PRELIMINARY FINAL REPORT

1. Company details

Name of entity:	Wisr Limited
ABN:	80 004 661 205
Reporting period:	For the year ended 30 June 2023
Previous period:	For the year ended 30 June 2022

2. Results for announcement to the market

Key information				**$A'000**
Revenues from ordinary activities	Up	55%	to	91,857
Loss from ordinary activities after tax attributable to members	Down	34%	to	(13,154)
Loss for the year attributable to members	Down	34%	to	(13,154)
Dividends paid and proposed				
There were no dividends declared or paid in the reporting period.				

3. Statement of Comprehensive Income

Refer Financial Statements below.

4. Statement of Financial Position

Refer Financial Statements below.

5. Statement of Changes in Equity

Refer Financial Statements below.

6. Statement of Cash Flows

Refer Financial Statements below.

7. Details of individual and total dividends and payment dates

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

8. Details of dividend reinvestment plan

Not applicable.

9. Net tangible assets

	Reporting period Cents	**Previous period Cents**
Net tangible asset backing per ordinary security	4.48	5.54

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

Wisr Finance Pty Ltd, 100% owned subsidiary of Wisr Limited, registered Wisr Independence Trust 2023-1 on 15 September 2022 and is a 100% owned subsidiary of Wisr Finance Pty Ltd.

11. Details of associates and joint venture entities

Not applicable.

12. Significant information

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

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

Not applicable.

14. Commentary on results for the period

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

This report is based on accounts which have been audited.

15. Signed

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MATTHEW BROWN

DIRECTOR
SYDNEY

24 August 2023

WISR LIMITED

ABN: 80 004 661 205

FINANCIAL REPORT

For the year ended 30 June 2023

CONTENTS

DIRECTORS' REPORT

For the year ended 30 June 2023

The directors present their report, together with the financial statements, on the consolidated entity (also referred to hereafter as the Group) consisting of Wisr 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 2023.

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:

Name	Position
John Nantes[1]	Non-Executive Chair
Craig Swanger	Non-Executive Director
Matthew Brown[1]	Non-Executive Director
Cathryn Lyall	Non-Executive Director
Kate Whitney	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 and secured vehicle loans for 3, 5 and 7-year maturities to Australian consumers.

REVIEW OF OPERATIONS

Key Group highlights include:

Financial performance

- Operating revenue up 55% to $91.9M (FY22: $59.4M)
- 78% EBTDA improvement (FY23: $(1.6)M[2] vs FY22: $(7.2)M)
- Continued NIM expansion, now delivering a NIM run rate (June 2023) of c. 5% on new business written

[1] Mr M Brown was appointed Interim Chair from 21 August 2023 as per ASX release on 21 August 2023.
[2] Excludes $1.1M restructuring costs.

Loan book

- Loan book growth of 19% to $931M (FY22: $780M)
- 90+ Day arrears of 1.25% (FY22: 0.98%) and 781 average credit score of total book (FY22: 780)
- Total new loan originations down 19% to $495M (FY22: $611M) following deliberate moderation of loan origination volume to maintain a strong balance sheet and prioritise profitability
- Total loan originations $1.6B as at 30 June 2023

Balance sheet and funding

- Cash balance (excluding restricted cash) $23.1M as at 30 June 2023, consisting of $21.7M unrestricted cash and $1.4M loans available for sale
- Equity note investments within Wisr Warehouses of $48.3M
- Sale of Freedom 2021 G1 notes (settled June 2023), releasing additional capital of $3.6M into the business
- The Company's third ABS transaction and inaugural asset-backed securities deal for the secured vehicle loan product, the $200M Wisr Independence Trust 2023-1 (Independence23)
- Strengthened the balance sheet by securing a new $25M[3] head company debt facility (Q2FY23)
- Rolled-forward Wisr Warehouse's (WH1 & WH2) for another 12 months (Q2FY23)
- Received credit approval from another Big Four bank for a third warehouse facility

Financial Wellness Platform

- 17% increase in the Wisr Financial Wellness Platform (FWP), with over 758,000 customer profiles (FY22: 647,000) at 30 June 2023
- Launch of the Company's new technology product, Wisr Today, in Q2FY23 with over 28K downloads

FOCUS ON PROFITABILITY OVER HIGH-GROWTH

Wisr began FY23 with the objective of achieving profitability[4] within 12 months. In response to macroeconomic conditions, through prudent and proactive adjustment of the Company's strategy and cost base, Wisr has successfully delivered profitability on a run-rate basis with two positive EBTDA quarters in FY23 (Q2 and Q4) while maintaining a robust balance sheet.

The material cost out, which included headcount reductions (Q1FY23 and Q4FY23) and other strategic decisions (including the deliberate moderation of loan origination volume) made by management, have had a materially positive impact, with the Company delivering three positive operating cash flow quarters (Q2FY23, Q3FY23 and Q4FY23) while delivering 55% revenue

[3] $25M drawn after certain milestones were achieved.
[4] Profitability is on a run-rate 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.

growth (FY23: $91.9M v FY22: $59.4M) and a 78% EBTDA improvement (FY23: $(1.6)M[5] vs FY22: $(7.2)M).

In addition, the Company has successfully completed a number of significant funding and capital management initiatives to improve balance sheet strength and flexibility as the Company continues to navigate an uncertain short-term environment. In Q2FY23, Wisr strengthened its balance sheet by securing a new $25M[6] debt facility (head company), with a maturity date 1 July 2025. Part of the proceeds of the new facility was used to repay the Company's existing $6.5M head company debt facility.

Wisr has rolled forward WH1 and WH2 for another 12 months and received credit approval from another Big Four bank for a third warehouse facility. This new facility will further diversify Wisr's funding sources, enhance growth through funding capacity and add further balance sheet robustness. However, following the deliberate moderation of loan origination volume, the facility was not required in FY23; the market will be updated on further developments as they become available in FY24, closer to go-live.

Wisr also received credit approval from a Big Four bank for an intraday credit facility to further alleviate balance sheet pressure and remains committed to strong cost control in the near term.

Following the significant reduction in short-term growth aspirations in lending in response to the macroeconomic environment, as at 30 June 2023, Wisr reached $1.6B in total loan originations since inception, and FY23 delivered $495M in new loan originations, a 19% decrease on FY22 ($611M).

LOAN BOOK, RISK AND FINANCIAL POSITION

As at 30 June 2023, WH1, WH2, Freedom21, Freedom22, Independence23 and on-balance sheet had a combined loan book balance of $931M, an increase of 19% (FY22: $780M). The high quality of Wisr's prime loan portfolio continued to be demonstrated with on-balance sheet 90+ Day arrears increasing only slightly to 1.25% (FY22: 0.98%), which is within risk appetite and reflective of broader macroeconomic conditions. The FY23 average credit score of the total book is steady at 781 (FY22: 780).

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 Group calculates Expected Credit Loss ("ECL") using three main components, the exposure at default, the probability of default and the loss given default.

The total provision held as at 30 June 2023 is $26.7M (2.9%) an increase from $18.9M (FY22). The total loan impairment expense for FY23 was $22.3M (2.4%), representing $7.8M of incremental provisions and $14.5M of net losses ($17.5M gross losses net of $3.0M recoveries).

The Company is well capitalised with a cash balance (excluding restricted cash) of $23.1M, consisting of $21.7M unrestricted cash and $1.4M loans available for sale as at 30 June 2023.

[5] Excludes $1.1M restructuring costs.
[6] $25M drawn after certain milestones were achieved.

EXPENSES

The operational leverage in the business is evidenced by 55% operating revenue growth compared to a 20% decrease in operating expenses ("Opex") (FY23 Opex $(32.8)M[7] vs FY22 Opex $(41.0)M). A significant cost reduction process in FY23 drove this.

Other expense items include:

- An increase in provision for expected credit loss expense (non-cash) of $22.3M (FY22 $16.4M) due to growth in loan origination volume and loan book.
- An increase in finance expense of $46.2M (FY22 $18.8M) due to growth in loan origination volume and loan book, along with higher funding costs.
- A marginal increase in employee benefits expense of $20.2M (FY22 $18.9M) with $1.1M related to restructuring costs.
- A decrease in marketing expense of $2.3M (FY22 $12.1M) due to moderated growth strategy and cost reduction process.

WISR FINANCIAL WELLNESS PLATFORM

In Q1FY23, the Company deliberately reduced the material investment in the Wisr FWP to further drive the push to profitability[8]. Despite the reduction in spending, the Wisr FWP grew by 17%, with over 758,000 customer profiles (FY22: 647,000) at 30 June 2023.

In Q2FY23, the FWP suite of products was bolstered by the launch of the Company's new technology product, Wisr Today, a psychology-led money coaching app that helps users build smarter habits and improve holistic financial health. Since its launch, there have been over 28K downloads. Wisr Finance Pty Ltd[9] holds a financial services licence (AFSL 458572) to provide general financial product advice via the Wisr Today app.

