

# **Wisir Limited**

ABN: 80 004 661 205

## **Financial Report**

**For the Year Ended 30 June 2020**

**Wisir Limited**  
**Financial report**  
**For the year ended 30 June 2020**

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**Wistr Limited**  
**Directors' report**  
**For the year ended 30 June 2020**

The directors present their report, together with the financial statements, on the consolidated entity (also 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 2020.

**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:

<b>Name</b>	<b>Position</b>
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, 5 and 7-year maturities to Australian consumers, then on-selling these loans to retail, wholesale and institutional investors. The Wistr Warehouse went live in November 2019, which is the go forward funding source for writing personal loans.

**Review of operations**

Key Group highlights include:

- Operating revenue up 136% to \$7.2m (FY19: \$3.0m)
- 125% revenue growth in H2FY20 compared to H1FY20, driven by switching to the Wistr Warehouse funding model in H2FY20
- Total loan originations \$244.9m as at 30 June 2020
- Total new loan originations up 95% to \$135.9m (FY19: \$68.9m)
- Total portfolio arrears are down with 90+ Day arrears of 1.44% at 30 June 2020 (FY19: 1.59%)
- A 389% increase (FY20 compared to FY19) in the Wistr Ecosystem, with over 239,000 entrants as at 30 June 2020 (FY19: 61,500)
- The Company is well capitalised with \$38.0m cash and \$2.0m liquid loan assets available for sale as at 30 June 2020 (FY19 \$11.99m cash)
- The Company raised \$36.5m, in a strongly supported equity raise in H2FY20
- Wistr Warehouse (debt facility) went live in November 2019, delivering significantly improved unit economics and operational leverage
- An increase in committed funding into the Wistr Warehouse from \$95m to \$150m in July 2020
- An initial investment of \$30.8m from the Australian Office of Financial Management through the SFSF into the Wistr Warehouse, supporting the facility up to \$200m

**New funding model delivered**

As at 30 June 2020, Wistr reached \$244.9m in total loan originations since inception, with the year delivering \$135.9m in new loan originations, a 95% increase on FY19 (\$68.9m).

In response to COVID-19, a dual funding model was adopted with the majority funded from the Wistr Warehouse. Under the Group's new Wistr Warehouse funding model, Wistr achieved core operating cash flow profitability in H2FY20, delivering significantly improved unit economics and operational leverage, including \$7.2m in operating revenue for the year, a 136% increase on FY19 (\$3.0m).

As at 30 June 2020, the Wistr Warehouse had a loan book balance of \$85.9m, with circa 3.5% p.a. funding cost.

In July 2020, the Group announced that the Australian Office of Financial Management ('AOFM') approved an initial investment of \$30.8m into the Wistr Warehouse, through the Structured Finance Support Fund. The investment will be alongside existing senior and mezzanine investors and will support the warehouse up to \$200m, creating ample lending runway. As at the date of this report there is \$150m committed funding in the Wistr Warehouse.

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**Review of operations (cont.)**

The 4 classes of notes for the Wistr Warehouse as at the date of this report are:

- Class 1 NAB
- Class 2 & 3 Blue Chip Australian Financial Institution and Australian Office of Financial Management
- Class 4 Wistr (5% of capital structure)

COVID-19 impact and response

Wistr rapidly responded to COVID-19 by implementing a significantly tightened credit policy from 31 March 2020, as well as taking a prudent approach to lending in Q4FY20.

The tightened credit policy resulted in zero COVID-19 payment assistance being requested by customers for any loans settled after 31 March 2020.

As at 30 June 2020, \$10.3m or 6.12% of total portfolio loan balances were on COVID-19 specific payment assistance, this reduced to \$5.6m (3.09% of the total portfolio) by 31 July 2020. The average Equifax CCS score for this group was 692 compared to the portfolio average of 712. 30% of this group represent customers who work in high-risk industries, compared with 14% within the total portfolio.

Wistr's customer-centric approach to responsible lending in Q3F20 and Q4FY20, resulted in customer hardship requests returning to pre-COVID-19 levels in May 2020 and as at 30 June 2020, the recovery rate for COVID-19 hardship customers was 75%, increasing to 81% by 31 July 2020.

The remaining 19% that require further assistance, represent 70 accounts which is 0.89% of the total portfolio, and 0.61% for the Wistr Warehouse.

Wistr wrote prime quality credit during COVID-19, with total portfolio arrears down with 90+ Day arrears of 1.44% as at 30 June 2020 (FY19: 1.59%). In line with APRA's regulatory approach and Wistr COVID-19 arrears policy, loans deferred as part of COVID-19 support packages are not included in arrears, where the loans were otherwise performing (defined as <90 days).

Financial Position and Loan Book

The Group is very well capitalised with \$38.0m of cash and \$2.0m liquid loan assets as at 30 June 2020, following a strongly supported capital raise in H2FY20.

AASB 9 requires a forecast of lifetime expected credit losses that uses a three-staged approach based on the credit profile of the receivable. The total loan impairment expense for FY20 was \$4.10m (4.6% of balances) this represents \$0.66m actual loss and \$3.50m incremental provisions for expected future credit loss, and \$0.06m recoveries.

With consolidation of the Wistr Warehouse, loans held on the balance sheet have grown significantly which increased the expected credit loss provision. During the financial year, Wistr took an additional provision of \$0.79m for COVID-19. Loans on a COVID-19 payment assistance, where normal payments have not resumed, have been subject to a lifetime stage 2 provision.

Total provisions increased from \$0.24m 1 July 2019 to \$3.73m 30 June 2020, equating to a total provision coverage ratio of 4.2%.

The Group had a \$169.4m total loan book as at 30 June 2020. A dual funding model was adopted in response to COVID-19 with the majority of loans still funded via the Wistr Warehouse. The off-balance sheet facility will continue to generate revenue as the book runs off with the Wistr Warehouse, the go-forward funding source, with vastly improved loan unit economics.

Revenue

In H2FY20, just eight months under the Company's new Wistr Warehouse funding model, Wistr delivered significantly improved unit economics and operational leverage, including \$7.2m in operating revenue, a 136% increase on FY19 (\$3.04m). This was driven by 95% growth in loan originations from \$68.9m in FY19 to \$135.9m in FY20.

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**Review of operations (cont.)**

Expenses

The Group turned a corner from an operating leverage perspective in Q4FY20 with a significant reduction in operating cash burn.

For FY20, the Group made a Cash EBTDA of \$(13.2)m and an accounting loss of \$(23.5)m, due to significant non-recurring and other non-cash items during the period:

- Share based payment expense of \$6.1m, the majority of which relates to the reset during the year of the Board/KMP/Staff incentive plan for FY20-FY22
- Provision for expected credit loss expense of \$4.1m driven by the introduction of the Wizr Warehouse (as per AASB 9, expected life-of-loan losses are recognised upfront). Actual bad debts written-off during the year were \$0.7m.

Other expense items include:

- Increase in employee benefits and marketing expense driven by scaling of the Group through growth investment into the Wizr Ecosystem
- Increase in customer processing costs driven by growth in loan volume and entrants into the Wizr Ecosystem
- Other expenses include Public Company costs, accounting, legal fees and administration items
- Finance costs driven by introduction of the Wizr Warehouse in H2FY20, which is on balance sheet.

Wizr Ecosystem

In FY19 and FY20, the Group delivered on the preliminary roll-out of the Wizr Ecosystem, introducing over 239,000 Australians (FY19: 61,500), an increase of 389% as at 30 June 2020. Wizr App has now paid down over \$1m in customer high-interest debt.

Through the Wizr Ecosystem channel, customers are 2.5x more likely to settle a loan than from any other channel, delivering significant cost advantages and deep, data-driven customer relationships.

The Company's B2B distribution strategy, Wizr@Work and Wizr&Co continues to grow, with the successful completion of the pilot Wizr@Work Financial Wellness program with early childhood educator, Guardian Childcare & Education (through Guild Super) and a referral partnership (Wizr&Co) with next generation consumer network, One Big Switch.

Outlook – FY21 and Beyond

In FY20, the Group proved Wizr's purpose-led, fully digital and agile fintech business model could rapidly respond to COVID-19 conditions, instantly adjust operating models and succeed through unprecedented macroeconomic changes.

The innovative Wizr Ecosystem differentiates Wizr by not only providing a platform to scale and grow with increased operational leverage and market leading economics, but also enables the Group to support customers and improve their financial wellness.

Across all areas of the business, Wizr's team has delivered strong results against very challenging circumstances. The Group continues to innovate Wizr's high-performance culture, delivering a record +94 Employee Net Promoter score during COVID-19, in Q4FY20.

The Group is set up for continued strong revenue growth and scale in FY21, and beyond, delivering a new and fairer type of lending experience for Australian consumers.

Key executive priorities for FY21:

*Loan origination growth*

- Continue to safely grow significant market share of unsecured personal loan
- Maintain credit quality and improve loan unit economics to deliver a greater share of revenue per loan to Wizr
- Lead the market in operational and customer experience excellence
- Launch secured vehicle product in Q1FY21 into \$33B market opportunity
- Opportunity to re-adjust credit model, driving growth and expansion

## **Review of operations (cont.)**

### *Expansion via the Wizr Ecosystem*

- Build Wizr Ecosystem into a unified experience in FY21 via the Wizr Profile; the gateway into lending, credit score and round-up products
- Deliver more innovation, features and experiences in the Wizr Ecosystem

### *Omni-Channel Product Distribution*

- Grow omni-channel distribution including Wizr Ecosystem, direct to consumer, partnerships and broker channel
- Increase Wizr@Work and Wizr&Co financial wellness programs for employees, and open up new revenue streams through branded lending products
- Increase Introducers and Aggregators through the Groups online broker portal
- Further extend Wizr's reach to Australian consumers through trusted third-party brands

### *People*

- Expand the team and culture while continuing to achieve high-performance outcomes
- Continue to bring diversity and inclusion throughout all hiring areas

## **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**

### *COVID-19 hardship*

As at 30 June 2020, \$10.3m or 6.12% of total portfolio loan balances were on COVID-19 specific payment assistance, this reduced to \$5.6m (3.09% of the total portfolio) by 31 July 2020. Wizr's recovery rate for COVID-19 hardship customers was 75% as at 30 June 2020, increasing to 81% by 31 July 2020.

### *Secured vehicle*

In September 2020, the Company launched the second credit product, secured vehicle product, to enter the \$33 billion dollar auto finance market. The product is supported by the Wizr Warehouse with potential for a dedicated facility at scale.

### *Secured note*

In September 2020, the Group's secured note was repaid as it reached maturity.

### *AOFM funding approval*

In July 2020, the Company announced that the Australian Office of Financial Management ('AOFM') had approved an initial investment of \$30.8 million into the Wizr Warehouse through the Structured Finance Support Fund. The investment will be alongside existing senior and mezzanine financiers and will support the Wizr Warehouse up to \$200 million.

## **Environmental matters**

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

## **Indemnity and insurance of auditor**

The Company has not, during or since the end of the financial year, indemnified or agreed to indemnify the auditor of the company or any related entity against a liability incurred by the auditor. During the financial year, the company has not paid a premium in respect of a contract to insure the auditor of the Company or any related entity.

