



ASX Release

Wistr reinventing what a consumer lending company can be *Unique financial wellness ecosystem poised to drive growth*

Sydney, 30 August 2019 – Wistr Limited (ACN 004 661 205), (ASX: WZR) (the “Company”), Australia’s first neo-lender today released its Preliminary Financial Report for the year ended 30 June 2019.

FY19 Highlights:

- Operating revenue up 91%, to \$3.0m (FY18 \$1.6m)
- Loan origination volume up 281% to \$68.9m (FY18 \$18.1m)
- Marketing expense down 4%, to \$1.46m (FY18 \$1.52m)
- The Company is well capitalised with \$16.8m net assets including \$12m cash as at 30 June 2019
- Consistently strong credit quality with 90+ day delinquencies of 1.55% as at 30 June 2019
- Marginal increase in full year net loss to \$7.4m (FY18: \$6.2m), while repositioning the Company for long-term growth
- Raised \$15m, net of costs, in an oversubscribed equity raise in H2FY19
- Launched Wistr App to promote more financial wellness and encourage debt reduction for Australians, with over 25,000 downloads in its first few months
- Launched WistrCredit, the country’s only credit score comparison service with over 32,000 Australians comparing their scores as at 30 June 2019
- Significantly extended the reach and potential of the Wistr Financial Wellness Ecosystem (“Wistr Ecosystem”) through the launch of Wistr@Work and Wistr&Co B2B2C partnership models
- Strategic partnership announcements including Smartgroup, HCF and an industry super fund
- Progress towards evolving Wistr debt funding facilities with multiple parties

Anthony Nantes, Chief Executive Officer, said:

“2019 has been a pivotal year for Wistr as we execute our strategy to redefine and reinvent what a consumer lending company can be. Our unique business model and approach to this sector we believe sets us apart, and 2019 has delivered strong proof points that we are setting out on the right track.

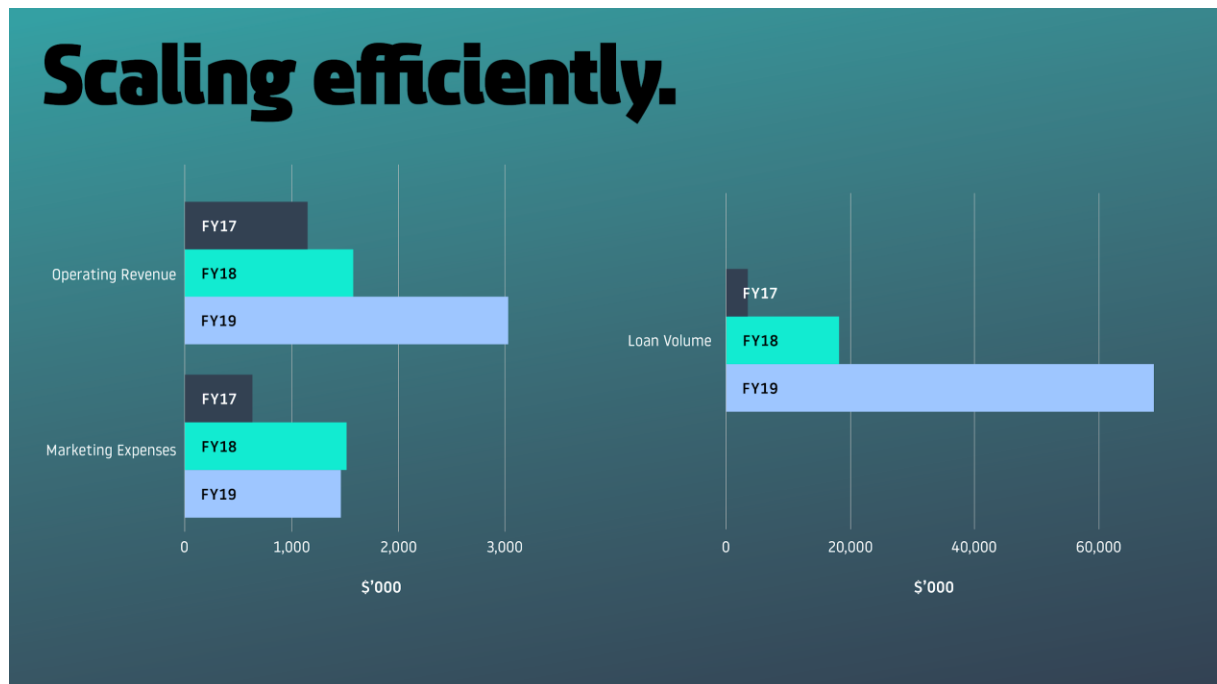
The team has delivered an outstanding set of results across all of our key metrics, with almost \$110 million in total loans written, the establishment of a unique ecosystem of financial wellness products and tools bringing tens of thousands of Australians to Wistr, and delivering major B2B partnerships.