GOVERNANCE

Wisr faces a broad range of risks reflecting its business operations as a non-bank consumer lender. The material business risks to the business are liquidity, licenses, and technology (which including IT).

The Board is responsible for setting risk appetite and approving and reviewing the risk management strategy and framework; this includes the 14-point Enterprise Risk Management Register. The Board also ensures senior management has identified key risks, that those risks are managed and controlled appropriately and endorses the Risk Management plan, which is set out to manage all risks to remain in risk appetite.

Management is then responsible for implementing the Board approved risk management strategy and risk management plan.

External auditors provide Independent assurance to the Board on the adequacy and effectiveness of management controls for risk.

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[7] Excludes $1.1M restructuring costs.
[8] 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.
[9] A 100% subsidiary of Wisr Limited.

Wisr has the following Committees in place to foster innovation and continuous improvement in efficiencies across all business operations:

- Quarterly Board Audit and Risk Committee, Chaired by Non-Executive Director, Matthew Brown[10]
- Risk Management Committee, Chaired by Chief Operating Officer, Joanne Edwards
- Credit Committee, Chaired by Chief Operating Officer, Joanne Edwards

To further protect the security of the business and in preparation for joining the Open Banking environment, in FY23, Wisr increased its scope of privacy protections and cyber security framework.

Chief Product Officer Ben Berger leads the protection of customer information and information assets, and the Risk Management Committee oversees its management.

OUTLOOK – FY24

The macroeconomic conditions of FY23 required recalibration of the business through prudent fiscal management to deliver run-rate profitability[11] in the short term and set the business up for sustainable long-term profitability.

The Company's focus in FY24 is to maintain a strong balance sheet and continue delivering profitability[11] by focusing on NIM expansion. Combined with a clear capital management strategy, Wisr is in a strong position to safeguard the current macroeconomic climate.

When the conditions are deemed appropriate, the business has measures in place to pivot quickly and recommence scaling of loan origination volume.

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

On 16 August 2023, Wisr announced that Wisr's Chief Financial Officer, Andrew Goodwin, had been appointed to the role of Chief Executive Officer, effective immediately, and Joanne Edwards was promoted to Chief Operating Officer. This followed the termination of the employment of Chief Executive Officer, Anthony Nantes, by the Wisr Board.

On 21 August 2023, Matthew Brown was appointed interim Chair following John Nantes' leave of absence per the ASX release on 21 August 2023.

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[10] Mr M Brown was appointed Interim Chair from 21 August 2023 as per ASX release on 21 August 2023.
[11] 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.

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.

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, Non-Executive Chair[12]	
Qualifications	LLB; B.Comm.; B.A., DFP
Experience	Mr Nantes has over 25 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 Income Asset Management (ASX:IAM), a leading financial services company in Australia with over $3b in AUA, as well as a non-executive director of 1st Group (ASX:1ST), a newly merged leading Healthtech company in Australia, and a non-executive director of Thinxtra, a public non-listed IOT technology company. Mr Nantes has a strong reputation for building profitable and fast growing businesses, especially those reliant on; especially those reliant on; technology, product innovation, and market disruption with strict compliance/governance requirements, 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 financial advisory roles at Colonial State Bank.
Interest in shares and options as at 30 June 2023	Ordinary shares held: 16,081,370 Performance rights held: Nil
Former directorships (last 3 years)	None
Other current directorships	Income Asset Management Group Ltd (ASX: IAM) 1st Group Ltd (ASX: 1ST)

[12] Mr M Brown was appointed Interim Chair from 21 August 2023 as per ASX release on 21 August 2023.

Craig Swanger, Non-Executive Director	
Qualifications	BCom (Hons); SIA GD
Experience	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, social impact, and health. More specifically in areas related to Wisr, 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 securitisation distribution specialists and is on the Investment Committee of a large SME direct lending fund.
Interest in shares and options as at 30 June 2023	Ordinary shares held: 5,866,666 Performance rights held: Nil
Former directorships (last 3 years)	None
Other current directorships	Income Asset Management Group Ltd (ASX: IAM)

Matthew Brown, Non-Executive Director[13]	
Qualifications	B.Comm; LLB
Experience	Mr Brown is a highly experienced senior executive, board member, adviser and investor with over 20 years of experience across investment banking and technology in Australia and the United States. He is the Founder and Managing Director of independent investment and corporate advisory firm, Alluvion Capital. Prior to Alluvion Capital, Mr Brown was Chief Financial Officer and Executive Director of a high-growth, global enterprise SaaS business. Prior to that, Mr Brown was a Managing Director at Macquarie Capital, where he spent 12 years in Sydney and New York with a focus on M&A, capital markets and principal investing. Mr Brown is also a non-executive director of EncompaaS Software Limited, Thinxtra Limited, Learning Vault Pty Limited and Upwire Pty Ltd and an active investor in early-stage, high-growth technology businesses.
Interest in shares and options as at 30 June 2023	Ordinary shares held: 475,000 Performance rights held: 1,937,000
Former directorships (last 3 years)	None
Other current directorships	None

[13] Mr M Brown was appointed Interim Chair from 21 August 2023 as per ASX release on 21 August 2023.

Cathryn Lyall, Non-Executive Director	
Qualifications	B.A.; M.A
Experience	Ms Lyall is a highly experienced senior executive, board member and strategic adviser with over 35 years of experience across finance, banking, government and fintech in Australia and the United Kingdom. She is a Partner at Seed Space Venture Capital, the Co-Founder of not-for-profit Seed Money Australia, non-executive director of several unlisted fintech companies. and is a NED on the board of the peak industry body Fintech Australia. Ms Lyall's extensive experience in the Australian and British Financial Services sectors includes roles at the Chicago Mercantile Exchange, Nasdaq and the London Stock Exchange. Most notably, Non-Executive Director Deutsche Bank UK Bank, sitting on the Bank's Board Risk Committee (BRC), the Listed Derivatives Risk and Compliance Committee (LDRCC), and the Nomination Committee as Chair.
Interest in shares and options as at 30 June 2023	Ordinary shares held: Nil Performance rights held: Nil
Former directorships (last 3 years)	None
Other current directorships	None

Kate Whitney, Non-Executive Director	
Qualifications	B.A.
Experience	Ms Whitney is a highly experienced senior executive with over 25 years of experience in Australian Consumer Law, accelerating growth, product expansion and driving customer acquisition through data and analytics across marketing, advertising, subscription television, FMCG, financial services, telecommunication, luxury and retail. From 2020-2022 she held the position of Chief Marketing and Growth Officer for the innovative foodservice business, Marley Spoon Australia (ASX:MMM), but in early 2023 was appointed as Chief Digital and Technology Officer for Treasury Wine Estates (ASX:TWE). In her current role, Ms Whitney has oversight on all of the company's technology, cyber-security and information systems globally, as well as the data, insights and analytics division and capability. Prior to her current role, Ms Whitney spent six years as the Director of Digital at Pernod Ricard both in the Australian and USA businesses, and between 2011 and 2014, she was the General Manager of Marketing at David Jones which included oversight of the credit card portfolio. Her key achievements include driving $250M in revenue growth for David Jones via the Amex Storecard deal and during her tenure at Marley Spoon, Ms Whitney saw the company's revenue more than double.
Interest in shares and options as at 30 June 2023	Ordinary shares held: Nil Performance rights held: Nil
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 17 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. She currently acts as company secretary and governance advisor to four companies listed on ASX.

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 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
- Craig Swanger
- Matthew Brown
- Cathryn Lyall
- Kate Whitney
- Christopher Whitehead
- Vanessa Chidrawi
- Peter Beaumont
- Stephen Porges
- Campbell McComb
- 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.

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 2023, and the number of meetings attended by each director were:

	Directors' Meetings		Audit and Risk Committee Meetings		Remuneration and Nominations Committee Meetings	
	Number eligible to attend	**Number attended**	**Number eligible to attend**	**Number attended**	**Number eligible to attend**	**Number attended**
John Nantes	16	16	5	5	-	-
Craig Swanger	16	13	-	-	5	2
Matthew Brown	16	15	5	5	5	5
Cathryn Lyall	16	16	5	5	3	3
Kate Whitney	16	15	-	-	5	5

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

BDO Audit Pty Ltd were appointed Company auditor on 25 September 2020 and 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 2023:

Non-audit services	$
Taxation services	5,400
Total	**5,400**

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 19 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 2023 has been received and can be found within the financial report.