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**Directors' report**  
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**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 - Executive Chairman

Qualifications - LLB, B.Comm, B.A., Dip Financial Planning  
Experience - Mr Nantes has over 24 years of experience in Financial Services, Private Equity, Tax and Accounting, Corporate Finance, Capital Markets, and M&A. He is also the Executive Chairman of Cashwerkz, a leading fintech in Australia, as well as a non-executive director for Thinxtra, a public non-listed IOT technology company and advises Adcock Private Equity in a CEO capacity.

Mr Nantes has a strong reputation for building growth businesses especially those reliant on technology and innovation, having previously also held roles such as; Group Head of WHK/Crowe Horwath Wealth Management, CEO Prescott Securities, and Executive roles at St George Bank/ Bank SA and advisory and leadership advisory roles at Colonial State Bank.

Interest in shares and options as at 30 June 2020 - Ordinary shares held: 10,767,015  
Performance rights held: 8,350,000

Former directorships (last 3 years) - None

Other current directorships - Cashwerkz Limited (ASX: CWZ)

Craig Swanger - Non-Executive Director

Qualifications - BCom (Hons), Graduate Diploma in Financial Markets  
Experience - 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 extensive board experience, including Macquarie Bank's major funds management entity, Macquarie Investment Management Limited and a total of 15 internal and external boards since 2003. Since Macquarie, Mr Swanger has invested in and advised a large portfolio of technology companies across finance, health and entertainment. More specifically in areas related to Wistr, 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, is on the board of Xinja Bank and on the Investment Committee for two investors in SME financing in Australia and Asia.

Interest in shares and options as at 30 June 2020 - Ordinary shares held: 4,693,619  
Performance rights held: 4,640,000

Former directorships (last 3 years) - None

Other current directorships - Cashwerkz Limited (ASX: CWZ)

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Chris Whitehead - Non-Executive Director

Qualifications - BSc in Chemistry, Wharton Advanced Management Program, FAICD, F Fin  
Experience - 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. Mr Whitehead is also Managing Director of FINSIA, the Financial Services Institute of Australasia.

Interest in shares and options as at 30 June 2020 - Ordinary shares held: 4,450,000  
Performance rights held: 4,640,000

Former directorships (last 3 years) - None

Other current directorships - None

**Information on company secretaries**

Vanessa Chidrawi

Experience - Vanessa is a highly experienced governance professional, having held leadership and executive management roles in companies listed on ASX, TSX, Nasdaq and JSE over the past fifteen years. She obtained degrees in law and commerce and then practised as an attorney for twelve years before entering the corporate world.

Vanessa has acted as company secretary to a range of companies listed on ASX and TSX and brings with her a wealth of experience in governance management, board advisory, corporate structuring and capital raising in the listed company space.

May Ho

Experience - 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 Financial Controller 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    |
| - Vanessa Chidrawi | - Robert Parton   |
| - Leanne Ralph     |                   |

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.



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**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 2020, and the number of meetings attended by each director were:

	Directors' Meetings		Risk Committee Meetings	
	Number eligible to attend	Number attended	Number eligible to attend	Number attended
John Nantes	13	13	1	1
Craig Swanger	13	13	-	1
Chris Whitehead	13	13	1	1

**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**

The BDO entity performing the audit of the Group transitioned from BDO East Coast Partnership to BDO Audit Pty Ltd on 25 September 2020. BDO Audit Pty Ltd 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 for non-audit services provided during the year ended 30 June 2020:

	\$
Accounting advice services	4,000
Taxation services	9,900
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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 2020 has been received and can be found within the financial report.

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**Performance rights**

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

<b>Effective Grant Date</b>	<b>Date of Expiry</b>	<b>Exercise Price</b>	<b>Number under Performance Rights</b>
19 February 2019	31 July 2021	Nil	10,878,952
1 September 2019	31 July 2021	Nil	5,741,098
1 September 2019	31 July 2022	Nil	5,741,120
1 September 2019	30 June 2022	Nil	39,350,000
			<hr/>
			61,711,170
			<hr/>

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.wisir.com.au/About/Policies](http://www.wisir.com.au/About/Policies).

## **Remuneration report**

### **Letter from Chairperson of the Remuneration and Nominations Committee**

Dear Shareholders,

On behalf of the Board, I am pleased to present Wisir's Remuneration Report (Report) for the financial year ended 30 June 2020 (FY20).

This report outlines Wisir's remuneration strategy set by the Board in 2019 and executed over the past 12 months. Wisir's remuneration framework, as outlined in the accompanying Report, reflects our commitment to deliver competitive remuneration for outstanding performance in order to attract and retain talented individuals, while aligning the interests of executives and shareholders. Most importantly in FY20 and FY21, cash conservation was and continues to be the key to protect shareholder value and avoid unnecessary dilution.

As such, performance-based non-cash remuneration forms a significant portion of Wisir's remuneration strategy. This approach is used for KMPs, directors and senior management, and the KPIs and behaviours required to qualify for awards are linked all the way through the organisation, aligning values, behaviours and shareholder-interests.

When it comes to KMPs and directors in particular, Wisir's strategy involves recipients receiving significantly less fixed (cash) remuneration than their market value. The trade-off for them is that they receive equity-based incentives that could take their total remuneration to more than their market value.

This is an "executives win only if shareholders win" remuneration strategy targeted at entrepreneurial leaders that will back themselves to deliver for shareholders. If shareholder returns don't perform at 15% p.a. at least, total remuneration will be well below market as it will be limited to fixed cash remuneration and potentially STI where applicable. If they exceed 15% p.a. but less than 30% p.a., total remuneration will be in line with market for the same individuals; and if returns reach 200% or more over the three year period, total remuneration will be above market.

Similarly and unlike many remuneration approaches for ASX-listed companies, equity-based incentives also require minimum service and behaviour standards, and for KMP and directors, there is also a voluntary escrow agreement committing to holding performance incentive equity until 30 June 2022.

The total value of these packages has been benchmarked to relevant peers on the ASX in terms of fixed (cash) remuneration components and maximum remuneration. The share price triggers were set in consultation with KMPs, with the team collectively choosing shareholder return triggers well above those typically used by peers on the ASX, allowing us greater alignment of interests while managing the cost of the total packages.

Regarding STI, each year the Board will assess several factors including the quality of the results, adherence to risk management policies, achievement against individual objectives and the effectiveness of strategic initiatives implemented to determine the extent to which the overall outcomes adequately reflect actual performance and returns to shareholders.

This Report is structured to provide shareholders with insights into the remuneration governance, policies, procedures and practices being applied. Remuneration is a complex topic, particularly when equity-based incentives are included. We trust that should you have any questions about the rationale for our approach or any of the details, that you will let us know.



Craig Swanger  
Chairperson, Remuneration and Nominations Committee

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**Remuneration report (audited)**

Wisir Limited's 2020 remuneration report sets out remuneration information for the Company's 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 2020 and up to the date of this report, the following were classified as key management personnel:

<b>Name</b>	<b>Position</b>
John Nantes	Executive Chairman
Craig Swanger	Non-Executive Director
Chris Whitehead	Non-Executive Director
Anthony Nantes	Chief Executive Officer
Andrew Goodwin	Chief Financial Officer

**b) Remuneration governance**

The Board 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.

**i. Our remuneration framework**

Wisir's remuneration strategy is approved by the Board. A Remuneration and Nominations Committee (RNC) was established on 26 June 2020. The role of the RNC is set out in its charter, which is reviewed annually.

Remuneration report (audited) (cont.)

b) Remuneration governance (cont.)

Wisr Remuneration Framework (2019-2022)

<b>Objectives</b>	Attract, motivate and retain executive talent required to deliver strategy.	Appropriately balance fixed and at-risk components.	Create reward differentiation to drive performance values and behaviours.	Create shareholder value through equity alignment.
<b>Remuneration Component</b>	Total Remuneration (TR)	Total Fixed Remuneration (TFR)	Variable Cash Remuneration (STI)	Variable Equity Remuneration (LTI)
<b>Amount and Range (Min Rem – Max Rem)</b>	Min Rem 2 <sup>nd</sup> -3 <sup>rd</sup> quartile level for WZR current size Max Rem at 2 <sup>nd</sup> – 3 <sup>rd</sup> quartile at WZR market cap if LTI hurdles achieved (38.00 cents per share by 2022).	TFR set according to similar positions at ASX companies of WZR size today. This will result in fixed (cash) rem being at market if executives do not grow the Company in line with the strategy, but well under market if they do.	0-50% depending upon position. None for directors. Can be taken as equity at executive's option with 10% discount to reflect premium on cash.	LTI to form 40-70% of TR. 100% of LTI is at-risk, meaning that the minimum LTI payment is nil for all executives.
<b>Conditions to exceed Min</b>	Must pass all compliance KPIs to exceed Min Rem. In order to reach Max Rem, individual STI hurdles must be exceeded each year, share price hurdles of up to 200% growth over 3 years must be passed, and tenure must be at least 3 years.	n/a	Must pass all compliance KPIs to exceed nil, then performance driven according to individual but aligned KPIs.	All LTI linked to share price increases of 15%-200% from the share price of 12.51c at the time of issue (2019). LTI also requires min service and compliance KPIs to be satisfied.
<b>Strategy behind this approach</b>	WZR's strategy requires executives with experience well beyond what WZR can afford in cash rem. Further there are no guarantees of success, so the framework relies heavily upon at-risk components.	Conserve cash and therefore minimise shareholder dilution.	Align behaviour in short-term, including risk management and revenue growth, while conserving cash.	Align executives to manage all aspects required for shareholder growth including earnings growth, compliance and attracting shareholders.

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

ii. Remuneration Structures for 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.

**Remuneration report (audited) (cont.)**

**b) Remuneration governance (cont.)**

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 17 November 2016 when shareholders adopted a new constitution providing for 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.

**iii. Remuneration Structures for current executives**

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

- align the interests of executives with those of the shareholder; and
- ensure total remuneration is competitive by market standards in order to attract and retain talented individuals.

*Fixed remuneration*

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

*At-risk remuneration*

Wistr's performance hurdles, particularly for the LTI, are at the higher end of the market (ASX peer companies) in terms of degree of difficulty. Any STI and LTI award will only have value to the executive if the performance hurdles are met to enable vesting to occur, and for performance rights related awards, if the share price on vesting exceeds the trigger price.

In the event of serious misconduct or a material misstatement in the company's financial statements, the RNC can cancel or defer performance-based remuneration and may also claw back performance-based remuneration paid in previous financial years.

In addition, all executives above have entered into a voluntary escrow agreement in which they have agreed to retain all remuneration-related equity for their full tenure (other than as required to cover any income tax liabilities relating to this equity). This was not a condition of the LTI Plan, but agreed collectively by the executives.

*Retirement benefits*

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

**iv. Company Performance linked to remuneration**

Given the growth nature of the Company, the lack of profit and other key financial variables as shown in the table below, the award of LTI 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. LTI were deemed to provide an appropriate performance incentive for each individual as applicable.