There remains a truly significant opportunity in the Australian market for Wizr to build a company of scale, purpose and profitability in a way that hasn't been done before, and we're excited about the path ahead of us."

Scaling efficiently

Wizr continued the efficient scaling of its core personal loans business, **delivering 281% loan volume growth and 91% revenue growth despite reducing marketing spend by 4%**. This demonstrates the value of Wizr's purpose-led unique ecosystem, which allows the Company to scale efficiently, whilst maintaining consistently strong credit quality.



Wizr underwriting performance

The Wizr credit engine continues to deliver consistent, but safe growth of the loan book in line with management expectations.

Wizr continued its balance of long term sustainable book growth delivered by market leading unit economics, operating excellence and conservative loss rates. The Company's strategy not to maximise loan book growth for short term volume at the expense of unit economics is evident.

WISR loan book: 90+ day delinquencies.



The Company recognises the opportunity is significant in the Australian market but maintains the strategy that wins over the medium to long term is the most important and is focused on building the strongest platform foundation in the market for long term sustainable, profitable success.

WISR Financial Wellness Ecosystem

In FY19 WISR delivered the preliminary rollout of the WISR Ecosystem, acquiring over 60,000 Australians to 30 June 2019 into its channels. The WISR Ecosystem includes the launch of a number of individually powerful, and collectively unique products aligned to financial wellness.

- Australia's only credit score comparison site, WISRCredit, attracted over 32,000 users since launching in Q2FY19, the majority of whom are amongst the most creditworthy in Australia.
- Debt reduction tool WISR App, launched in Q3FY19, garnered over 25,000 downloads in the first months of launch. The app rounds up everyday transactions to help pay down extra debt, specifically targeting high-interest credit card debt.
- Workplace financial wellness program WISR@Work launched with Smartgroup (ASX:SIQ) as a founding partner. The program addresses the number one cause of stress in the workplace, stress related to personal finances, and will be rolled out more broadly in the coming year.



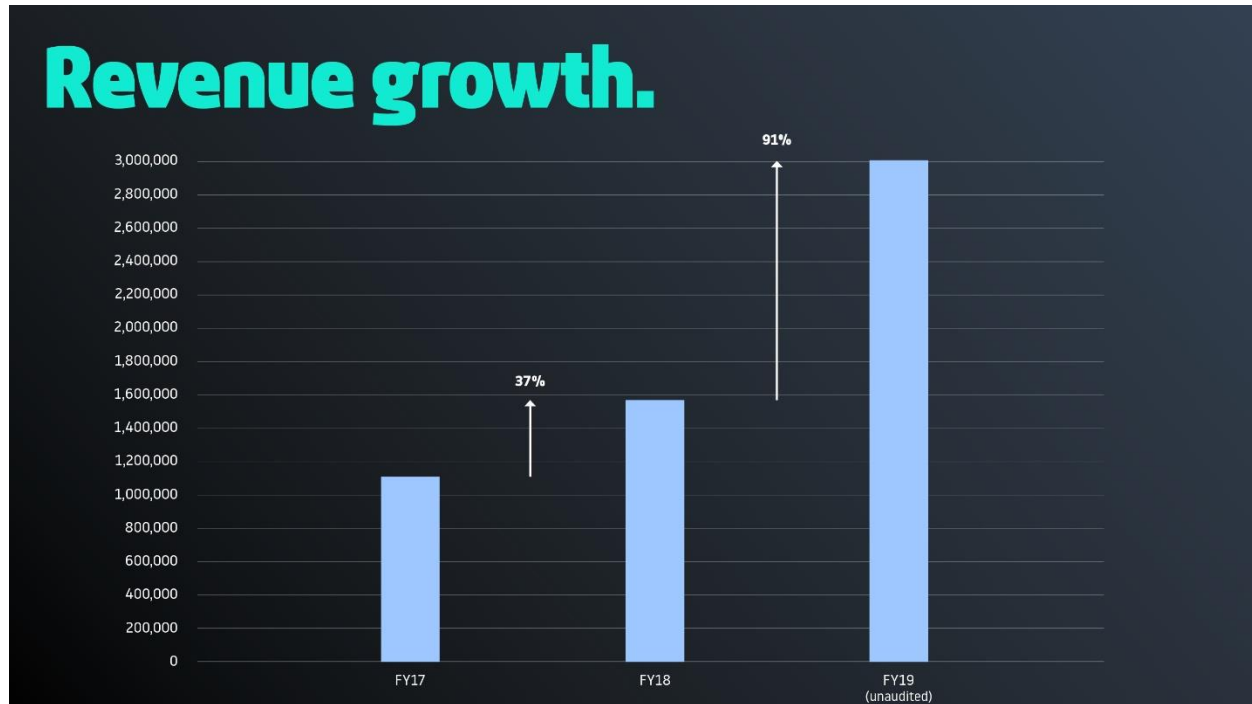
Over 60,000 Australians entered the Wizr Ecosystem in FY19.