PERFORMANCE RIGHTS

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

Effective Grant Date	Vesting Determination Date	Exercise Price	Number under Performance Rights
19 Feb 2019	31 Jul 2021	Nil	440,530
1 Sept 2019	31 Jul 2022	Nil	3,833,989
1 Jul 2021	31 Jul 2023	Nil	2,948,751
1 Jul 2022	30 Sep 2023	Nil	12,097,212
1 Jul 2022	30 Sep 2024	Nil	12,097,236
Total			**31,417,718**

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.wisr.com.au/policies-and-governance

REMUNERATION REPORT

LETTER FROM CHAIR OF THE REMUNERATION AND NOMINATION COMMITTEE

Dear Shareholders,

On behalf of the Board, I am pleased to present Wisr's Remuneration Report (Report) for the financial year ended 30 June 2023 (FY23).

Wisr's remuneration framework, as outlined in the accompanying Report, reflects our commitment to deliver competitive remuneration to attract and retain talented individuals, while aligning the interests of executives, directors and shareholders.

Performance-based remuneration forms a significant portion of Wisr's remuneration strategy for senior executives and KMPs, with recipients receiving less fixed (cash) remuneration than their market value yet having the opportunity to earn attractive levels of total remuneration in the case of substantial outperformance against set targets. The KPIs and behaviours required to qualify for STI and LTI align values, behaviours, and shareholder-interests.

In May 2023, after consultation on current best practice, the Wisr Board restructured non-executive director remuneration to fixed cash only.

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.

Regarding STI, each year the Board assesses 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.

Regarding LTI, share price hurdles are set at levels substantially higher than the prevailing share price to further align interests with shareholders, while managing dilution.

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.

CATHRYN LYALL
CHAIR, REMUNERATION AND NOMINATION COMMITTEE

REMUNERATION REPORT (AUDITED)

Wisr Limited's 2023 remuneration report sets out remuneration information for the Company's directors and other key management personnel.

The report contains the following sections:

1. Key management personnel disclosed in this report
2. Remuneration governance
3. Service agreements
4. Details of remuneration
5. Equity instruments held by key management personnel
6. Movement in performance rights
7. Fair value of performance rights
8. Other transactions with key management personnel

1. 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 2023 and up to the date of this report, the following were classified as key management personnel:

Name	Position
John Nantes[14]	Non-Executive Chair
Craig Swanger	Non-Executive Director
Matthew Brown[14]	Non-Executive Director
Cathryn Lyall	Non-Executive Director
Kate Whitney	Non-Executive Director
Andrew Goodwin	Chief Executive Officer (from 16 August 2023) Chief Financial Officer (up to 15 August 2023)
Anthony Nantes	Chief Executive Officer (up to 15 August 2023)

2. 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.

[14] Mr M Brown was appointed Interim Chair from 21 August 2023 as per ASX release on 21 August 2023.

a. Our remuneration framework

Wisr'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.

Wisr Remuneration Framework 2023				
Objectives	**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**
Remuneration Component	Total Remuneration (TR)	Total Fixed Remuneration (TFR)	Variable Cash Remuneration (STI)	Variable Equity Remuneration (LTI)
Amount and Range (Min Rem – Max Rem)	Min Rem 2nd–3rd quartile level based on market comparables Max Rem at 2nd–3rd quartile based on market comparables if LTI hurdles achieved.	TFR is based on market comparables, including ASX-listed peer companies.	0-100% of TFR depending upon position. Not applicable for directors.	LTI to generally form 0-85% of TR. 100% of senior executive LTI is at-risk, meaning that the minimum LTI payment is nil for senior executives.
Conditions to exceed Min	Must pass all compliance KPIs to exceed Min Rem. In order to reach Max Rem, individual STI hurdles must be exceeded each year, 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.	Senior executive LTI linked to substantial share price increases above prevailing share price at the time of issue.
Strategy behind this approach	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.	Attract and retain high calibre senior executives and directors.	Align performance and behaviour in short-term, including risk management, growth, and profitability.	Align executives to manage all aspects required for shareholder growth in shareholder value including earnings growth and compliance matters.

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

b. 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.

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 ordinary resolution passed at the Annual General Meeting held on 24 November 2021 when shareholders approved an increase of the maximum aggregate amount of non-executive director remuneration to $1,000,000 per annum, excluding share-based payments such as performance rights.

The aggregate remuneration is reviewed annually. The remuneration for non-executive directors is currently comprised of cash and superannuation contributions. As of May 2023, share-based payments such as performance rights no longer form part of non-executive directors' remuneration.

Retirement allowances for non-executive directors

There is no scheme to provide retirement benefits, other than statutory superannuation, to non-executive directors.

c. 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 Wisr shareholders; and
- ensure total remuneration is competitive by market standards in order to attract and retain talented individuals.

i. 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.

ii. At-risk remuneration

Wisr'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 will only have value to the executive if the performance hurdles are met and, in the case of share rights, if the share price exceeds the relevant 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 key management personnel (KMP) have entered into a voluntary escrow agreement in which they agreed to retain all remuneration related equity issued after December 2019 for a period ending 12 months after ceasing employment with the Company. This was not a condition of the LTI Plan, but was voluntarily agreed to by the KMP.

iii. Retirement benefits

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

d. Company performance linked to remuneration

Given the growth nature of the Company, and the key economic and financial variables as shown in the table below, any awards 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.

	30 June 2023 $	30 June 2022 $	30 June 2021 $	30 June 2020 $	30 June 2019 $
Operating revenue	91.857M	59.392M	27.231M	7.166M	3.043M
Loss	(13.154M)	(19.905M)	(17.639M)	(23.535M)	(7.731M)
Dividend	nil	nil	nil	nil	nil
Cash balance	53.576M	71.489M	92.410M	37.973M	11.993M
Share price	$0.03	$0.07	$0.26	$0.22	$0.15

3. SERVICE AGREEMENTS

The remuneration agreements of key management personnel as at 30 June 2023 are set out below:

KMP	Position held as at 30 June 2023 and any change during the year	Contract details (duration and termination)	Agreed gross cash salary per annum incl. superannuation ($)
J Nantes	Non-executive chair	No determined duration – subject to retirement and re-election rules of the Company's constitution. No notice required to terminate.	165,000 (inc GST)
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.	110,000
M Brown	Non-executive director	No determined duration – subject to retirement and re-election rules of the Company's constitution. No notice required to terminate.	125,000
C Lyall	Non-executive director	No determined duration – subject to retirement and re-election rules of the Company's constitution. No notice required to terminate.	125,000
K Whitney	Non-executive director	No determined duration – subject to retirement and re-election rules of the Company's constitution. No notice required to terminate.	110,000
A Goodwin*	Chief Financial Officer	No fixed term. 6 months' notice to terminate.	550,292 (base cash salary per service agreement)
A Nantes*	Chief Executive Officer	No fixed term. 12 months' notice to terminate.	575,292 (base cash salary per service agreement)

* Effective 16 August 2023, Mr A Goodwin has been appointed Chief Executive Officer. This followed the termination of employment of Mr A Nantes as Chief Executive Officer.

In addition to fixed 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
M Brown	$0.3060	360,000	24 Nov 2021	30 Nov 2024
	$0.3530	452,000	30 Nov 2022	30 Nov 2024
	$0.4050	544,000	30 Nov 2023	30 Nov 2024
	$0.7980	581,000	24 Nov 2021	30 Nov 2024

***** These Performance Rights would automatically vest 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.

Non-executive director (NED) remuneration was restructured in May 2023 with all NEDs moving to cash remunerations only. In August 2023, Mr M Brown agreed to the cancellation of the performance rights referred to in the table above, for no consideration.

4. 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 (%)
Directors (2023)								
J Nantes^	164,633	-	-	-	-	-	164,633	-
C Swanger	111,991	-	11,759	-	-	-	123,750	-
M Brown	113,122	-	11,878	-	27,896	-	152,896	18.25
C Lyall	100,679	-	10,571	-	-	-	111,250	-
K Whitney	99,548	-	10,452	-	-	-	110,000	-
Total:	**589,973**	**-**	**44,660**	**-**	**27,896**	**-**	**662,529**	
Executives (2023)								
A Goodwin*	483,333	101,000	25,292	21,280	-	-	630,905	16.01
A Nantes*	616,667	117,000	25,292	18,535	-	-	777,494	23.62
Total:	**1,100,000**	**218,000**	**50,584**	**39,815**	**-**	**-**	**1,408,399**	

^ Amount paid to Mr J Nantes includes 10% GST

* Effective 16 August 2023, Mr A Goodwin has been appointed Chief Executive Officer. This followed the termination of employment of Mr A Nantes as Chief Executive Officer.