	<b>30 June 2020</b>	<b>30 June 2019</b>	<b>30 June 2018</b>	<b>30 June 2017</b>	<b>30 June 2016</b>
	<b>\$</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>
<b>Operating revenue</b>	7.166m	3.043m	1.591m	1.160m	1.237m
<b>Loss</b>	(23.535m)	(7.731m)	(6.208m)	(5.432m)	(8.754m)
<b>Dividend</b>	nil	nil	nil	nil	nil
<b>Cash balance</b>	37.973m	11.993m	1.549m	3.479m	1.265m
<b>Share price</b>	\$0.22	\$0.15	\$0.02	\$0.03	\$0.05

**Remuneration report (audited) (cont.)**

**b) Service agreements**

The remuneration agreements of key management personnel as at 30 June 2020 are set out below:

<b>KMP</b>	<b>Position held as at 30 June 2020 and any change during the year</b>	<b>Contract details (duration and termination)</b>	<b>Agreed gross cash salary per annum incl. superannuation to cap \$</b>
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
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
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
A Nantes	Chief Executive Officer	No fixed term. 6 months' notice to terminate.	311,694 (base cash salary per service agreement)
A Goodwin	Chief Financial Officer	No fixed term. 6 months' notice to terminate.	311,694 (base cash salary per service agreement)

**Remuneration report (audited) (cont.)**

**c) Service agreements (cont.)**

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 share prices over designated periods, as per the following table:

KMP	VWAP share price target *	No. performance rights that will vest	Earliest determination date for vesting	Date performance rights lapse if conditions not met
J Nantes	\$0.1450	1,920,000	01/09/2019	30/06/2022
	\$0.1673	2,390,000	01/07/2020	30/06/2022
	\$0.1924	2,880,000	01/07/2021	30/06/2022
	\$0.3800	3,080,000	01/09/2019	30/06/2022
C Swanger	\$0.1450	1,920,000	01/09/2019	30/06/2022
	\$0.1673	1,330,000	01/07/2020	30/06/2022
	\$0.1924	1,600,000	01/07/2021	30/06/2022
	\$0.3800	1,710,000	01/09/2019	30/06/2022
C Whitehead	\$0.1450	1,060,000	01/09/2019	30/06/2022
	\$0.1673	1,330,000	01/07/2020	30/06/2022
	\$0.1924	1,600,000	01/07/2021	30/06/2022
	\$0.3800	1,710,000	01/09/2019	30/06/2022
A Nantes	\$0.1450	6,500,000	01/09/2019	30/06/2022
	\$0.1673	8,150,000	01/07/2020	30/06/2022
	\$0.1924	10,010,000	01/07/2021	30/06/2022
	\$0.2400	3,500,000	01/09/2019	30/06/2022
	\$0.3000	3,500,000	01/09/2019	30/06/2022
	\$0.3800	5,000,000	01/09/2019	30/06/2022
A Goodwin	\$0.1450	4,500,000	01/09/2019	30/06/2022
	\$0.1673	3,900,000	01/07/2020	30/06/2022
	\$0.1924	4,300,000	01/07/2021	30/06/2022
	\$0.2400	1,630,000	01/09/2019	30/06/2022
	\$0.3000	1,630,000	01/09/2019	30/06/2022
	\$0.3800	2,330,000	01/09/2019	30/06/2022

\* 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:

- The holder being a director/employee of the Company as at the relevant vesting determination dates specified in the table; and
- The relevant volume weighted average price (VWAP) of the Company's ordinary shares traded on ASX over any 20-day period exceeds the prices specified in the table.



Remuneration report (audited) (cont.)

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 (\$)	Superannuation (\$)	Long service leave (\$)	Performance Rights (\$)	Shares (\$)	Total (\$)	Performance Related (%)
<b>Directors (2020)</b>								
J Nantes	91,324	-	8,676	-	530,113	-	630,113	84.13
C Swanger	54,795	-	5,205	-	391,487	-	451,487	86.71
C Whitehead	54,795	-	5,205	-	293,926	-	353,926	83.05
<b>Total:</b>	<b>200,914</b>	<b>-</b>	<b>19,086</b>	<b>-</b>	<b>1,215,526</b>	<b>-</b>	<b>1,435,526</b>	
<b>Executives (2020)</b>								
A Nantes	290,000	164,155	25,341	2,729	2,024,716	711,187	3,218,128	90.12
A Goodwin	290,000	65,050	23,952	2,492	1,116,069	-	1,497,563	78.87
<b>Total:</b>	<b>580,000</b>	<b>229,205</b>	<b>49,293</b>	<b>5,221</b>	<b>3,140,785</b>	<b>711,187</b>	<b>4,715,691</b>	
<b>Directors (2019)</b>								
J Nantes	91,324	-	8,676	-	1,017	-	101,017	1.01
C Swanger	54,795	-	5,205	-	85	-	60,085	0.14
C Whitehead	54,795	-	5,205	-	382	-	60,382	0.63
<b>Total:</b>	<b>200,914</b>	<b>-</b>	<b>19,086</b>	<b>-</b>	<b>1,484</b>	<b>-</b>	<b>221,484</b>	
<b>Executives (2019)</b>								
A Nantes	250,000	-	21,771	1,247	-	495,446	768,464	64.47
A Goodwin	220,000	-	20,900	863	-	229,918	471,681	48.74
<b>Total:</b>	<b>470,000</b>	<b>-</b>	<b>42,671</b>	<b>2,110</b>	<b>-</b>	<b>725,364</b>	<b>1,240,145</b>	

Further details of performance-related remuneration paid or accrued for FY2020 in respect of specific key management personnel are discussed below:

- *Mr A Nantes*  
 Mr Nantes is eligible to receive a short-term incentive (STI) of up to \$50,000 in respect of each six-month period, subject to the achievement of key performance indicators as agreed by the Board of Directors from time to time, assessed in the sole discretion of the Board and paid following the Board's approval of the Company's audited accounts for the relevant period.
- *Mr A Goodwin*  
 Mr Goodwin is eligible to receive an STI of up to \$34,000 in respect of each six-month period, subject to the achievement of key performance indicators as agreed by the Board of Directors from time to time, assessed in the sole discretion of the Board.

Short-term and long-term incentives established in the year for the above KMPs are also 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

## Remuneration report (audited) (cont.)

### d) Details of remuneration (cont.)

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
<b>Directors (2020)</b>					
J Nantes	8,847,015	-	1,920,000	-	10,767,015
C Swanger	2,773,619	-	1,920,000	-	4,693,619
C Whitehead	3,390,000	-	1,060,000	-	4,450,000
<b>Total:</b>	<b>15,010,634</b>	<b>-</b>	<b>4,900,000</b>	<b>-</b>	<b>19,910,634</b>
<b>Executives (2020)</b>					
A Nantes	8,950,016	20,158,720	10,000,000	-	39,108,736
A Goodwin	1,704,079	5,037,412	6,130,000	-	12,871,491
<b>Total:</b>	<b>10,654,095</b>	<b>25,196,132</b>	<b>16,130,000</b>	<b>-</b>	<b>51,980,227</b>
<b>Directors (2019)</b>					
J Nantes	667,015	-	8,000,000	180,000	8,847,015
C Swanger	636,364	-	666,666	1,470,589	2,773,619
C Whitehead	200,000	-	3,000,000	190,000	3,390,000
<b>Total:</b>	<b>1,503,379</b>	<b>-</b>	<b>11,666,666</b>	<b>1,840,589</b>	<b>15,010,634</b>
<b>Executives (2019)</b>					
A Nantes	4,488,364	4,461,652	-	-	8,950,016
A Goodwin	-	1,704,079	-	-	1,704,079
<b>Total:</b>	<b>4,488,364</b>	<b>6,165,731</b>	<b>-</b>	<b>-</b>	<b>10,654,095</b>

### f) Movement in performance rights

The table below provides the number of performance rights held by Key Management Personnel at 30 June 2019 and 30 June 2020.

Name	Rights held at 30 June 2019	Rights granted during FY20	Rights exercised during FY20	Rights lapsed during FY20	Rights held as at 30 June 2020
<b>Directors</b>					
J Nantes	4,000,000	10,270,000	1,920,000	4,000,000	8,350,000
C Swanger	333,334	6,560,000	1,920,000	333,334	4,640,000
C Whitehead	1,500,000	5,700,000	1,060,000	1,500,000	4,640,000
<b>Total:</b>	<b>5,833,334</b>	<b>22,530,000</b>	<b>4,900,000</b>	<b>5,833,334</b>	<b>17,630,000</b>
<b>Executives</b>					
A Nantes	-	36,660,000	10,000,000	-	26,660,000
A Goodwin	-	18,290,000	6,130,000	-	12,160,000
<b>Total:</b>	<b>-</b>	<b>54,950,000</b>	<b>16,130,000</b>	<b>-</b>	<b>38,820,000</b>

Remuneration report (cont.)

g) Fair value of performance rights

	Performance Rights granted			Vesting Conditions		Expiry date
	Number	Effective grant date	Fair Value per right at effective grant date (\$)	Earliest vesting determination date	VWAP Share Price condition (\$)	
<b>Directors (2020)</b>						
J Nantes	1,920,000	1 Sep 2019	0.11344	01/09/2019	0.1450	30 Jun 2022
	2,390,000	1 Sep 2019	0.09026	01/07/2020	0.1673	30 Jun 2022
	2,880,000	1 Sep 2019	0.02065	01/07/2021	0.1924	30 Jun 2022
	3,080,000	1 Sep 2019	0.02284	01/09/2019	0.3800	30 Jun 2022
C Swanger	1,920,000	1 Sep 2019	0.11344	01/09/2019	0.1450	30 Jun 2022
	1,330,000	1 Sep 2019	0.09026	01/07/2020	0.1673	30 Jun 2022
	1,600,000	1 Sep 2019	0.02065	01/07/2021	0.1924	30 Jun 2022
	1,710,000	1 Sep 2019	0.02284	01/09/2019	0.3800	30 Jun 2022
C Whitehead	1,060,000	1 Sep 2019	0.11344	01/09/2019	0.1450	30 Jun 2022
	1,330,000	1 Sep 2019	0.09026	01/07/2020	0.1673	30 Jun 2022
	1,600,000	1 Sep 2019	0.02065	01/07/2021	0.1924	30 Jun 2022
	1,710,000	1 Sep 2019	0.02284	01/09/2019	0.3800	30 Jun 2022
<b>Executives (2020)</b>						
A Nantes	6,500,000	1 Sep 2019	0.11344	01/09/2019	0.1450	30 Jun 2022
	8,150,000	1 Sep 2019	0.09026	01/07/2020	0.1673	30 Jun 2022
	10,010,000	1 Sep 2019	0.02065	01/07/2021	0.1924	30 Jun 2022
	3,500,000	1 Sep 2019	0.05968	01/09/2019	0.2400	30 Jun 2022
	3,500,000	1 Sep 2019	0.03926	01/09/2019	0.3000	30 Jun 2022
	5,000,000	1 Sep 2019	0.02284	01/09/2019	0.3800	30 Jun 2022
A Goodwin	4,500,000	1 Sep 2019	0.11344	01/09/2019	0.1450	30 Jun 2022
	3,900,000	1 Sep 2019	0.09026	01/07/2020	0.1673	30 Jun 2022
	4,300,000	1 Sep 2019	0.02065	01/07/2021	0.1924	30 Jun 2022
	1,630,000	1 Sep 2019	0.05968	01/09/2019	0.2400	30 Jun 2022
	1,630,000	1 Sep 2019	0.03926	01/09/2019	0.3000	30 Jun 2022
	2,330,000	1 Sep 2019	0.02284	01/09/2019	0.3800	30 Jun 2022

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:

- The holder being a director/employee of the Company as at the relevant vesting determination dates specified in the table; and
- The relevant volume weighted average price (VWAP) of the Company's ordinary shares traded on ASX over any 20-day period exceeds the prices specified in the table.