FY19 Financial Results

Revenue

The Company increased operating revenue by 91% during the year to \$3.0m from \$1.6m in FY18. Revenue is predominantly derived from loan establishment fees and management fees from servicing loans sold to third parties. The growth in revenue was driven by the 281% increase in loan volume during the year to \$68.9m from \$18.1m in FY18. The FY18 revenue figure included interest revenue from loans held on balance sheet prior to the commencement of wholesale funding in October 2017 which inflates the FY18 revenue figure relative to FY19.



Expenses

Employee expenses, the majority line item for WISR, increased 32% to \$5.0m in FY19 from \$3.8m in FY18 driven by an increase in headcount from circa 33 to 52. A significant portion of growth in headcount has been driven by the build and rollout of the WISR Ecosystem, as the company invests in building assets of long term strategic value.

Marketing expense decreased 4% to \$1.46m in FY19 from \$1.52m in FY18 which highlights the continued effective scaling of the business. Loan originations increased 281% during the same period. A material portion of the marketing spend was also related to the rollout of the WISR Ecosystem products as opposed to pure loan origination.

Customer processing costs of \$1.2m are now being separately disclosed given their materiality. These relate to the processing of loans, but a significant portion relates to the onboarding of customers into the WISR Ecosystem.

The Company invested over \$2m into the build and launch of the WISR Ecosystem during FY19, which has already started to deliver results in building unique, defensible origination channels, as well as opening up significant B2B2C opportunities.



Financial Position and Debt Funding

The Company is well capitalised with \$16.8m net assets including \$12m cash as at 30 June 2019 following an oversubscribed \$15m equity raise in H2FY19. The \$12m cash excludes liquid loans held on balance sheet, \$1.8m of which were sold and realised as cash on 2 July 2019 as part of standard business operations.

AASB 9 Financial Instruments, adopted for the first time in FY19, requires loan receivable provisions to be calculated on an expected credit loss basis using a three-stage process. A \$235k expected credit loss provision was raised at 30 June 2019.

Today, Wistr utilises a predominantly capital light funding model through off balance sheet funding structures which has allowed the business to scale from a capital allocation perspective. That means, capital has been used to fund company growth and deliver on the Wistr Ecosystem strategy as opposed to supporting loan funding. This approach has been successful and allowed Wistr to be a true platform play in the market.

Wistr is currently in advanced discussions with new funding partners and is pleased with the strong interest shown by major bank funders to provide debt capital to Wistr's fast growing loan book. The Company's objectives in pursuing the new funding opportunities are increasing debt capacity to fund our rapid growth, diversification of funding partners and therefore risk, improved overall margins for Wistr and improvement in specific loan unit economics.

The structures of the new facilities are diverse and will see Wistr benefit from a hybrid funding model while maintaining its capital light attributes.

Outlook - FY20 and Beyond

With an unwavering commitment to improving the financial wellness of all Australians, Wistr is building a purpose-led business delivering a smarter, fairer alternative to the millions of Australians who apply for a personal loan each year¹.

Fusing the best of emerging fintech with the operational reliability of a traditional lender, Wistr will continue to deliver exceptional customer experiences and a business model that is scalable and built to deliver long term profitability.

¹ Equifax Credit Pulse 2019 (published August 2019)



Key priorities for FY20 include:

Origination Growth

- Efficiently scale the core lending business and grow origination volumes
- Maintain credit quality and improve loan unit economics to deliver a greater share of revenue per loan to Wizr
- Launch Wizr Secured Vehicle Finance product to increase total addressable market

Debt funding

- Diversification of debt funding models through new structures and facilities, whilst maintaining capital-light attributes

Financial Wellness Ecosystem

- Evolution of the Wizr experience to incorporate all Wizr financial wellness touchpoints
- Expansion of the Wizr App across Android and web platforms
- Building on the Wizr Ecosystem with the launch of new features
- Increasing customer numbers in the Wizr Ecosystem

Partnership Distribution

- Activate existing strategic partnerships to make the Wizr Ecosystem available to millions of Australians
- On-board more strategic partners who share Wizr's vision to deliver financial wellness to Australians

People

- Hire superstar talent to help deliver on Wizr's vision
- Continue to bring diversity and inclusion throughout all hiring areas
- Extend on the existing high performance culture within the Company

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About Wizr Limited

Wizr (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. Wizr provides a unique financial wellness eco-system underpinned by consumer finance products, the WizrApp to help Australians pay down debt, WizrCredit.com.au the country's only credit score comparison service, combined with content and other products that use technology to provide better outcomes for borrowers, investors and everyday Australians.

For more information visit: www.wizr.com.au