	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 (%)**
Directors (2022)								
J Nantes^	110,000	-	-	-	89	-	110,089	0.08
C Swanger	54,795	-	5,479	-	49	-	60,323	0.08
M Brown	48,000	-	-	-	150,338	-	198,338	75.80
C Lyall	40,000	-	4,000	-	-	-	44,000	-
K Whitney	20,000	-	2,000	-	-	-	22,000	-
C Whitehead	22,831	-	2,283	-	49	-	25,163	0.20
Total:	**295,626**	**-**	**13,762**	**-**	**150,525**	**-**	**459,913**	
Executives (2022)								
A Nantes	441,667	98,941	23,568	15,876	309	-	580,361	17.10
A Goodwin	354,167	66,941	23,568	8,677	133	-	453,486	14.79
Total:	**795,834**	**165,882**	**47,136**	**24,553**	**442**	**-**	**1,033,847**	

^ Amount paid to Mr J Nantes includes 10% GST

Further details of KMP STI remuneration are included below:

- **Mr A Goodwin**

  Mr A Goodwin was eligible to receive an STI of up to $317,000 per annum in FY23, subject to performance criteria as agreed by the Board of Directors from time to time, assessed in the sole discretion of the Board.

- **Mr A Nantes**

  Mr A Nantes was eligible to receive an STI of up to $100,000 per annum, subject to performance criteria as agreed by the Board of Directors from time to time, assessed in the sole discretion of the Board. An amount of $50,000 was approved by the Board of Directors in relation to FY22 which was subsequently paid in FY23.

Short-term and long-term incentives established in the year for the above KMPs are also set out in Note 23 of the financial report.

Performance conditions set for KMP short-term and long-term incentives (as discussed above and in Note 23 of the financial report) align the KMP interests with the outcomes for shareholders, customers, and staff. The achievement of these performance conditions supports the growth of shareholder value and provides KMPs with the opportunity to earn total remuneration that may exceed market rates. Conversely, if performance conditions are not met, KMP remuneration will be below market rates.

5. 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
Directors (2023)					
J Nantes	16,081,370	-	-	-	16,081,370
C Swanger	5,866,666	-	-	-	5,866,666
M Brown	475,000	-	-	-	475,000
C Lyall	-	-	-	-	-
K Whitney	-	-	-	-	-
Total:	**22,423,036**	**-**	**-**	**-**	**22,423,036**
Executives (2023)					
A Goodwin*	29,442,237	-	1,630,000	-	31,072,237
A Nantes*	57,268,736	-	3,500,000	-	60,768,736
Total:	**86,710,973**	**-**	**5,130,000**	**-**	**91,840,973**
Directors (2022)					
J Nantes	13,201,370	-	2,880,000	-	16,081,370
C Swanger	4,091,666	-	1,600,000	175,000	5,866,666
M Brown	350,000	-	-	125,000	475,000
C Lyall	-	-	-	-	-
K Whitney	-	-	-	-	-
C Whitehead	5,830,000	-	1,600,000	-	7,430,000
Total:	**23,473,036**	**-**	**6,080,000**	**300,000**	**29,853,036**
Executives (2022)					
A Nantes	47,258,736	-	10,010,000	-	57,268,736
A Goodwin	21,808,903	3,333,334	4,300,000	-	29,442,237
Total:	**69,067,639**	**3,333,334**	**14,310,000**	**-**	**86,710,973**

* Effective 16 August 2023, Mr A Goodwin has been appointed Chief Executive Officer. This followed the termination of employment of Mr A Nantes as Chief Executive Officer.

6. MOVEMENT IN PERFORMANCE RIGHTS

The table below provides the number of performance rights held by Key Management Personnel at 30 June 2022 and 30 June 2023.

Name	Rights held as at 30 June 2022	Rights granted during FY23	Rights vested during FY23	Rights lapsed during FY23	Rights held as at 30 June 2023
Directors					
J Nantes	-	-	-	-	-
C Swanger	-	-	-	-	-
M Brown	1,937,000	-	-	-	1,937,000
C Lyall	-	-	-	-	-
K Whitney	-	-	-	-	-
Total:	**1,937,000**	**-**	**-**	**-**	**1,937,000**
Executives					
A Goodwin*	1,630,000	-	1,630,000	-	-
A Nantes*	3,500,000	-	3,500,000	-	-
Total:	**5,130,000**	**-**	**5,130,000**	**-**	**-**

* Effective 16 August 2023, Mr A Goodwin has been appointed Chief Executive Officer. This followed the termination of employment of Mr A Nantes as Chief Executive Officer.

7. FAIR VALUE OF PERFORMANCE RIGHTS

	PERFORMANCE RIGHTS GRANTED			VESTING CONDITIONS		
	Number	Effective grant date	Fair Value per right at effective grant date ($)	Earliest vesting determination date	VWAP Share Price condition ($)	Expiry date
Directors (2023)						
M Brown	360,000	24 Nov 2021	0.24582	24 Nov 2021	0.3060	30 Nov 2024
M Brown	452,000	24 Nov 2021	0.08146	30 Nov 2022	0.3530	30 Nov 2024
M Brown	544,000	24 Nov 2021	0.04712	30 Nov 2023	0.4050	30 Nov 2024
M Brown	581,000	24 Nov 2021	0.05614	24 Nov 2021	0.7980	30 Nov 2024

These Performance Rights would automatically vest 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 the above rights at grant date issued to key management personnel is $183,563. The value of rights 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.

Non-executive director (NED) remuneration was restructured in May 2023 with all NEDs moving to cash remunerations only. In August 2023, Mr M Brown agreed to the cancellation of the performance rights referred to in the table above, for no consideration.

8. OTHER TRANSACTIONS WITH KEY MANAGEMENT PERSONNEL

The Company seeks to attract and retain high-quality talent by remunerating its executives fairly and reasonably. During their respective tenures, as part of their remuneration packages, the CEO and CFO have received Long Term Incentives ("LTIs") linked to KPIs. The vesting of LTIs during employment tenure has given rise to Executive personal tax liabilities. In order to enable tax liability management and manage shareholding balances, the Company executed executive loan agreements with the CEO and CFO, with the following key terms:

- Up to $2.6M total loan amount in aggregate
- Five-year term
- Interest will be charged at the benchmark interest rate for the year for the purposes of the Fringe Benefits Tax Assessment Act 1986 (Cth) plus 0.10%

During the year ended 30 June 2023, Mr A Goodwin made a drawdown of $220,000 in respect of the above agreement. This is recognised as a Related party transaction in the Consolidated Statement of Financial Position.

This concludes the remuneration report, which has been audited.

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

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MATTHEW BROWN
DIRECTOR

Sydney
24 August 2023

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Sydney NSW 2000
Australia

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

As lead auditor of Wisr Limited for the year ended 30 June 2023, 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 Wisr Limited and the entities it controlled during the period.

Tim Aman
Director

BDO Audit Pty Ltd

Sydney

24 August 2023

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the year ended 30 June 2023

	Note	2023 $	2022 $
Revenue	2	91,857,224	59,392,199
Other income	3	-	31
Expenses			
Employee benefits expense		(20,261,961)	(18,926,195)
Marketing expense		(2,263,532)	(12,089,987)
Customer processing expense		(4,709,663)	(3,688,843)
Property expense		(65,624)	(69,473)
Other expense		(6,673,405)	(6,197,511)
Finance expense	4	(46,152,209)	(18,753,814)
Depreciation and amortisation expense	4	(926,275)	(931,461)
Loss on investments		-	(1,168,695)
Provision for expected credit loss expense	6	(22,323,943)	(16,352,472)
Share based payment expense	30	(1,634,672)	(1,118,686)
Loss before income tax		**(13,154,060)**	**(19,904,907)**
Income tax expense	18	-	-
Loss after income tax for the year		**(13,154,060)**	**(19,904,907)**
Loss for the year is attributable to: Owners of Wisr Limited		**(13,154,060)**	**(19,904,907)**
Earnings per share for loss attributable to the owners of Wisr Limited		**Cents**	**Cents**
Basic earnings per share	27	(0.97)	(1.48)
Diluted earnings per share	27	(0.97)	(1.48)
Other comprehensive income			
Gain arising from changes in fair value of cash flow hedging instruments entered into	16	1,688,651	24,300,420
Other comprehensive income for the year, net of tax		1,688,651	24,300,420
Total comprehensive income (loss) for the year		(11,465,409)	4,395,513
Total comprehensive income (loss) for the year is attributable to: Owners of Wisr Limited		**(11,465,409)**	**4,395,513**

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

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 30 June 2023

	Note	2023 $	2022 $
ASSETS			
Cash and cash equivalents	5	53,576,843	71,489,070
Trade and other receivables	7	2,031,621	1,065,176
Loan receivables	6	909,217,193	764,838,727
Other assets	8	1,620,362	1,562,249
Right of use assets	12	345,915	1,037,746
Property, plant and equipment		279,576	487,866
Related party loan	24	220,000	-
Derivative financial instruments	14	27,780,456	24,856,717
Intangible assets	9	7,009,219	2,736,735
Total assets		**1,002,081,185**	**868,074,286**
LIABILITIES			
Trade and other payables	10	1,320,088	5,435,693
Provision for employee benefits	11	1,249,336	1,307,554
Lease liability	12	441,204	1,203,052
Borrowings	13	931,055,661	782,282,354
Total liabilities		**934,066,289**	**790,228,653**
Net assets		**68,014,896**	**77,845,633**
EQUITY			
Issued capital	15	144,702,718	144,477,325
Reserves	16	30,580,043	27,906,702
Accumulated losses	16	(107,267,865)	(94,538,394)
Total equity		**68,014,896**	**77,845,633**