The total fair value of above rights at grant date issued to key management personnel is \$4,591,702. 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* whereby the expense is recognised throughout the vesting period.

**Wisir Limited**  
**Directors' report**  
**For the year ended 30 June 2020**

This concludes the remuneration report, which has been audited.

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



.....  
John Nantes  
Director  
Sydney  
30 September 2020

## DECLARATION OF INDEPENDENCE BY TIM AMAN TO THE DIRECTORS OF WISR LIMITED

As lead auditor of Wizr Limited for the year ended 30 June 2020, 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 Wizr Limited and the entities it controlled during the period.



Tim Aman  
Director

BDO Audit Pty Ltd  
Sydney  
30 September 2020

**Wizr Limited**  
**Financial report**

**Statement of profit or loss and other comprehensive income**  
**For the year ended 30 June 2020**

	<b>Note</b>	<b>Consolidated 2020 \$</b>	<b>2019 \$</b>
<b>Revenue</b>	2	7,166,322	3,042,587
Other income	3	547,402	253,791
<b>Expenses</b>			
Employee benefits expense		(9,510,059)	(5,024,824)
Marketing expense		(4,464,333)	(1,410,327)
Customer processing costs		(1,898,724)	(1,172,658)
Property expenses		(244,969)	(166,920)
Other expenses		(3,430,393)	(1,803,383)
Finance costs		(1,351,689)	(148,311)
Depreciation and amortisation expense		(117,336)	(68,306)
Provision for expected credit loss expense	5	(4,097,956)	(136,638)
Share based payment expense	29	(6,133,091)	(1,096,053)
<b>Loss before income tax</b>		(23,534,826)	(7,731,042)
<b>Income tax expense</b>	17	-	-
<b>Loss after income tax for the year</b>		<u>(23,534,826)</u>	<u>(7,731,042)</u>
<b>Loss for the year is attributable to:</b>			
Owners of Wizr Limited		<u>(23,534,826)</u>	<u>(7,731,042)</u>
<b>Earnings per share for loss attributable to the owners of Wizr Limited</b>		<b>Cents</b>	<b>Cents</b>
Basic earnings per share	26	(2.60)	(1.34)
Diluted earnings per share	26	(2.60)	(1.34)
<b>Other comprehensive loss</b>			
Loss arising from changes in fair value of cash flow hedging instruments entered into	15	(202,842)	-
Other comprehensive loss for the year, net of tax		<u>(202,842)</u>	<u>-</u>
<b>Total comprehensive loss for the year</b>		<u>(23,737,668)</u>	<u>(7,731,042)</u>
<b>Total comprehensive loss for the year is attributable to:</b>			
Owners of Wizr Limited		<u>(23,737,668)</u>	<u>(7,731,042)</u>

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

**Wistr Limited**  
**Financial report**

**Statement of financial position**  
**As at 30 June 2020**

	<b>Note</b>	<b>Consolidated 2020 \$</b>	<b>2019 \$</b>
<b>Assets</b>			
Cash and cash equivalents	4	37,973,266	11,993,165
Trade and other receivables	6	1,023,326	440,829
Loan receivables	5	85,997,500	6,497,353
Other financial assets	8	-	518,000
Property, plant and equipment		5,733	15,222
Other assets	7	489,569	550,597
Intangible assets	9	471,760	579,608
<b>Total assets</b>		<u>125,961,154</u>	<u>20,594,774</u>
<b>Liabilities</b>			
Trade and other payables	10	2,512,852	1,441,879
Provision for employee benefits	11	541,540	380,062
Derivative financial instruments	13	225,129	-
Borrowings	12	86,710,392	2,000,000
<b>Total liabilities</b>		<u>89,989,913</u>	<u>3,821,941</u>
<b>Net assets</b>		<u>35,971,241</u>	<u>16,772,833</u>
<b>Equity</b>			
Issued capital	14	89,827,317	48,412,004
Reserves	15	3,181,186	1,895,421
Accumulated losses	15	(57,037,262)	(33,534,592)
<b>Total equity</b>		<u>35,971,241</u>	<u>16,772,833</u>

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

**Wisir Limited**  
**Financial report**

**Statement of changes in equity**  
**For the year ended 30 June 2020**

<b>Consolidated</b>	<b>Issued capital \$</b>	<b>Reserves \$</b>	<b>Accumulated losses \$</b>	<b>Total equity \$</b>
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	-	-	(7,731,042)	(7,731,042)
Other comprehensive loss for the year, net of tax	-	-	-	-
Total comprehensive loss for the year	-	-	(7,731,042)	(7,731,042)
Transactions with owners in their capacity as owners:				
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 (Note 15)	-	1,096,053	-	1,096,053
Transfer of share based reserve to issued capital on exercise of options	476,790	(476,790)	-	-
Transfer of gain on funder forgiveness of options obligation to accumulated losses	-	(325,612)	325,612	-
Issue of shares as a result of exercise of options for consideration	59,611	(17,024)	-	42,587
Transfer of share based payment reserve	-	(436,257)	436,257	-
Balance at 30 June 2019	<u>48,412,004</u>	<u>1,895,421</u>	<u>(33,534,592)</u>	<u>16,772,833</u>
Balance at 1 July 2019	48,412,004	1,895,421	(33,534,592)	16,772,833
Loss after income tax expense for the year	-	-	(23,534,826)	(23,534,826)
Other comprehensive loss for the year, net of tax	-	(202,842)	-	(202,842)
Total comprehensive loss for the year	-	(202,842)	(23,534,826)	(23,737,668)
Transactions with owners in their capacity as owners:				
Issue of share capital	36,500,100	-	-	36,500,100
Costs of raising capital	(859,972)	-	-	(859,972)
Share based payments expense (Note 15)	1,318,542	4,814,549	-	6,133,091
Transfer of share based reserve to issued capital on exercise of options	3,255,476	(3,255,476)	-	-
Issue of shares as a result of exercise of options for consideration	1,201,167	(38,310)	-	1,162,857
Transfer of share based payment reserve	-	(32,156)	32,156	-
Balance at 30 June 2020	<u>89,827,317</u>	<u>3,181,186</u>	<u>(57,037,262)</u>	<u>35,971,241</u>

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



**Wizr Limited**  
**Financial report**

**Statement of cash flows**  
**For the year ended 30 June 2020**

	<b>Note</b>	<b>Consolidated 2020 \$</b>	<b>2019 \$</b>
<b>Cash flows from operating activities</b>			
Receipts from customers		4,814,906	2,009,927
Payments to suppliers and employees		(18,256,184)	(9,122,201)
		<u>(13,441,278)</u>	<u>(7,112,274)</u>
Interest received on investments and cash		48,843	48,066
Management fees received		1,472,386	660,159
Interest and other finance costs paid		(1,109,037)	(138,452)
Proceeds from R&D tax incentive		<u>219,078</u>	<u>234,025</u>
Net cash used in operating activities	25	<u>(12,810,008)</u>	<u>(6,308,476)</u>
<b>Cash flows from investing activities</b>			
Payments for development of technology assets		-	(621,968)
Receipts from investments		518,000	-
Net movement in customer loans		<u>(83,078,103)</u>	<u>(2,918,254)</u>
Net cash used in investing activities		<u>(82,560,103)</u>	<u>(3,540,222)</u>
<b>Cash flows from financing activities</b>			
Proceeds from issue of shares		36,500,100	19,739,501
Proceeds from exercise of share options		1,162,857	-
Costs of raising capital paid		(859,972)	(988,877)
Repayment of borrowings – secured notes		(425,000)	(327,074)
Proceeds from issuance of borrowings		85,600,000	2,000,000
Transaction costs related to borrowings		<u>(627,773)</u>	<u>(130,575)</u>
Net cash provided by financing activities		<u>121,350,212</u>	<u>20,292,975</u>
Net increase in cash and cash equivalents		25,980,101	10,444,277
Cash and cash equivalents at the beginning of the financial year		11,993,165	1,548,888
Cash and cash equivalents at the end of the financial year		<u>37,973,266</u>	<u>11,993,165</u>

*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 2020**

The consolidated financial statements of Wistr Limited (the Group) for the year ended 30 June 2020 was authorised for issue in accordance with a resolution of the directors on 30 September 2020. The directors have the power to amend and revise the financial report.

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

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

**Note 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.

The statement of financial position is presented on a liquidity basis. Assets and liabilities are presented in decreasing order of liquidity and do not distinguish between current and non-current. All balances are expected to be recovered within 12 months except for intangible assets, property, plant and equipment and financial instruments, for which expected term is disclosed.

Where required by Accounting Standards and/or for improved presentation purposes, comparative figures have been adjusted to conform with changes in presentation for the current 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 in H2FY2020; 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.

**AASB 16: Leases**

This standard is applicable to annual reporting periods beginning on or after 1 January 2019. The standard replaces AASB 117 'Leases' and for lessees will eliminate the classifications of operating leases and finance leases. Subject to exceptions, a 'right-of-use' asset will be capitalised in the statement of financial position, measured at the present value of the unavoidable future lease payments to be made over the lease term. The exceptions relate to short-term leases of 12 months or less and leases of low-value assets (such as personal computers and small office furniture) where an accounting policy choice exists whereby either a 'right-of-use' asset is recognised or lease payments are expensed to profit or loss as incurred.

The Group has adopted AASB 16 with an initial application date of 1 July 2019. The adoption of AASB 16 did not have any impact on the financial position or financial performance as at date of transition.

**Notes to the financial statements**  
**For the year ended 30 June 2020**

**b. Principles of consolidation**

The consolidated financial statements incorporate the assets and liabilities of the Company and all subsidiaries as at 30 June 2020, 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. 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 Wistr 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.

**d. 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.

**e. Investments and other financial assets**

Investments and other financial assets are initially measured at fair value. Transaction costs are included as part of the initial measurement, except for financial assets at fair value through profit or loss. Such assets are subsequently measured at either amortised cost or fair value depending on their classification. Classification is determined based on both the business model within which such assets are held and the contractual cash flow characteristics of the financial asset unless, an accounting mismatch is being avoided.

Financial assets are derecognised when the rights to receive cash flows have expired or have been transferred and the Group has transferred substantially all the risks and rewards of ownership. When there is no reasonable expectation of recovering part or all of a financial asset, its carrying value is written off.

*Financial assets at fair value through profit or loss*

Financial assets not measured at amortised cost or at fair value through other comprehensive income are classified as financial assets at fair value through profit or loss. Typically, such financial assets will be either: (i) held for trading, where they are acquired for the purpose of selling in the short-term with an intention of making a profit, or a derivative; or

**Notes to the financial statements**  
**For the year ended 30 June 2020**

**e. Investments and other financial assets (cont.)**

(ii) designated as such upon initial recognition where permitted. Fair value movements are recognised in profit or loss.

