392
	550,597	553,458

Note 9. Property, plant and equipment

	Consolidated	
	2019	2018
	\$	\$
Plant and equipment, at cost	79,280	79,280
Less: accumulated depreciation	(64,058)	(38,112)
	15,222	41,168

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Note 10. Intangible assets

	Consolidated	
	30 Jun 2019	30 June 2018
	\$	\$
<i>Technology assets:</i>		
Cost	609,239	-
Accumulated amortisation	(42,359)	-
Net carrying amount	<u>566,880</u>	<u>-</u>
<i>Technology assets under development:</i>		
Cost	12,728	-
Accumulated amortisation	-	-
Net carrying amount	<u>12,728</u>	<u>-</u>
Total intangible assets	<u>579,608</u>	<u>-</u>

Technology assets are recognised at cost of acquisition. They have a finite life and are carried at cost less any accumulated amortisation and any impairment losses. Technology assets are amortised over their useful lives ranging from 2 to 5 years on a straight-line basis.

Note 11. Trade and other payables

	Consolidated	
	2019	2018
	\$	\$
<i>Current</i>		
Trade payables	927,211	744,518
Sundry payables	175,073	255,407
Accrued expenses	219,403	259,248
Superannuation payable	<u>120,192</u>	<u>86,836</u>
	<u>1,441,879</u>	<u>1,346,009</u>

Note 12. Employee benefits

	Consolidated	
	2019	2018
	\$	\$
<i>Current</i>		
Provision for annual leave	335,222	240,389
Provision for long service leave	<u>44,840</u>	<u>-</u>
	<u>380,062</u>	<u>240,389</u>

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Note 13. Issued capital

	Consolidated	
	2019	2018
	\$	\$
(a) Issued and paid up capital		
Ordinary shares fully paid	49,555,881	29,644,386
Costs of raising capital	<u>(1,143,877)</u>	<u>(320,406)</u>
	<u>48,412,004</u>	<u>29,323,980</u>

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.

	2019		2018	
	Number of	\$	Number of	\$
	shares		shares	
(b) Reconciliation of issued and paid-up capital				
Opening balance as at 1 July	455,405,424	29,323,980	436,925,084	28,604,725
Issue of shares as payment of funder fees (non-cash)	1,988,120	99,406	2,000,000	60,000
Issue of shares to CEO as part of short-term incentive	4,461,652	95,635	2,194,625	59,255
Issue of shares to Alceon	-	-	14,285,715	600,000
Issue of shares to CFO as part of long-term incentive	1,704,079	81,114	-	-
Issue of shares to directors on vesting of performance rights	11,666,666	131,341	-	-
Issue of shares from capital raises in the period	311,851,176	19,695,500	-	-
Costs of raising capital	-	(1,143,877)	-	-
Issue of shares on exercise of options	3,131,035	128,905	-	-
Closing Balance as at 30 June	<u>790,208,152</u>	<u>48,412,004</u>	<u>455,405,424</u>	<u>29,323,980</u>

Note 14. Share based payments

The share based payment expense of \$1,197,197 consists of:

- KMP LTIs of \$729,096 accrued up to 30 June 2019;
- Performance rights expense of \$123,051 accrued up to 30 June 2019;
- Funder fee expense totalling \$101,145 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 \$132,119 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;
- Option expense of \$61,907 accrued in relation to the grant of call options to sophisticated investors of a \$2 million working capital facility for the Group; and
- Recruitment expense of \$49,879.

In addition to the above, there were \$155,000 worth of options issued to Blue Ocean Equities as part of the consideration for their capital raising mandate. The amount is included in the Statement of Changes in Equity. The options are money in options, meaning that if exercised, cash is received by the Company based on the option strike price.