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

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the year ended 30 June 2023

	Issued capital $	Reserves $	Accumulated losses $	Total equity $
Balance at 1 Jul 2021	143,678,390	3,250,454	(74,672,545)	72,256,299
Loss after income tax expense for the year	-	-	(19,904,907)	(19,904,907)
Other comprehensive gain for the year, net of tax	-	24,300,420	-	24,300,420
Total comprehensive gain / (loss) for the year	-	24,300,420	(19,904,907)	4,395,513
Transactions with owners in their capacity as owners:				
Costs of raising capital	(64,062)	-	-	(64,062)
Share based payments (Note 16)	-	1,257,883	-	1,257,883
Transfer of share-based reserve to issued capital on exercise of options	818,997	(818,997)	-	-
Issue of shares for services rendered	44,000	(44,000)	-	-
Transfer of share-based payment reserve	-	(39,058)	39,058	-
Balance at 30 Jun 2022	**144,477,325**	**27,906,702**	**(94,538,394)**	**77,845,633**
Balance at 1 Jul 2022	144,477,325	27,906,702	(94,538,394)	77,845,633
Loss after income tax expense for the year	-	-	(13,154,060)	(13,154,060)
Other comprehensive gain for the year, net of tax	-	1,688,651	-	1,688,651
Total comprehensive gain / (loss) for the year	-	1,688,651	(13,154,060)	(11,465,409)
Transactions with owners in their capacity as owners:				
Costs of raising capital	-	-	-	-
Share based payments (Note 16)	-	1,634,672	-	1,634,672
Transfer of share-based reserve to issued capital on exercise of options	201,393	(201,393)	-	-
Issue of shares for services rendered	24,000	(24,000)	-	-
Transfer of share-based payment reserve	-	(424,589)	424,589	-
Balance at 30 Jun 2023	**144,702,718**	**30,580,043**	**(107,267,865)**	**68,014,896**

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

CONSOLIDATED STATEMENT OF CASH FLOWS

For the year ended 30 June 2023

	Note	2023 $	2022 $
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts from customers		88,930,737	56,963,941
Payments to suppliers and employees		(38,780,698)	(43,012,102)
		50,150,039	13,951,839
Interest received on investments and cash		666,338	19,473
Management fees received		290,529	643,750
Interest and other finance costs paid		(44,855,735)	(17,473,304)
Proceeds from R&D tax incentive		-	280,164
Net cash provided / (used in) operating activities	26	**6,251,171**	**(2,578,078)**
CASH FLOWS FROM INVESTING ACTIVITIES			
Payments for plant and equipment		(50,431)	(371,751)
Payment for investments		-	(1,168,695)
Transfer for term deposit		-	(561,629)
Payment for technology assets		(4,256,340)	(2,297,136)
Payment for related party loan		(220,000)	-
Net movement in customer loans		(164,145,958)	(401,956,547)
Net cash used in investing activities		**(168,672,729)**	**(406,355,758)**
CASH FLOWS FROM FINANCING ACTIVITIES			
Costs of raising capital paid		-	(148,183)
Repayment of borrowings		(6,500,000)	-
Proceeds from issuance of borrowings		154,329,418	390,614,465
Transaction costs related to borrowings		(2,558,239)	(1,769,338)
Payments for right of use asset		(761,848)	(683,596)
Net cash provided by financing activities		**144,509,331**	**388,013,348**
Net (decrease) / increase in cash and cash equivalents		(17,912,227)	(20,920,488)
Cash and cash equivalents at the beginning of the financial year		71,489,070	92,409,558
Cash and cash equivalents at the end of the financial year		**53,576,843**	**71,489,070**

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

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 June 2023

The consolidated financial statements of Wisr Limited (the Group) For the year ended 30 June 2023 was authorised for issue in accordance with a resolution of the directors on 24 August 2023. The directors have the power to amend and revise the financial report.

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

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

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

1.1 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.

a. 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; and
- wholesale funding arrangements for future loan originations;

both of which support its operational commitments.

b. 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.

Any new, revised or amending Accounting Standards or Interpretations that are not yet mandatory have not been early adopted.

1.2 Principles of consolidation

The consolidated financial statements incorporate the assets and liabilities of the Company and all subsidiaries as at 30 June 2023, 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.

1.3 Foreign currency transactions and balances

a. 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 Wisr 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.

1.4 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.

1.5 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, it's carrying value is written off.

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

b. 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.

1.6 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.

1.7 Critical accounting estimates and judgements

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.

Capitalised development costs

The Group capitalises development costs for multiple projects in accordance with its accounting policy. Initial capitalisation of costs are based on management's judgement where it is probable that sufficient future economic benefits will be derived from the technology assets.

Share-based payment transactions

The Group measures the cost of equity-settled transactions with employees by reference to the fair value of the equity instruments at the date at which they are granted. The fair value is determined by taking into account the terms and conditions upon which the instruments were granted. Refer to note 30 for further information.

Estimation of useful lives of assets

The Group determines the estimated useful lives and related depreciation and amortisation charges for its property, plant and equipment and finite life intangible assets. The useful lives could change significantly as a result of technical innovations or some other event. The depreciation and amortisation charge will increase where the useful lives are less than previously estimated lives, or technically obsolete or non-strategic assets that have been abandoned or sold will be written off or written down.

1.8 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).

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); and
- 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:

Level 1	**Level 2**	**Level 3**
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.

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

1.9 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.

a. 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 16.

NOTE 2. REVENUE

	CONSOLIDATED	
	2023 $	**2022 $**
Interest income on financial assets		
Effective interest income on financial assets	90,508,276	58,235,149
Other revenue from financial assets	335,495	357,152
Interest on cash	666,338	19,473
Total income from financial assets	**91,510,109**	**58,611,774**
Revenue from contracts with customers		
Management fees	347,115	780,425
Total revenue from contracts with customers	**347,115**	**780,425**
Total revenue	**91,857,224**	**59,392,199**

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:

2.1 Interest income on financial assets

a. 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.

b. 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.

2.2 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.

Note 2. Revenue (cont.)

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.

NOTE 3. OTHER INCOME

	CONSOLIDATED	
	2023 $	**2022 $**
Gain on loan purchase	-	31
Other income	**-**	**31**

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. EXPENSES

	CONSOLIDATED	
	2023 $	**2022 $**
Profit/(loss) before income tax from continuing operations includes the following specific expenses:		
Depreciation		
Leasehold improvements	116,283	101,567
Plant and equipment	134,305	53,922
Right-of-use assets	553,839	604,660
Total depreciation	**804,427**	**760,149**
Amortisation		
Technology assets	121,848	171,312
Total amortisation	**121,848**	**171,312**
Total depreciation and amortisation	**926,275**	**931,461**
Finance expense		
Interest and finance charges paid/payable on borrowings	46,110,518	18,669,112
Interest and finance charges paid/payable on lease liabilities	41,691	84,702
Finance costs expensed	**46,152,209**	**18,753,814**
Cash flow hedge ineffectiveness		
Cash flow hedge ineffectiveness	(1,235,089)	(292,247)
Superannuation expense		
Superannuation expense	1,519,132	1,348,494

Note 4. Expenses (cont.)

	CONSOLIDATED	
	2023 $	**2022 $**
Share-based payments expense		
Share-based payments expense	1,634,672	1,118,686

NOTE 5. CASH AND CASH EQUIVALENTS

	CONSOLIDATED	
	2023 $	**2022 $**
Cash at bank	21,704,134	23,339,472
Restricted cash	31,872,709	48,149,598
Total	**53,576,843**	**71,489,070**

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	53,576,843	71,489,070
Balance as per statement of cash flows	53,576,843	71,489,070

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 the Wisr Warehouse Trusts and is utilised for loan funding and not available to pay creditors of other entities within the Group.

NOTE 6. 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.

6.1 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 a 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.

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.

6.2 Allowance for expected credit losses

Wisr adopted AASB 9 methodology from 30 June 2019 Financial Statements. For June FY23 reporting period, 13 months of loans booked with a least 12-month performance outcome window has been used within the ECL model to track how loans transition over a 12-month period to determine an observed PD and LGD actuals by segment to calculate provisioning factors and use these to work out the ECL Profit and Loss charge. The ECL analysis was performed on six distinct loan receivable books:

- Book 1 – Wisr Warehouse Trust No. 1 - 97% Stage 1
- Book 2 – Wisr Freedom Trust 2021-1 - 95% Stage 1
- Book 3 – Wisr Warehouse Trust No. 2 - 97% Stage 1
- Book 4 – Wisr Freedom Trust 2022-1 - 97% Stage 1

- Book 5 – Wisr Independence Trust 2023-1 – 98% Stage 1
- Book 6 – Wisr Finance - 43% Stage 1. This book consists of seasoned, mostly legacy loan receivables which didn't qualify for sale to funding partners.