*Impairment of financial assets*

The consolidated entity recognises a loss allowance for expected credit losses on financial assets which are either measured at amortised cost or fair value through other comprehensive income. The measurement of the loss allowance depends upon the consolidated entity's assessment at the end of each reporting period as to whether the financial instrument's credit risk has increased significantly since initial recognition, based on reasonable and supportable information that is available, without undue cost or effort to obtain.

Where there has not been a significant increase in exposure to credit risk since initial recognition, a 12-month expected credit loss allowance is estimated. This represents a portion of the asset's lifetime expected credit losses that is attributable to a default event that is possible within the next 12 months. Where a financial asset has become credit impaired or where it is determined that credit risk has increased significantly, the loss allowance is based on the asset's lifetime expected credit losses. The amount of expected credit loss recognised is measured on the basis of the probability weighted present value of anticipated cash shortfalls over the life of the instrument discounted at the original effective interest rate.

For financial assets measured at fair value through other comprehensive income, the loss allowance is recognised within other comprehensive income. In all other cases, the loss allowance is recognised in profit or loss.

**f. 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.

**g. 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.

*Allowance for expected credit losses*

The allowance for expected credit losses assessment requires a degree of estimation and judgement. It is based on the lifetime expected credit loss, grouped based on days overdue, and makes assumptions to allocate an overall expected credit loss rate for each group. These assumptions include historical collection rates along with a COVID-19 overlay.

**h. 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).

**Notes to the financial statements**  
**For the year ended 30 June 2020**

**h. Fair value measurements (cont.)**

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:

- Financial assets at fair value through profit & loss (investment)
- Derivative financial instruments at fair value asset or (liability). Hedging ineffectiveness being recognised through profit & loss.

**(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:

<b>Level 1</b>	<b>Level 2</b>	<b>Level 3</b>
Measurements based on quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date.	Measurements based on inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly or indirectly.	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.

Interest rate swap contracts are valued using a discounted cash flow approach. Future cash flows are estimated based on observable forward interest rates and discounted based on applicable yield curves at the reporting date, taking into consideration the credit risk of the Group and various counterparties. These are deemed to be level 2 inputs as related to

**Notes to the financial statements**  
**For the year ended 30 June 2020**

**h. Fair value measurements (cont.)**

both quoted prices and observable inputs to the asset or liability.

**i. Hedge accounting**

The Group designates interest rate swaps as hedging instruments as cash flow hedges.

At the inception of the hedge relationship, the Group documents the relationship between the hedging instrument and the hedged item, along with its risk management objectives and its strategy for undertaking hedge transactions. Furthermore, at the inception of the hedge and on an ongoing basis, the Group documents whether the hedging instrument is effective in offsetting changes in cash flows of the hedged item attributable to the hedged risk, which is when the hedging relationships meet all of the following hedge effectiveness requirements:

- there is an economic relationship between the hedged item and the hedging instrument;
- the effect of credit risk does not dominate the value changes that result from that economic relationship; and
- the hedge ratio of the hedging relationship is the same as that resulting from the quantity of the hedged item that the Group actually hedges and the quantity of the hedging instrument that the Group actually uses to hedge that quantity of hedged item.

If a hedging relationship ceases to meet the hedge effectiveness requirement relating to the hedge ratio but the risk management objective for that designated hedging relationship remains the same, the Group adjusts the hedge ratio of the hedging relationship (i.e. rebalances the hedge) so that it meets the qualifying criteria again.

*Cash flow hedges*

The effective portion of changes in the fair value of derivatives and other qualifying hedging instruments that are designated and qualify as cash flow hedges is recognised in other comprehensive income and accumulated under the heading of cash flow hedging reserve, limited to the cumulative change in fair value of the hedged item from inception of the hedge. The gain or loss relating to the ineffective portion is recognised immediately in profit or loss, and is included in the 'other gains and losses' line item.

Amounts previously recognised in other comprehensive income and accumulated in equity are reclassified to profit or loss in the periods when the hedged item affects profit or loss, in the same line as the recognised hedged item.

The Group discontinues hedge accounting only when the hedging relationship (or a part thereof) ceases to meet the qualifying criteria (after rebalancing, if applicable). This includes instances when the hedging instrument expires or is sold, terminated or exercised. The discontinuation is accounted for prospectively. Any gain or loss recognised in other comprehensive income and accumulated in cash flow hedge reserve at that time remains in equity and is reclassified to profit or loss when the forecast transaction occurs.

Movements in the hedging reserve in equity are detailed in note 15.

**Notes to the financial statements**  
**For the year ended 30 June 2020**

**Note 2. Revenue**

	<b>Consolidated</b>	
	<b>2020</b>	<b>2019</b>
	<b>\$</b>	<b>\$</b>
<b>Interest income on financial assets</b>		
Effective interest income on financial assets	4,903,505	1,917,670
Other revenue from financial assets	320,887	242,047
Interest on cash	10,544	6,611
Interest from investments	38,299	37,982
Total income from financial assets	<u>5,273,235</u>	<u>2,204,310</u>
<b>Revenue from contracts with customers</b>		
Management fees	1,893,087	838,277
Total revenue from contracts with customers	<u>1,893,087</u>	<u>838,277</u>
Total revenue	<u>7,166,322</u>	<u>3,042,587</u>

**Disaggregation of revenue**

The above provides a breakdown of revenue by major revenue stream. The categories above depict how the nature, amount, timing and uncertainty of revenue and cash flows are affected by economic data. As disclosed in the directors' report, the Group has one operating segment.

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:

**Interest income on financial assets**

*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.

**Revenue from contracts with customers**

*Management fees*

Management fees are earned through the contracts with funders (customers) which entitle the consolidated entity to fees as a result of satisfying the performance obligation, being the monthly management of the associated loan portfolio. Revenue is recognised on an over-time basis. The allocation of the transaction price is calculated as a percentage of the loan balance managed by the consolidated entity on a monthly basis, being the satisfaction of the performance obligation.

Revenue is recognised at an amount that reflects the consideration to which the consolidated entity is expected to be entitled in exchange for transferring services to a customer.

The consolidated entity invoice on a monthly basis which aligns to the recognition criteria noted above and as a result, there is no recognition of contract assets or liabilities required.

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**Notes to the financial statements**  
**For the year ended 30 June 2020**

**Note 3. Other income**

	<b>Consolidated</b>	
	<b>2020</b>	<b>2019</b>
	<b>\$</b>	<b>\$</b>
R&D and other tax incentives	430,874	229,840
Gain on loan purchase	116,528	12,345
Gain on sale of loan assets	-	11,606
	<hr/>	<hr/>
Other income	547,402	253,791

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.

**Note 4. Cash and cash equivalents**

	<b>Consolidated</b>	
	<b>2020</b>	<b>2019</b>
	<b>\$</b>	<b>\$</b>
Cash at bank	33,242,349	11,993,165
Restricted cash	4,730,917	-
	<hr/>	<hr/>
	37,973,266	11,993,165

*Reconciliation to cash and cash equivalents at the end of the financial year*

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	37,973,266	11,993,165
Balance as per statement of cash flows	37,973,266	11,993,165

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, bank overdrafts, and restricted cash.

Restricted cash is held by Wistr Warehouse Trust No.1 and not available to pay creditors of other entities within the Group.

**Note 5. Loan receivables**

A financial asset shall be measured at amortised cost if it is held within a business model whose objective is to hold assets in order to collect contractual cash flows which arise on specified dates and that are solely principal and interest. A debt investment shall be measured at fair value through other comprehensive income if it is held within a business model whose objective is to both hold assets in order to collect contractual cash flows which arise on specified dates that are solely principal and interest as well as selling the asset on the basis of its fair value. All other financial assets are classified and measured at fair value through profit or loss unless the entity makes an irrevocable election on initial recognition to present gains and losses on equity instruments (that are not held-for-trading or contingent consideration recognised in a business combination) in other comprehensive income ('OCI'). Despite these requirements, a financial asset may be irrevocably designated as measured at fair value through profit or loss to reduce the effect of, or eliminate, an accounting mismatch.

*Impairment of financial assets*

The Group recognises a loss allowance for ECL on financial assets which are either measured at amortised cost or fair value through other comprehensive income. The measurement of the loss allowance depends upon the Group's assessment at the end of each reporting period as to whether the financial instrument's credit risk has increased significantly since initial recognition, based on reasonable and supportable information that is available, without undue cost or effort to obtain.

The Group has adopted the three-stage model for ECL provisioning:

**Stage 1: 12 months ECL**

Where there has not been a significant increase in exposure to credit risk since initial recognition, a 12-month ECL allowance is estimated. This represents a portion of the loan receivable lifetime ECL that is attributable to a default event that is possible within the next 12 months. Effective interest is calculated on the gross carrying amount of the loan receivable.



**Notes to the financial statements**  
**For the year ended 30 June 2020**

**Note 5. Loan receivables (cont.)**

**Stage 2: Lifetime ECL – not credit impaired**

Where a loan receivable credit risk has increased significantly since initial recognition, but is not credit impaired, the loss allowance is based on the loan receivable lifetime ECL. For these loan receivables, the Group recognises as a collective provision a lifetime ECL (i.e. reflecting the remaining term of the loans receivable). Effective interest is calculated on the gross carrying amount of the financial instrument.

**Stage 3: Lifetime ECL – credit impaired**

Where there is objective evidence that the loan receivable has become credit impaired, the loss allowance is based on the loan receivable lifetime ECL. Effective interest is calculated on the net carrying amount of the financial instrument.

For financial assets measured at fair value through other comprehensive income, the loss allowance is recognised within other comprehensive income. In all other cases, the loss allowance is recognised in profit or loss.

*Allowance for expected credit losses*

The Group has historically adopted an off-balance sheet loan funding model which resulted in relatively low loan receivables on balance sheet. With the Warehouse Trust going live in mid-November 2019, loan receivables on the balance sheet have increased significantly.

The ECL analysis was performed on two distinct loan receivable books:

Book 1 – Warehouse Trust - Predominantly Stage 1

Book 2 – Wisir Finance - Combination of Stages 1 to 3. This book consists of seasoned, mostly legacy loan receivables which didn't qualify for sale to funding partners etc.

Credit loss refers to the instance whereby a counterparty defaults on its contractual obligations resulting in financial loss to the group. Default is defined as loan receivables which are at least 90 days past due. A significant increase in credit risk is defined as loan receivables which are at least 30 days past due.

The Group calculates ECL using three main components, the exposure at default (EAD), the probability of default (PD) and the loss given default (LGD).

The EAD represents the total value the Group is exposed to when the loan receivable defaults. The 12-month ECL is calculated by multiplying the 12-month EAD, PD and LGD. Lifetime ECL is calculated using the lifetime PD instead.

The 12-month and lifetime PDs represent the probability of default occurring over the next 12 months and the remaining maturity of the loan receivable respectively. The LGD represents the unrecovered portion of the EAD taking into account any applicable recovery of the loan receivable.

The Group originates loan receivables of 3, 5, and 7 year maturities to Australian consumers. These loans are either retained to maturity within the Wisir Warehouse Trust No. 1 or on-sold to retail, wholesale and institutional investors.

The allowance for ECL assessment requires a degree of estimation and judgement. It is based on 12-month and lifetime ECL, grouped based on days overdue, and makes assumptions to allocate an overall ECL for each group. These assumptions include the Group loan book performance history, existing economic and market conditions.

