



ASX RELEASE

Wisr delivers 118% revenue growth for FY22

Strong balance sheet and prudent reductions of operating costs in place to support path to profitability within 12 months¹

Sydney, 30 August 2022 - Wisr Limited (ASX: WZR) (ACN 004 661 205) ("Wisr", or the "Company") is pleased to announce its Financial Report commentary for the year ended 30 June 2022.

In early FY23, Wisr has taken prudent steps in light of current market conditions to reduce operating costs to deliver profitability within 12 months while maintaining a robust cash-balance sheet to deliver both moderate growth and strong profitability¹ over the medium-long term.

KEY HIGHLIGHTS:

Strong Growth Recorded on Key Metrics

- Operating revenue up 118% to \$59M (FY21: \$27M)
- Total new loan originations up 67% to \$611M (FY21: \$366M)
- Total loan originations \$1.2B as at 30 June 2022
- An unbroken record of 24 quarters of prime-credit loan origination growth
- Loan book growth of 103% to \$780M (FY21: \$384M)
- Delivered two positive operating cash flow quarters in Q2FY22 and Q3FY22
- 30% Cash EBTDA improvement (FY22: \$(7)M vs FY21: \$(10)M)
- Over 647,000 customer profiles (FY21: 450,000) in the Wisr Financial Wellness Platform as at 30 June 2022, a 43% increase

INITIATIVES ALREADY DELIVERED TO ACCELERATE THE PATH TO PROFITABILITY:

Focus on near-term profitability

- Significant reduction in short-term growth aspirations in lending in response to the macro environment, switching from high to moderate growth, will positively impact Cash EBTDA
- Wisr has increased the front book weighted average yield by c. 340 bps between April and September 2022²
- Front book yield will continue to lift to ensure the Company protects net interest margin and profitability given market volatility

Cost management

- A material reduction in employee expenses and headcount
- A material reduction in external spend

¹ Profitability is on a run-rate Cash EBTDA basis and is subject to broader market conditions, including any significant volatility events, the level of global inflation and interest rates, and the impact of any geopolitical events

² August and September are forecast based on anticipated loan volume, corresponding yield and BBSW



Strategic adjustments

- Pausing all new credit product expansion, innovation and go-to-market expenditure
- Exited any continued support for Arbor investment in the EU market, and any short-term growth ambitions for geographical expansion
- Material overall reduction in investment in the Wisr Financial Wellness Platform to further drive push to profitability

LOAN BOOK AND FUNDING:

- The Company is well capitalised with \$23.3M unrestricted cash at 30 June 2022 along with \$8.2M loans available for sale, setting the Company up for continued growth
- An increase in committed funding into the Wisr Warehouse from \$350M to \$450M in April 2022
- An increase in committed funding into the Wisr Secured Vehicle Warehouse from \$300M to \$400M in July 2022
- The Company's second ABS transaction, the \$250M Wisr Freedom Trust 2022-1 (made up of personal loans), received a AAA Moody's rating for the top two tranches and a weighted average margin of 2.23% over one-month BBSW, freeing up \$250M capacity in \$450M warehouse (WH1)
- On-balance sheet portfolio 90+ Day arrears of 0.98% at 30 June 2022 (FY21: 0.65%)

RISING COST OF FUNDS AND HEDGING:

- Floating BBSW has been hedged since the inception of warehouse funding facilities in November 2019
- Increased the front book weighted average yield by c. 340 bps between April and September 2022 in response to the blended hedged BBSW cost increasing by c. 80 bps²

CEO COMMENTARY:

Mr Anthony Nantes, Chief Executive Officer, Wisr, said, *"We are a growth Company and will be a growth Company for the next decade or more as we seek to materially increase our share of the c. \$150B consumer finance market in Australia. However, in the short term, we have prioritised achieving profitability within 12 months¹ over accelerating growth, as we will continue to demonstrate the strong and safe fiscal management we are known for."*

"After achieving two positive operating cash-flow quarters in FY22 before the change in macroeconomic conditions, we have been well on the way to profitability. We've made material reductions in operating costs and lifted our yield by around 340bps to protect our NIM as we enter FY23 to deliver profitability in the short-term and moderate growth."

"In FY22, we delivered a record \$611M in new loans at an annual growth rate of 67%, extended our consistent loan growth to 24 consecutive quarters, surpassed \$1.2B in total loan originations, grew operating revenue by 118% to \$59M, grown our prime loan book by 103%, and priced our second ABS deal. It's an incredible validation of our business model, prudent treasury and underwriting capability and the capability of the widely recognised high-performing Wisr Team."

"By taking prudent steps such as maintaining a strong cash-balance sheet, implementing rate and pricing levers, tightening credit in-line with risk appetite and significant material reductions in operating costs, the Company is in



the strongest position to navigate market conditions whilst delivering a moderate growth trajectory. We're using the multiple levers available to us to absorb funding cost increases while still earning a healthy net interest margin - just as a bank can, we've been passing on the rising interest rates on new loans to customers throughout Q4FY22 and into FY23."

"We're well capitalised, building sustainable revenue and well placed to protect the business from any sustained economic downturn with a prime to super-prime³ customer base." finished Mr Nantes.

Annual General Meeting

The Company advises that its Annual General Meeting will be held on 23 November 2022 at 2 pm (AEDT), and the closing date for the receipt of nominations from persons wishing to be considered for election as a Director is 5 October 2022.

-ends-

This announcement has been approved in accordance with the Company's Continuous Disclosure Policy and authorised for release by the Board of Directors.

For further investor enquiries, please contact:

Vanessa Chidrawi
Company Secretary
E: investor@wisr.com.au

About Wisr Limited

Wisr (ASX: WZR) is Australia's first neo-lender with a commitment to the financial wellness of all Australians through providing a smarter, fairer and wiser collection of financial products and services. Wisr provides a unique Financial Wellness Platform underpinned by consumer finance products, the Wisr App to help Australians pay down debt, multiple credit score comparison service, combined with content and other products that use technology to provide better outcomes for borrowers, investors and everyday Australians.

For more information, visit www.wisr.com.au

³ Prime credit score = 726-832 and Super prime credit score = 833-1200; source Equifax <https://www.equifax.com.au/personal/what-good-credit-score>