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 retained to maturity within the Wisr Warehouse Trust No. 1, Wisr Warehouse Trust No. 2, Wisr Freedom Trust 2021-1, Wisr Freedom Trust 2022-1 and Wisr Independence Trust 2023-1.

The allowance for ECL assessment requires a degree of estimation and judgement. It is based on 12-month and lifetime ECL, grouped based on risk score determined at date of origination and 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.

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

- At the completion of FY23, backtesting was completed on the ECL model to test the accuracy and robustness of the model inputs given that the portfolios, for the first time, had sufficient performance history in order to do so. The backtesting shows us that the model is heavily over provisioned for Stage 1 balances, on average by 59.9% higher (after recoveries). We can also see that the model, pre-recoveries, is also overprovisioned by 21.9% on average;
- For life provisions (stage 2 and 3), the PD's are already adjusted based on an assumption that any balances not current after 12 months will go to loss over the life, and we know that this is a conservative prediction. The backtesting shows that for both stage 2 & 3, the model was accurate in predicting the amount of provision needed to cover the expected losses over the life, even considering the conservative approach taken;
- Given the backtesting results show that the model has various degrees of conservatism built into the assumptions, an additional economic overlay has not been included;
- Rather than adjusting the model inputs to release provisions for FY23, we have maintained the same inputs, so that the provision levels are conservative to account for any macroeconomic risk throughout FY24;

- Further to the backtesting, as at 30 June 2023, 36% of the total portfolio is Secured Vehicle Loans ("SVL"). The observed performance data shows that these secured assets perform with a lower probability of default, which is not yet reflected in the model inputs, which were built on predominantly Personal Loans ("PL") performance data;
- Investment in arrears management processes (e.g. Collections), systems, and people, is a key priority for FY24 and is expected to improve arrears and ECL performance overtime.

	CONSOLIDATED	
	2023 **$**	**2022** **$**
Gross loan receivables	935,956,643	783,778,935
Less provision for expected credit loss	(26,739,450)	(18,940,208)
	909,217,193	**764,838,727**

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

	CONSOLIDATED	
	2023 **$**	**2022** **$**
Gross loan receivables		
12-month (Stage 1)	907,210,471	765,300,635
Lifetime (Stage 2 & 3)	28,746,172	18,478,300
Total gross carrying amount	**935,956,643**	**783,778,935**
Less provision for expected credit loss		
12 month expected credit loss	11,883,613	9,303,174
Lifetime expected credit loss	14,855,837	9,637,034
Total provision for expected credit loss	**26,739,450**	**18,940,208**
Net balance sheet carrying value	**909,217,193**	**764,838,727**
Expected credit loss per gross loan receivables	**%**	**%**
12-month (Stage 1)	1.31	1.22
Lifetime (Stage 2 & 3)	51.68	52.15
Total expected credit loss per total gross loan receivables	**2.86**	**2.42**
Reconciliation of total provision for expected credit loss	**$**	**$**
Balance at 1 July	18,940,208	9,440,024
Expected credit loss expense recognised during the year to profit or loss	22,323,943	16,352,472
Receivables written-off during the year	(17,589,149)	(8,017,523)
Recoveries during the year	3,064,448	1,165,235
Balance at 30 June	**26,739,450**	**18,940,208**

NOTE 7. TRADE AND OTHER RECEIVABLES

	CONSOLIDATED	
	2023 $	2022 $
Expected to be settled within 12 months		
Accrued management fee income	1,121,762	1,065,176
Trade receivables	909,859	-
Total	**2,031,621**	**1,065,176**

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.

NOTE 8. OTHER ASSETS

	CONSOLIDATED	
	2023 $	2022 $
Expected to be settled within 12 months		
Prepayments	997,912	887,419
Deposits	60,821	79,219
Cash held in trust	-	33,982
Not expected to be settled within 12 months		
Term deposit	561,629	561,629
Total	**1,620,362**	**1,562,249**

NOTE 9. INTANGIBLE ASSETS

	CONSOLIDATED	
	2023 $	2022 $
Technology assets:		
Cost	609,239	609,239
Accumulated amortisation	(530,584)	(408,736)
Net carrying amount	78,655	200,503
Technology assets under development:		
Cost	6,930,564	2,536,232
Accumulated amortisation	-	-
Net carrying amount	6,930,564	2,536,232
Total intangible assets	**7,009,219**	**2,736,735**

Note 9. Intangible assets (cont.)

	CONSOLIDATED	
	2023 $	**2022 $**
Reconciliation of technology assets under development:		
Balance at 1 July	2,536,232	12,728
Additions	4,394,332	2,523,504
Disposals	-	-
Amortisation expense	-	-
Balance at 30 June	**6,930,564**	**2,536,232**

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 of 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.

The carrying value of the Group's technology assets not under development is immaterial and therefore no impairment assessment was required (2022: no impairment).

During the reporting period, an additional amount of $4,394,332 was capitalised (via a combination of cash and non-cash items related to the development of products and internal systems) given the expectation of future benefit to be derived. The capitalised cost relate to financial wellness technology products and the development of internal systems.

NOTE 10. TRADE AND OTHER PAYABLES

	CONSOLIDATED	
	2023 $	**2022 $**
Expected to be settled within 12 months		
Trade payables	298,167	2,428,912
Sundry payables	407,664	451,666
Accrued expenses	253,355	2,075,948
Superannuation payable	360,902	479,167
Total	**1,320,088**	**5,435,693**

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

	CONSOLIDATED	
	2023 $	2022 $
Expected to be settled within 12 months		
Provision for annual leave	982,317	1,141,538
Not expected to be settled within 12 months		
Provision for long service leave	267,019	166,016
Total employee benefits	**1,249,336**	**1,307,554**

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. LEASES

The Group has a property lease which commenced in December 2020 with a 3 year and 1 month term. With the lease term approaching its end, management are assessing options but a final decision is yet to be made.

AASB 16 related amounts recognised in the statement of financial position:	2023 $	2022 $
Right of use assets		
Leased property	2,133,146	2,133,146
Accumulated depreciation	(1,787,231)	(1,095,400)
Net right of use asset	**345,915**	**1,037,746**
Lease liabilities		
Lease liabilities – expected to be settled within 12 months	441,204	770,716
Lease liabilities – not expected to be settled within 12 months	-	432,336
	441,204	**1,203,052**

AASB 16 related amounts recognised in the statement of profit or loss	2023 $	2022 $
Depreciation charge related to right of use assets	553,839	604,660
Interest expense on lease liabilities	41,691	84,702
Government levies	65,624	69,473
Short-term lease expense prior to entering into above lease arrangement	-	-
	661,154	**758,835**

12.1 Right-of-use assets

A right-of-use asset is recognised at the commencement date of a lease. The right-of-use asset is measured at cost, which comprises the initial amount of the lease liability, adjusted for, as applicable, any lease payments made at or before the commencement date net of any lease incentives received, any initial direct costs incurred, and, except where included in the cost of inventories, an estimate of costs expected to be incurred for dismantling and removing the underlying asset, and restoring the site or asset.

Right-of-use assets are depreciated on a straight-line basis over the unexpired period of the lease or the estimated useful life of the asset, whichever is the shorter. Where the consolidated entity expects to obtain ownership of the leased asset at the end of the lease term, the depreciation is over its estimated useful life. Right-of use assets are subject to impairment or adjusted for any remeasurement of lease liabilities.

The consolidated entity has elected not to recognise a right-of-use asset and corresponding lease liability for short-term leases with terms of 12 months or less and leases of low-value assets. Lease payments on these assets are expensed to profit or loss as incurred.

12.2 Lease liabilities

A lease liability is recognised at the commencement date of a lease. The lease liability is initially recognised at the present value of the lease payments to be made over the term of the lease, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the consolidated entity's incremental borrowing rate. Lease payments comprise of fixed payments less any lease incentives receivable, variable lease payments that depend on an index or a rate, amounts expected to be paid under residual value guarantees, exercise price of a purchase option when the exercise of the option is reasonably certain to occur, and any anticipated termination penalties. The variable lease payments that do not depend on an index or a rate are expensed in the period in which they are incurred.

Lease liabilities are measured at amortised cost using the effective interest method. The carrying amounts are remeasured if there is a change in the following: future lease payments arising from a change in an index or a rate used; residual guarantee; lease term; certainty of a purchase option and termination penalties. When a lease liability is remeasured, an adjustment is made to the corresponding right-of use asset, or to profit or loss if the carrying amount of the right-of-use asset is fully written down.