The Group has taken an additional provision on COVID-19 affected loan receivables. The Group does not consider the existence of a COVID-19 payment arrangement in itself to represent a significant increase in credit risk (SICR). This assessment is performed through consideration of both qualitative and quantitative factors surrounding the customer's credit risk.

Loan receivables which are on a COVID-19 payment arrangement, where normal loan repayments have not resumed, have been classified as Stage 2 due to the perceived significant increase in credit risk.

Scenario analysis and forward looking macroeconomic assessments were not incorporated as a result of the following factors:

- Covid-19 affected loans were specifically assessed and it was noted that 75% of COVID-19 impacted loans returned to normal loan payments within the payment arrangement period of 3 months.
- The Group enacted tightened credit policy and reduced risk tolerance in response to the COVID-19 pandemic.

**Notes to the financial statements**  
**For the year ended 30 June 2020**

**Note 5. Loan receivables (cont.)**

It was also noted that further scenario analysis and macroeconomic forecasting would result in undue cost and effort.

	<b>Consolidated</b>	
	<b>2020</b>	<b>2019</b>
	<b>\$</b>	<b>\$</b>
Gross loan receivables	89,729,432	6,732,999
Less provision for expected credit loss	<u>(3,731,932)</u>	<u>(235,646)</u>
	<u>85,997,500</u>	<u>6,497,353</u>

The following tables summarise gross carrying amount of loan receivables and provision for expected credit loss by stages:

**Gross loan receivables**

12-month (Stage 1)	84,019,478	5,870,562
Lifetime (Stage 2 & 3)	<u>5,709,954</u>	<u>862,437</u>
Total gross carrying amount	<u>89,729,432</u>	<u>6,732,999</u>

**Less provision for expected credit loss**

12 month expected credit loss	1,970,134	5,730
Lifetime expected credit loss	<u>1,761,798</u>	<u>229,916</u>
Total provision for expected credit loss	<u>3,731,932</u>	<u>235,646</u>

**Net balance sheet carrying value**

<u>85,997,500</u>	<u>6,497,353</u>
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**Expected credit loss per gross loan receivables**

	<b>%</b>	<b>%</b>
12-month (Stage 1)	2.34	0.10
Lifetime (Stage 2 & 3)	30.85	26.66
Total expected credit loss per total gross loan receivables	4.16	3.50

**Reconciliation of total provision for expected credit loss**

	<b>\$</b>	<b>\$</b>
Balance at 1 July	235,646	203,727
Expected credit loss expense recognised during the year to profit or loss	4,097,956	136,638
Receivables written-off during the year	(660,060)	(197,992)
Recoveries during the year	<u>58,390</u>	<u>93,273</u>
Balance at 30 June	<u>3,731,932</u>	<u>235,646</u>

**Note 6. Trade and other receivables**

	<b>Consolidated</b>	
	<b>2020</b>	<b>2019</b>
	<b>\$</b>	<b>\$</b>
<i>Expected to be settled within 12 months</i>		
Accrued management fee income	642,452	221,751
R&D tax incentive receivable	<u>380,874</u>	<u>219,078</u>
	<u>1,023,326</u>	<u>440,829</u>

Trade receivables are initially recognised at fair value and subsequently measured at amortised cost using the effective interest method, less any allowance for expected credit losses. Trade receivables are generally due for settlement within 30 days.

The consolidated entity has applied the simplified approach to measuring expected credit losses for trade and other receivables, which uses a lifetime expected loss allowance. To measure the expected credit losses, trade receivables have been grouped based on days overdue.

Other receivables are recognised at amortised cost, less any allowance for expected credit losses.

**Notes to the financial statements**  
**For the year ended 30 June 2020**

**Note 7. Other assets**

	<b>Consolidated</b>	
	<b>2020</b>	<b>2019</b>
	<b>\$</b>	<b>\$</b>
<i>Expected to be settled within 12 months</i>		
Prepayments	238,394	198,291
Deposits	131,883	26,333
Cash held in trust	119,292	325,973
	<u>489,569</u>	<u>550,597</u>

**Note 8. Other financial assets**

	<b>Consolidated</b>	
	<b>2020</b>	<b>2019</b>
	<b>\$</b>	<b>\$</b>
Investment in DirectMoney Personal Loan Fund	-	518,000

In the prior years, the Group 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 Wistr Finance Pty Ltd. The investment is classified as fair value through profit or loss.

**Valuation Techniques and Inputs Used to Measure Level 2 Fair Values**

<b>Description</b>	<b>Fair Value at 30 Jun 2020</b>	<b>Valuation Technique(s)</b>	<b>Inputs Used</b>
	<b>\$000</b>		
<i>Other financial assets</i>			
Investment in DirectMoney Personal Loan Fund (Fund)	-	Nil – derecognised during the period for \$518,000 consideration.	

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

**Note 9. Intangible assets**

	<b>Consolidated</b>	
	<b>2020</b>	<b>2019</b>
	<b>\$</b>	<b>\$</b>
<i>Technology assets:</i>		
Cost	609,240	609,240
Accumulated amortisation	(150,208)	(42,360)
Net carrying amount	<u>459,032</u>	<u>566,880</u>
<i>Technology assets under development:</i>		
Cost	12,728	12,728
Accumulated amortisation	-	-
Net carrying amount	<u>12,728</u>	<u>12,728</u>
Total intangible assets	<u>471,760</u>	<u>579,608</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.

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.

**Notes to the financial statements**  
**For the year ended 30 June 2020**

**Note 9. Intangible assets (cont.)**

The recoverable amount of the group's intangible assets have been tested for impairment via a value-in-use calculation using a discounted cash flow model, based on discounted projected cashflows derived by the cash generating unit over the useful life of the assets. The cash generating unit was identified as being related to the operating cashflows earned via the Wizr App, being derived via account maintenance fees and loan referral income and is related to the intangible assets noted above. No impairment has been identified (2019: no impairment).

**Note 10. Trade and other payables**

	<b>Consolidated</b>	
	<b>2020</b>	<b>2019</b>
	<b>\$</b>	<b>\$</b>
<i>Expected to be settled within 12 months</i>		
Trade payables	1,357,320	927,211
Sundry payables	274,635	175,073
Accrued expenses	708,354	219,403
Superannuation payable	172,543	120,192
	<u>2,512,852</u>	<u>1,441,879</u>

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. The fair value of the trade and other payables is considered to approximate their carrying value.

**Note 11. Employee benefits**

	<b>Consolidated</b>	
	<b>2020</b>	<b>2019</b>
	<b>\$</b>	<b>\$</b>
<i>Expected to be settled within 12 months</i>		
Provision for annual leave	<u>469,986</u>	<u>335,222</u>
<i>Not expected to be settled within 12 months</i>		
Provision for long service leave	<u>71,554</u>	<u>44,840</u>

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. Long-term employee benefits are subjected to discounting and actuarial valuations.

**Note 12. Borrowings**

	<b>Consolidated</b>	
	<b>2020</b>	<b>2019</b>
	<b>\$</b>	<b>\$</b>
Secured note	<u>1,675,000</u>	<u>2,000,000</u>
Warehouse trust funding	85,598,949	-
Less transaction costs	<u>(563,557)</u>	<u>-</u>
	<u>85,035,392</u>	<u>-</u>
Total borrowings	<u>86,710,392</u>	<u>2,000,000</u>

*Secured note*

The note is used for working capital purposes through initial funding of loan receivables prior to them being sold to funding partners as part of normal business operations.

**Notes to the financial statements**  
**For the year ended 30 June 2020**

**Note 12. Borrowings (cont.)**

*Warehouse trust*

At 30 June 2020, Wistr Warehouse Trust No. 1 had \$95.0m in committed financing, \$85.9m of which has been utilised. The facility is secured against the underlying pool of loan receivables with no credit recourse back to the consolidated entity. Wistr Warehouse Trust No. 1 consists of four classes of notes with Wistr the holder of the Class 4 note. The Class 1 note has a two-year tenor availability period until November 2021. The Class 2 & 3 notes have a one-year availability period until November 2020. In July 2020, the Company announced that the Australian Office of Financial Management ('AOFM') had approved an initial investment of \$30.8 million into the Wistr Warehouse Trust No. 1 through the Structured Finance Support Fund. The investment will be alongside existing senior and mezzanine financiers and will support the Wistr Warehouse Trust No. 1 up to \$200 million. The all in cost of funds for the Wistr Warehouse Trust No. 1 is circa 3.50% per annum.

The Warehouse trust funds loan receivables of 3, 5, and 7 year maturities.

The Warehouse trust borrowings are initially recognised at the fair value of the consideration received, net of transaction costs. It is subsequently measured at amortised cost using the effective interest method.

**Note 13. Derivative financial instruments**

	<b>Consolidated</b>	
	<b>2020</b>	<b>2019</b>
	<b>\$</b>	<b>\$</b>
Derivative financial instruments	<u>225,129</u>	<u>-</u>

The Group enters into derivative financial instruments (interest rate swaps) to manage its exposure to interest rate risk.

Derivatives are recognised initially at fair value at the date a derivative contract is entered into and are subsequently remeasured to their fair value at each reporting date. The resulting gain or loss is recognised in profit or loss immediately unless the derivative is designated and effective as a hedging instrument, in which event the timing of the recognition in profit or loss depends on the nature of the hedge relationship.

A derivative with a positive fair value is recognised as a financial asset whereas a derivative with a negative fair value is recognised as a financial liability. Derivatives are not offset in the financial statements unless the Group has both legal right and intention to offset. Other derivatives are presented as current assets or current liabilities.

Interest swap contracts are categorised as Level 2 financial instruments as they are valued using observable forward interest rates.

**Note 14. Issued capital**

	<b>Consolidated</b>	
	<b>2020</b>	<b>2019</b>
	<b>\$</b>	<b>\$</b>
<b>(a) Issued and paid up capital</b>		
Ordinary shares fully paid	92,151,571	49,876,287
Costs of raising capital	<u>(2,324,254)</u>	<u>(1,464,283)</u>
	<u>89,827,317</u>	<u>48,412,004</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.

Ordinary shares are classified as equity and recognised at the fair value of the consideration received by the Group. No subsequent fair valuation is performed. Incremental costs directly attributable to the issue of new shares or options are deducted from the value of issued capital.

**Notes to the financial statements**  
**For the year ended 30 June 2020**

**Note 14. Issued capital (cont.)**

	<b>2020</b>		<b>2019</b>	
	<b>Number of shares</b>	<b>\$</b>	<b>Number of shares</b>	<b>\$</b>
<b>(b) Reconciliation of issued and paid-up capital</b>				
Opening balance as at 1 July	790,208,152	48,412,004	455,405,424	29,323,980
Issue of shares from raising capital	197,297,792	36,500,100	311,851,176	19,695,500
Costs of raising capital	-	(859,972)	-	(1,143,877)
Issue of shares to CEO as part of long-term incentive	30,158,720	2,384,173	-	-
Issue of shares to CEO as part of short-term incentive	-	-	4,461,652	95,635
Issue of shares to CFO as part of long-term incentive	11,167,412	762,226	1,704,079	81,114
Issue of shares to Head of Growth (former COO) as part of long-term incentive	8,428,067	770,474	-	-
Issue of shares to directors on vesting of performance rights	4,900,000	555,872	11,666,666	131,341
Issue of shares to staff on vesting of long-term incentives	2,696,079	101,273	-	-
Issue of shares on exercise of options	14,535,715	1,201,167	3,131,035	128,905
Issue of shares as payment of funder fees (non-cash)	-	-	1,988,120	99,406
Closing Balance as at 30 June	<u>1,059,391,937</u>	<u>89,827,317</u>	<u>790,208,152</u>	<u>48,412,004</u>

**(c) Performance rights**

As at 30 June 2020, there were a total of 92,717,541 (2019: 38,966,725) performance rights outstanding. Refer to Note 29.