12.3 Critical accounting judgements, estimates and assumptions

a. Lease term

The lease term is a significant component in the measurement of both the right-of-use asset and lease liability. Judgement is exercised in determining whether there is reasonable certainty that an option to extend the lease or purchase the underlying asset will be exercised, or an option to terminate the lease will not be exercised, when ascertaining the periods to be included in the lease term. In determining the lease term, all facts and circumstances that create an economical incentive to exercise an extension option, or not to exercise a termination option, are considered at the lease commencement date. Factors considered may include the importance of the asset to the Group's operations; comparison of terms and conditions to prevailing market rates; incurrence of significant penalties; existence of significant leasehold improvements; and the costs and disruption to replace the asset. The Group reassesses whether it is reasonably certain to exercise an extension option, or not exercise a termination option, if there is a significant event or significant change in circumstances.

b. Lease make good provision

A provision has been made for the present value of anticipated costs for future restoration of leased premises. The provision includes future cost estimates associated with closure of the premises. The calculation of this provision requires assumptions such as application of closure dates and cost estimates. The provision recognised for each site is periodically reviewed and updated based on the facts and circumstances available at the time. Changes to the estimated future costs for sites are recognised in the statement of financial position by adjusting the asset and the provision. Reductions in the provision that exceed the carrying amount of the asset will be recognised in profit or loss.

c. Incremental borrowing rate

An incremental borrowing rate of 6% (2022: 6%) is used as an estimate of the market borrowing rate.

NOTE 13. BORROWINGS

	CONSOLIDATED	
	2023 $	**2022 $**
Debt facility	25,000,000	6,500,000
Wisr Warehouse funding	910,872,893	779,868,954
Less transaction costs	(4,817,232)	(4,086,600)
Total borrowings	**931,055,661**	**782,282,354**

13.1 Debt facility

As at 30 June 2023, the Group has drawn $25m of its $25m debt facility (head company) which has a high single digit margin over BBSW, and maturity in July 2025. Part of the proceeds of this facility was used to repay the $6.5m head company debt facility that was previously in place.

13.2 Wisr Warehouse funding

Wisr Warehouse funding are the facilities of Wisr Warehouse Trust No. 1, Wisr Freedom Trust 2021-1, Wisr Warehouse Trust No. 2, Wisr Freedom Trust 2022-1 and Wisr Independence Trust 2023-1. These facilities fund loan receivables for 3, 5 and 7 year maturities.

At 30 June 2023, Wisr Warehouse Trust No. 1 is a Personal Loan warehouse of $450m of which $375.2m has been utilised (30 June 2022: $143.2m). The facility has a cost of funds of circa 3.0% (on a drawn basis) over BBSW, maturity in October 2023 and is secured against the receivables it funds.

Wisr Freedom Trust 2021-1 Trust securitisation had a balance of $68.1m (amortising loan book) as at 30 June 2023 (30 June 2022: $122.3m) and day one weighted average margin of circa 1.5% over BBSW.

Wisr Warehouse No. 2 is a Secured Vehicle Warehouse of $250m of which $174.8m has been utilised as at 30 June 2023 (30 June 2022: $275.4m). The facility has a cost of funds of circa 3.0% (on a drawn basis) over BBSW, maturity in October 2023 and is secured against the receivables it funds.

Wisr Freedom Trust 2022-1 Trust securitisation had a balance of $147.7m (amortising loan book) as at 30 June 2023 (30 June 2022: $229m) and day one weighted average margin of circa 2.25% over BBSW.

Wisr Independence Trust 2023-1 Trust securitisation had a balance of $164.9m (amortising loan book) as at 30 June 2023 and weighted average margin of circa 2.60% over BBSW.

The debt facility and Wisr Warehouse 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 14. DERIVATIVE FINANCIAL INSTRUMENTS

	CONSOLIDATED	
	2023 $	**2022 $**
Derivative financial instruments	27,780,456	24,856,717

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 15. ISSUED CAPITAL

15.1 Issued and paid up capital

	CONSOLIDATED	
	2023 $	**2022 $**
Ordinary shares fully paid	150,251,165	150,025,772
Costs of raising capital	(5,548,447)	(5,548,447)
	144,702,718	**144,477,325**

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.

15.2 Reconciliation of issued and paid-up capital

	2023		2022	
	Number of shares	**$**	**Number of shares**	**$**
Opening balance as at 1 July	1,356,204,729	144,477,325	1,316,431,944	143,678,390
Issue of shares from raising capital	-	-	-	-
Costs of raising capital	-	-	-	(64,062)
Issue of shares to CEO on vesting of performance rights	3,500,000	137,403	10,010,000	206,672
Issue of shares to CFO on vesting of performance rights	1,630,000	63,990	7,633,334	162,113
Issue of shares to directors on vesting of performance rights	-	-	6,080,000	125,531
Issue of shares to staff on vesting of long-term incentives	-	-	15,339,600	324,681
Issue of shares for service	590,030	24,000	709,851	44,000
Closing Balance as at 30 June	**1,361,924,759**	**144,702,718**	**1,356,204,729**	**144,477,325**

15.3 Performance rights

As at 30 June 2023, there were a total of 40,016,097 (2022: 36,947,741) performance rights outstanding. Refer to Note 30.

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.

15.4 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 has a debt facility in place (refer to Note 13.1) which includes covenants specific to capital and leverage thresholds, none of which are in breach.

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 in the year.

NOTE 16. EQUITY – RESERVES AND ACCUMULATED LOSSES

16.1 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.

16.2 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.

16.3 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.

	Employee equity benefits reserve $	Other share based payments reserve $	Cash flow hedge reserve $	Total $
Movement in reserves:				
At 1 July 2021	2,282,189	375,159	593,106	3,250,454
Share based payments expense	1,246,858	11,025	-	1,257,883
Transfer from reserve to retained earnings	(39,058)	-	-	(39,058)
Transfer from reserve on exercise of options	(818,997)	-	-	(818,997)
Issue of shares for services rendered	-	(44,000)	-	(44,000)
Gain arising on changes in fair value of hedging instruments entered into for cash flow hedges	-	-	20,920,095	20,920,095
Cumulative gain arising on changes in fair value of hedging instruments reclassified to profit or loss	-	-	3,380,325	3,380,325
At 30 June 2022	**2,670,992**	**342,184**	**24,893,526**	**27,906,702**
At 1 July 2022	2,670,992	342,184	24,893,526	27,906,702
Share based payments expense	1,634,080	592	-	1,634,672
Transfer from reserve to retained earnings	(424,589)	-	-	(424,589)
Transfer from reserve on exercise of options	(201,393)	-	-	(201,393)
Issue of shares for services rendered	-	(24,000)	-	(24,000)
Gain arising on changes in fair value of hedging instruments entered into for cash flow hedges	-	-	13,974,585	13,974,585
Cumulative loss arising on changes in fair value of hedging instruments reclassified to profit or loss	-	-	(12,285,934)	(12,285,934)
At 30 June 2023	**3,679,090**	**318,776**	**26,582,176**	**30,580,043**

Note 16. Equity – reserves and accumulated losses (cont.)

	CONSOLIDATED	
	2023 $	**2022 $**
Accumulated losses:		
Opening balance	(94,538,394)	(74,672,545)
Total loss after income tax for the year	(13,154,060)	(19,904,907)
Transfer from reserve to retained earnings	424,589	39,058
Total	**(107,267,865)**	**(94,538,394)**

NOTE 17. CAPITAL AND LEASE COMMITMENTS

17.1 Finance lease commitments

There are no finance lease commitments (2022: nil).

17.2 Operating lease commitments

There are no non-cancellable operating leases contracted for but not recognised in the financial statements (2022: nil). 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.

In December 2020 the Group entered into a property lease with a 3 year and 1 month term. With the lease term approaching its end, management are assessing options but a final decision is yet to be made. Due to the adoption of AASB 16, in the prior period, the Group had no outstanding operating lease commitments due at 30 June 2023.

NOTE 18. INCOME TAX

	CONSOLIDATED	
	2023 $	**2022 $**
Numerical reconciliation of income tax expense to prima facie tax payable		
Loss from continuing operations before income tax expense	(13,154,060)	(19,904,907)
Tax benefit at the tax rate of 30% (2022: 30%)	(3,946,218)	(5,971,472)
Tax effect of amounts which are not deductible (taxable) in calculating taxable income:		
• Temporary differences not recognised	2,159,282	2,063,097
• Non-recognition of current year tax losses	1,786,936	3,908,375
Income tax expense	-	-

As at 30 June 2023, the entity has unrecognised carried forward tax losses of $67,671,348 (2022: $61,714,896), 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

Note 18. Income tax (cont.)

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.

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

The head entity, Wisr 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, Wisr 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.