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.

**Note 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.

**(c) Cash flow hedge reserve**

The reserve is used to recognise the effective portion of the gain or loss of cash flow hedge instruments that is determined to be an effective hedge.

Notes to the financial statements  
For the year ended 30 June 2020

Note 15. Equity – reserves and accumulated losses (cont.)

	Employee equity benefits reserve	Other share based payments reserve	Cash flow hedge reserve	Total
	\$	\$	\$	\$
<b>Movement in reserves:</b>				
<b>At 1 July 2018</b>	1,373,674	526,377	-	1,900,051
Share based payments expense	852,147	243,906	-	1,096,053
Costs of raising capital	-	155,000	-	155,000
Transfer from reserve to retained earnings	(436,257)	-	-	(436,257)
Transfer from reserve on exercise of options	(312,644)	(164,146)	-	(476,790)
Transfer of gain on funder forgiveness of options obligation to retained earnings	-	(325,612)	-	(325,612)
Issue of shares as a result of exercise of options for consideration	-	(17,024)	-	(17,024)
<b>At 30 June 2019</b>	<b>1,476,920</b>	<b>418,501</b>	<b>-</b>	<b>1,895,421</b>
<b>At 1 July 2019</b>	1,476,920	418,501	-	1,895,421
Share based payments expense	4,764,670	49,879	-	4,814,549
Transfer from reserve to retained earnings	(32,156)	-	-	(32,156)
Transfer from reserve on exercise of options	(3,255,476)	-	-	(3,255,476)
Issue of shares as a result of exercise of options for consideration	-	(38,310)	-	(38,310)
Loss arising on changes in fair value of hedging instruments entered into for cash flow hedges	-	-	(231,976)	(231,976)
Cumulative loss arising on changes in fair value of hedging instruments reclassified to profit or loss	-	-	29,134	29,134
<b>At 30 June 2020</b>	<b>2,953,958</b>	<b>430,070</b>	<b>(202,842)</b>	<b>3,181,186</b>

	<b>Consolidated</b>	
	<b>2020</b>	<b>2019</b>
	\$	\$
<b>Accumulated losses:</b>		
Opening balance	(33,534,592)	(26,565,419)
Total loss after income tax for the year	(23,534,826)	(7,731,042)
Transfer from reserve to retained earnings	32,156	761,869
<b>Total</b>	<b>(57,037,262)</b>	<b>(33,534,592)</b>

Note 16. Capital and lease commitments

(a) Finance lease commitments

There are no finance lease commitments (2019: nil).

(b) Operating lease commitments

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

	<b>Consolidated</b>	
	<b>2020</b>	<b>2019</b>
	\$	\$
Payable – minimum lease payments:		
i) Within one year	58,129	196,799
ii) One to five years	-	-
iii) More than five years	-	-
	<b>58,129</b>	<b>196,799</b>

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.

Wistr Finance Pty Ltd has two non-cancellable property leases which expire in September 2020 at which point become month on month agreements. Rent is 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%.

**Notes to the financial statements**  
**For the year ended 30 June 2020**

**Note 17. Income tax**

	<b>Consolidated 2020 \$</b>	<b>2019 \$</b>
<i>Numerical reconciliation of income tax expense to prima facie tax payable</i>		
Loss from continuing operations before income tax expense	(23,534,826)	(7,731,042)
Tax benefit at the tax rate of 27.5% (2019: 27.5%)	(6,472,077)	(2,126,037)
Tax effect of amounts which are not deductible (taxable) in calculating taxable income:		
- Temporary differences not recognised	2,539,136	102,904
- Non-recognition of current year tax losses	3,932,941	2,023,133
Income tax expense	<u>-</u>	<u>-</u>

As at 30 June 2020, the entity has unrecognised carried forward tax losses of \$47,435,193 (2019: \$32,935,299), the utilisation of which is dependent on the entity satisfying the requirements of the Same Business Test (SBT).

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.

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.

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

The head entity, Wistr 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, Wistr 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.



**Notes to the financial statements**  
**For the year ended 30 June 2020**

**Note 17. Income tax (cont.)**

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.

**Note 18. Remuneration of auditors**

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

	<b>Consolidated</b>	
	<b>2020</b>	<b>2019</b>
	<b>\$</b>	<b>\$</b>
BDO Audit Pty Ltd		
- Audit of the financial report – assurance services	85,000	75,000
- Taxation services – non-assurance services	9,900	-
- Review of the half-yearly financial report – assurance services	34,000	31,372
- Accounting advice – non-assurance services	4,000	2,000
	<u>132,900</u>	<u>108,372</u>

The BDO entity performing the audit of the Group transitioned from BDO East Coast Partnership to BDO Audit Pty Ltd on 25 September 2020. The disclosures include amounts received or due and receivable by BDO East Coast Partnership, BDO Audit Pty Ltd and their respective related entities.

**Note 19. Contingent liabilities**

There were no contingent liabilities reportable during the period. 2019 contingent liabilities provided below as comparatives.

*CEO Short and Long-Term Incentives*

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

- Long term incentive valued at the equivalent of 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
- Long term incentive valued at the equivalent of 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 \$220,000 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:

- Long term incentive valued at the equivalent of 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;
- Long term incentive valued at the equivalent of 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
- Long term incentive valued at the equivalent of 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

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**Notes to the financial statements**  
**For the year ended 30 June 2020**

**Note 19. Contingent liabilities (cont.)**

determined by the CEO.

**Note 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:

<b>Name</b>	<b>Status</b>	<b>Country of incorporation</b>	<b>% owned 2020</b>	<b>% owned 2019</b>
Wizr Finance Pty Ltd	Registered 2 May 2006	Australia	100%	100%
Wizr Investment Management Pty Ltd	Registered 20 February 2015	Australia	100%	100%
Wizr Loans Servicing Pty Ltd	Registered 20 February 2015	Australia	100%	100%
Wizr Credit Management Pty Ltd	Registered 19 March 2015	Australia	100%	100%
Wizr Marketplace Limited	Registered 16 March 2015	Australia	100%	100%
Wizr Services Pty Ltd	Registered 13 January 2017	Australia	100%	100%
Wizr Funding Pty Ltd	Registered 9 April 2018	Australia	100%	100%
Wizr Notes 1 Pty Ltd	Registered 31 July 2018	Australia	100%	100%
Wizr Warehouse Trust No. 1	Registered 28 October 2019	Australia	100%	-

**Note 21. Events after the reporting period**

*COVID-19 hardship*

As at 30 June 2020, \$10.3m or 6.12% of total portfolio loan balances were on COVID-19 specific payment assistance, this reduced to \$5.6m (3.09% of the total portfolio) by 31 July 2020. Wizr's recovery rate for COVID-19 hardship customers was 75% as at 30 June 2020, increasing to 81% by 31 July 2020.

*AOFM funding approval*

In July 2020, the Company announced that the Australian Office of Financial Management ('AOFM') had approved an initial investment of \$30.8 million into the Wizr Warehouse through the Structured Finance Support Fund. The investment will be alongside existing senior and mezzanine financiers and will support the Wizr Warehouse up to \$200 million.

*Secured note*

In September 2020, the Group's secured note was repaid as it reached maturity.

*Secured vehicle*

In September 2020, the Group launched the second credit product, secured vehicle product, to enter the \$33 billion dollar auto finance market. The product is supported by the Wizr Warehouse with potential for a dedicated facility at scale.

**Note 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:

	<b>Consolidated 2020</b>	<b>2019</b>
	<b>\$</b>	<b>\$</b>
Short-term employee benefits	1,010,119	670,913
Post-employment benefits	68,379	61,758
Long-term benefits	5,221	2,110
Share-based payments	5,067,498	726,848
Total KMP compensation	<u>6,151,217</u>	<u>1,461,629</u>

The COO has not been included in KMP remuneration this year and has been removed from 2019 as it has been assessed that the authority and responsibility for planning, directing and controlling the activities of the entity lies only with the Board, CEO and CFO.

**Notes to the financial statements**  
**For the year ended 30 June 2020**

**Note 22. Key management personnel disclosures (cont.)**

*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.

**Note 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 2020, all transactions that have occurred among the subsidiaries within the Group have been eliminated for consolidation purposes. There were no other related party transactions (2019: nil).

**Note 24. Parent entity information**

**(a) Summary financial information**

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

	<b>2020</b>	<b>2019</b>
	<b>\$</b>	<b>\$</b>
<b>Statement of financial position</b>		
Total assets	<u>76,815,933</u>	<u>36,685,676</u>
Total liabilities	<u>135,678</u>	<u>27,672</u>
<i>Shareholders' equity</i>		
Issued capital	82,815,088	41,399,776
Reserves	3,384,027	1,895,420
Accumulated losses	<u>(9,518,861)</u>	<u>(6,637,192)</u>
	<u>76,680,254</u>	<u>36,658,004</u>
Loss for the year	<u>(2,913,825)</u>	<u>(510,611)</u>
Total comprehensive loss	<u>(2,913,825)</u>	<u>(510,611)</u>

The financial information for the parent entity, Wisor 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.

**(b) Contingent liabilities**

See Note 19.

**Notes to the financial statements**  
**For the year ended 30 June 2020**

**Note 24. Parent entity information (cont.)**

**(c) Contractual commitments**

The parent entity had no capital commitments for property, plant and equipment as at 30 June 2020 and 30 June 2019.

**Note 25. Cash flow information**

	<b>Consolidated 2020</b>	<b>2019</b>
	<b>\$</b>	<b>\$</b>
<b>Reconciliation of loss after income tax to net cash outflows from operating activities</b>		
Loss for the year	(23,534,826)	(7,731,042)
<i>Adjustments for non-cash items or items for which the cash flows are investing or financing cash flows</i>		
Depreciation and amortisation	117,336	68,306
Share-based payments and accruals	6,133,091	1,096,053
Fundraising expenses	94,419	-
Non-cash modification benefit on contractual cashflows	-	(47,339)
Expected credit losses expense / loan asset impairments and write-offs	4,097,956	136,638
<i>Changes in operating assets and liabilities:</i>		
(Increase) in loan receivables	(519,999)	(32,805)
(Increase) in trade and other receivables	(582,497)	(167,266)
Decrease in other assets	61,028	2,861
Increase in trade and other payables	1,070,973	226,445
Increase in provision for employee benefits	161,478	139,673
Increase in accrued finance costs	91,033	-
Net cash flows used in operating activities	<u>(12,810,008)</u>	<u>(6,308,476)</u>

**Note 26. Earnings per share**

	<b>2020</b>	<b>2019</b>
	<b>Cents</b>	<b>Cents</b>
Basic earnings per share	(2.60)	(1.34)
Diluted earnings per share	(2.60)	(1.34)

*Weighted average number of shares used as the denominator*

	<b>Number of shares</b>	<b>Number of shares</b>
Weighted average number of shares used as the denominator in calculating basic earnings per share	904,602,487	575,478,118
Adjustments for calculation of diluted earnings per share	-	-
Weighted average number of ordinary shares used in calculating dilutive earnings per share	<u>904,602,487</u>	<u>575,478,118</u>

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

*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.

**Notes to the financial statements**  
**For the year ended 30 June 2020**

**Note 27. Segment information**

Management has determined that the Group has one operating segment, being the provision of personal loans to consumers. The internal reporting framework is based on the principal activity as discussed above and is the most relevant to assist the Board as Chief Operating Decision Maker with making decisions regarding the Group and its ongoing growth. The assets as presented relate to the operating segment. The Group operates in Australia only.

**Note 28. Dividends**

**(a) Dividends paid during the year**

*Ordinary shares*

There were no dividends paid during the year (2019: nil).

**(b) Franking Credits**

	2020 \$	2019 \$
Franking credits available for subsequent reporting periods based on a tax rate of 27.5% (2019 – 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.

**Note 29. Share based payments**

The share-based payment expense of \$6,133,091 (2019: \$1,096,053) consists of:

- KMP LTIs of \$5,067,498 (2019: \$725,364) accrued up to 30 June 2020 which were set during FY20 and relate to FY20, FY21 and FY22, and are essentially a one-off expense;
- Staff LTIs \$1,015,714 (2019: \$126,783) accrued up to 30 June 2020 and relate to FY18, FY19 and FY20; and
- Recruitment expense of \$49,879 (2019: \$49,879).

In 2019:

- a Funder fee expense totalling \$132,120 was paid and accrued 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 was accrued in relation to the grant of call options to sophisticated investors of a \$2 million working capital facility for the Group; and
- there were \$155,000 worth of options issued to Blue Ocean Equities as part of the consideration for their capital raising mandate. The amount was 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.

The fair value of the Board/KMP performance rights and staff LTI scheme has been calculated in accordance with AASB 2 Share-based Payment using a Hoadley Barrier model which included the below inputs.

*Board/KMP performance rights:*

Assumptions - Grant date 1 September 2019, Volatility 40%, Risk-free rate 1%, Spot price \$0.1265. Note that Tranche 3 is calculated using a Hoadley Probability model given the relevant dates.

Tranche	Grant date	Determination date	Expiry date	Barrier price	Fair value
1	1 Sep 19	1 Sep 19	30 Jun 22	\$0.1450	\$0.1134
2	1 Sep 19	1 Jul 20	30 Jun 22	\$0.1673	\$0.0903
3	1 Sep 19	1 Jul 21	30 Jun 22	\$0.1924	\$0.0207
4	1 Sep 19	1 Sep 19	30 Jun 22	\$0.2400	\$0.0597
5	1 Sep 19	1 Sep 19	30 Jun 22	\$0.3000	\$0.0393
6	1 Sep 19	1 Sep 19	30 Jun 22	\$0.3800	\$0.0229

**Notes to the financial statements**  
**For the year ended 30 June 2020**

**Note 29. Share based payments (cont.)**

*FY20 Staff LTI scheme:*

Assumptions - Grant date 1 September 2019, Volatility 40%, Risk-free rate 1%, Spot price \$0.1265.

Tranche	Expiry date	Barrier price	Fair value
1	31 Jul 21	\$0.1450	\$0.0659
2	31 Jul 22	\$0.1450	\$0.0720

**(a) Performance rights**

	2020		2019	
	Number of performance rights	Exercise price	Number of performance rights	Exercise price
Balance at beginning of year	38,966,725	Nil	37,082,562	Nil
- granted	91,116,364	Nil	31,661,940	Nil
- forfeited	(13,639,469)	Nil	(18,111,111)	Nil
- exercised	(23,726,079)	Nil	(11,666,666)	Nil
Balance at end of year	92,717,541	Nil	38,966,725	Nil

The Group 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 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.

**Note 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:

**(a) 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.

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

**Notes to the financial statements**  
**For the year ended 30 June 2020**

**Note 30. Financial risk management (cont.)**

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.

The Group has assessed COVID-19 affected loan receivables through consideration of both qualitative and quantitative factors surrounding the customer's credit risk. The Group also enacted tightened credit policy and reduced risk tolerance in response to COVID-19.

All loan balances are monitored on an ongoing basis for collectability and *AASB 9 – Financial Instruments* has been adopted in FY2019 which includes the assessment of lifetime expected credit losses as detailed at note 5.

**(b) Inability to recover defaulted loans**

Default is defined by the group as the failure of the borrower to meet required contractual cashflows, this definition is selected as it aligns with the operational analysis of the loan books. 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.

**(c) 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.

**(d) 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.

**(e) 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.

**(f) 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 institutional loan buyers.

**(g) 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.

Notes to the financial statements  
For the year ended 30 June 2020

Note 30. Financial risk management (cont.)

<b>Maturity Analysis – Group</b>			
	<b>Within 1 year</b>	<b>1 – 5 years</b>	<b>Total</b>
	<b>\$</b>	<b>\$</b>	<b>\$</b>
<b>2020</b>			
<b>Financial assets</b>			
Cash and cash equivalents	37,973,266	-	37,973,266
Loan receivables	15,242,964	70,754,536	85,997,500
Trade and other receivables	1,023,326	-	1,023,326
Other assets	251,175	-	251,175
Total financial assets	54,490,731	70,654,536	125,245,267
<b>Financial liabilities</b>			
<i>Non-derivatives</i>			
Trade creditors	1,357,320	-	1,357,320
Other payables	1,155,532	-	1,155,532
Secured notes	1,675,000	-	1,675,000
Warehouse trust funding	98,950	84,936,442	85,035,392
<i>Derivatives at fair value</i>	-	-	-
Interest rate swaps – cash flow hedges	148,275	78,615	226,890
Total financial liabilities	4,435,077	85,015,057	89,450,134
<b>Net financial assets</b>	50,055,654	(14,260,521)	35,795,133
<b>2019</b>			
<b>Financial assets</b>			
Cash and cash equivalents	11,993,165	-	11,993,165
Loan receivables	4,909,991	1,587,362	6,497,353
Trade and other receivables	440,829	-	440,829
Other assets	352,306	518,000	870,306
Total financial assets	17,696,291	2,105,362	19,801,653
<b>Financial liabilities</b>			
<i>Non-derivatives</i>			
Trade creditors	927,211	-	927,211
Other payables	514,668	-	514,668
Secured notes	225,000	1,775,000	2,000,000
Total non-derivatives	1,666,879	1,775,000	3,441,879
<b>Net financial assets</b>	16,029,412	330,362	16,359,774

(h) Market risk

Price risk

The Group sold its investment in the DirectMoney Personal Loan Fund during the period at par and is therefore no longer exposed to price risk for this investment.

(i) Interest rate risk

Interest rate risk is the risk that the Group will experience deterioration in its financial position as interest rates change over time. The Group is exposed to interest rate risk due to repricing and mismatches in interest rates between assets and liabilities (i.e. borrowing at floating interest rates and lending at fixed interest rates). The risk is managed by the Group using interest rate swap contracts to convert the floating rate exposure on the Warehouse trust borrowings to fixed interest rates. Hedging activities are undertaken in line with the Group's hedging policy.



**Notes to the financial statements**  
**For the year ended 30 June 2020**

**Note 30. Financial risk management (cont.)**

**Interest rate swap contracts**

Under interest rate swap contracts, the Group agrees to exchange the difference between fixed and floating rate interest amounts calculated on agreed notional principal amounts. Such contracts enable the Group to mitigate the cash flow exposures on its variable rate borrowings.

The Group designates the interest rate swap contracts as cash flow hedges. As the critical terms of the interest rate swap contracts and their corresponding hedged items are the same, the Group performs a qualitative assessment of effectiveness and it is expected that the value of the interest rate swap contracts and the value of the corresponding hedged items will systematically change in opposite direction in response to movements in the underlying interest rates. The main source of hedge ineffectiveness in these hedge relationships is the effect of the counterparty and the Group's own credit risk on the fair value of the interest rate swap contracts, which is not reflected in the fair value of the hedged item attributable to the change in interest rates. Other sources of ineffectiveness include the re-designation of amended interest rate swap contracts, which have a non-zero fair value at inception of the hedge relationship.

The following table details various information regarding interest rate swap contracts outstanding at the end of the reporting period and their related hedged items. Interest rate swap contract assets and liabilities are included in note 13.

	<b>Interest rate swaps</b>	
	<b>2020</b>	<b>2019</b>
<b>Hedging instruments</b>		
Average contracted fixed interest rate	0.40900%	-
Notional principal (borrowings)	60,354,017	-
Carrying amount of the hedging instrument (liability)	(225,129)	-
Change in fair value used for calculating hedge ineffectiveness	6,031	-
<b>Hedged items</b>		
Nominal amount of the hedged item	60,354,017	-
Change in value used for calculating hedge ineffectiveness	14,532	-
Balance in cash flow hedge reserve for continuing hedges	6,031	-
Balance in cash flow hedge reserve arising from hedging relationships for which hedge accounting is no longer applied	(208,873)	-
Hedge ineffectiveness recognised in profit or loss (within Finance costs)	(22,287)	-

## **Directors' Declaration**

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*.



.....  
John Nantes  
Director  
Sydney  
30 September 2020

## INDEPENDENT AUDITOR'S REPORT

To the members of Wizr Limited

### Report on the Audit of the Financial Report

#### Opinion

We have audited the financial report of Wizr Limited (the Company) and its subsidiaries (the Group), which comprises the consolidated statement of financial position as at 30 June 2020, the consolidated statement of profit or loss and other comprehensive income, the consolidated statement of changes in equity and the consolidated 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 2020 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 (including Independence Standards) (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.

## Share based payments

Key audit matter	How the matter was addressed in our audit
<p>During the year ended 30 June 2020, the Company entered into several share based payments transactions, with share based payment expenses amounting to \$6,133,091.</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 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 procedures included, amongst others:</p> <ul style="list-style-type: none"> <li>➤ Reviewing the terms and conditions of the various share based payment agreements;</li> <li>➤ Evaluating management's assessment of the likelihood of meeting the performance conditions attached to each of the agreements;</li> <li>➤ 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</li> <li>➤ Evaluating the adequacy of the disclosure in respect of the accounting treatments of share based payments in the financial statements, including the judgements involved, and the accounting policy adopted.</li> </ul>

### Other information

The directors are responsible for the other information. The other information comprises the information contained in directors' report for the year ended 30 June 2020, but does not include the financial report and our auditor's report thereon, which we obtained prior to the date of this auditor's report, and the annual report, which is 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 annual 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.

### 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:

[https://www.auasb.gov.au/admin/file/content102/c3/ar1\\_2020.pdf](https://www.auasb.gov.au/admin/file/content102/c3/ar1_2020.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 pages 10 to 19 of the directors' report for the year ended 30 June 2020.

In our opinion, the Remuneration Report of Wisr Limited, for the year ended 30 June 2020, 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 Audit Pty Ltd

A handwritten signature in black ink, appearing to read 'Tim Aman', is written over the printed name.

Tim Aman  
Director

Sydney, 30 September 2020