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 19. REMUNERATION OF AUDITORS

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

	CONSOLIDATED	
	2023 $	**2022 $**
BDO Audit Pty Ltd		
• Audit of the financial report – assurance services	135,000	121,500
• Taxation services – non-assurance services	5,400	34,102
• Review of the half-yearly financial report – assurance services	45,791	43,000
• Accounting advice – non-assurance services	-	2,000
	186,191	**200,602**

NOTE 20. CONTINGENT ASSETS AND LIABILITIES

There were no material contingent assets and liabilities reportable during the period (2022: nil).

NOTE 21. 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:

Name	Status	Country of incorporation	% owned 2023	% owned 2022
Wisr Finance Pty Ltd	Registered 2 May 2006	Australia	100%	100%
Wisr Investment Management Pty Ltd	Registered 20 February 2015	Australia	100%	100%
Wisr Loans Servicing Pty Ltd	Registered 20 February 2015	Australia	100%	100%
Wisr Credit Management Pty Ltd	Registered 19 March 2015	Australia	100%	100%
Wisr Marketplace Limited	Registered 16 March 2015	Australia	100%	100%
Wisr Services Pty Ltd	Registered 13 January 2017	Australia	100%	100%
Wisr Funding Pty Ltd	Registered 9 April 2018	Australia	100%	100%
Wisr Notes 1 Pty Ltd	Registered 31 July 2018	Australia	100%	100%
Wisr Warehouse Trust No. 1	Registered 28 October 2019	Australia	100%	100%
Wisr Freedom Trust 2021-1	Registered 29 March 2021	Australia	100%	100%
Wisr Warehouse Trust No. 2	Registered 25 August 2021	Australia	100%	100%
Wisr Freedom Trust 2022-1	Registered 8 April 2022	Australia	100%	100%
Wisr Independence Trust 2023-1	Registered 15 September 2022	Australia	100%	-

NOTE 22. EVENTS AFTER THE REPORTING PERIOD

On 16 August 2023, Wisr announced that Wisr's Chief Financial Officer, Andrew Goodwin, had been appointed to the role of Chief Executive Officer, effective immediately, and Joanne Edwards was promoted to Chief Operating Officer. This followed the termination of the employment of Chief Executive Officer, Anthony Nantes, by the Wisr Board.

On 21 August 2023, Matthew Brown was appointed interim Chair following John Nantes' leave of absence per the ASX release on 21 August 2023.

NOTE 23. KEY MANAGEMENT PERSONNEL DISCLOSURES

23.1 Compensation

The aggregate compensation made to directors and other members of key management personnel of the consolidated entity is set out below:

	CONSOLIDATED	
	2023 $	**2022 $**
Short-term employee benefits	1,907,973	1,257,342
Post-employment benefits	95,245	60,898
Long-term benefits	39,815	24,553
Share-based payments	27,896	150,967
Total KMP compensation	**2,070,929**	**1,493,760**

23.2 Short-term employee benefits

These amounts include fees and benefits paid to the Chair and non-executive directors as well as all salary, paid leave benefits, fringe benefits and cash bonuses awarded to directors and other KMP.

23.3 Post-employment benefits

These amounts are the current year's estimated cost of providing for the Group's superannuation contributions made during the year.

23.4 Long-term benefits

These amounts represent long service leave benefits accruing during the year.

23.5 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 24. RELATED PARTY TRANSACTIONS

24.1 Parent entity

The legal parent is Wisr Limited, as seen in Note 25.

24.2 Subsidiaries

Interest in subsidiaries are set out in Note 21.

24.3 Transactions with related parties

As at 30 June 2023, all transactions that have occurred among the subsidiaries within the Group have been eliminated for consolidation purposes.

During the period, $220,000 was paid to Mr A Goodwin[15] as a drawdown of an Executive loan agreement (2022: nil related party transactions). Please see section 8 of the Remuneration Report for further information.

NOTE 25. PARENT ENTITY INFORMATION

25.1 Summary financial information

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

	2023 $	**2022 $**
Statement of financial position		
Total assets	149,651,586	133,484,456
Total liabilities	25,251,628	6,744,732
Shareholders' equity		
Issued capital	137,690,491	137,465,097
Reserves	3,997,865	3,013,176
Accumulated losses	(17,288,398)	(13,738,549)
	124,399,958	126,739,724
Loss for the year	(3,549,849)	(3,290,318)
Total comprehensive loss	**(3,549,849)**	**(3,290,318)**

The financial information for the parent entity, Wisr 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.

25.2 Contingent liabilities

See Note 20.

25.3 Contractual commitments

The parent entity had no capital commitments for property, plant and equipment as at 30 June 2023 and 30 June 2022.

[15] Effective 16 August 2023, Mr A Goodwin has been appointed Chief Executive Officer. This followed the termination of employment of Mr A Nantes as Chief Executive Officer.

NOTE 26. CASH FLOW INFORMATION

Reconciliation of loss after income tax to net cash outflows from operating activities

	CONSOLIDATED	
	2023 $	**2022 $**
Loss for the year	(13,154,059)	(19,904,907)
Adjustments for non-cash items or items for which the cash flows are investing or financing cash flows		
Depreciation and amortisation	926,275	931,461
Share-based payments and accruals	1,634,672	1,118,686
Fundraising expenses	(1,110,703)	518,764
Expected credit losses expense / loan asset impairments and write-offs	22,323,943	16,352,472
Loss on investments	-	1,168,695
Changes in operating assets and liabilities:		
(Increase) in loan receivables	(2,556,450)	(4,583,274)
(Increase) / decrease in trade and other receivables	(966,445)	143,458
(Increase) in other assets	(58,113)	(478,861)
(Decrease) / Increase in trade and other payables	(3,799,331)	1,255,346
(Decrease) / Increase in provision for employee benefits	(58,218)	435,339
Increase in accrued finance costs	3,069,600	464,743
Net cash flows used in operating activities	**6,251,171**	**(2,578,078)**

NOTE 27. EARNINGS PER SHARE

	2023 Cents	**2022 Cents**
Basic earnings per share	(0.97)	(1.48)
Diluted earnings per share	(0.97)	(1.48)
	Number of shares	**Number of shares**
Weighted average number of shares used as the denominator		
Weighted average number of shares used as the denominator in calculating basic earnings per share	1,356,580,841	1,347,814,306
Adjustments for calculation of diluted earnings per share	-	-
Weighted average number of ordinary shares used in calculating dilutive earnings per share	**1,356,580,841**	**1,347,814,306**

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

27.1 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.

27.2 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.

NOTE 28. 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 as at 30 June 2023.

NOTE 29. DIVIDENDS

29.1 Dividends paid during the year

Ordinary shares

There were no dividends paid during the year (2022: nil).

29.2 Franking Credits

	2023 $	2022 $
Franking credits available for subsequent reporting periods based on a tax rate of 30% (2022 – 30%)	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 30. SHARE BASED PAYMENTS

The share-based payment expense of $1,634,672 has been incurred in the year (2022: $1,257,883 of which $1,118,686 was recognised in the consolidated profit and loss statement and the remaining $139,197 was capitalised as part of intangible assets).

The breakdown of the share based payments for the year are as follows:

- Board/KMP LTIs of $127,896 (2022: $150,967) accrued up to 30 June 2023;

- Staff LTIs of $1,606,184 accrued up to 30 June 2023 and relate to FY18 – FY23 (2022: $956,694 expensed and $139,197 capitalised as part of intangible assets);
- Recruitment expense of $592 (2022: $12,575).

The fair value of the Board/KMP performance rights and staff LTI scheme has been calculated in accordance with AASB 2 Share-based Payment.

FY23 Staff LTI scheme:

Assumptions - Grant date 1 July 2022, no volatility, 10% attrition rate, spot price $0.081.

Tranche	Rights granted	Vesting determination date
1	12,220,668	30 Sep 2023
2	12,220,693	30 Sep 2024

Performance rights

	2023		2022	
	Number of performance rights	Exercise price	Number of performance rights	Exercise price
Balance at beginning of year	36,947,741	Nil	70,307,676	Nil
• Granted	24,441,361	Nil	16,199,665	Nil
• Forfeited	(16,243,005)	Nil	(13,830,000)	Nil
• Exercised	(5,130,000)	Nil	(35,729,600)	Nil
Balance at end of year	40,016,097	Nil	36,947,741	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 31. 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:

31.1 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.

31.2 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.

31.3 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.

31.4 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.

31.5 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.

31.6 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.

31.7 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.

MATURITY ANALYSIS – GROUP			
2023	**Within 1 year $**	**1-5 years $**	**Total $**
Financial assets			
Non-derivatives			
Cash and cash equivalents	53,576,843	-	53,576,843
Loan receivables	173,932,602	735,284,591	909,217,193
Trade and other receivables	2,031,621	-	2,031,621
Other assets	60,821	561,629	622,450
Other financial assets	-	220,000	220,000
Derivatives at fair value			
Interest rate swaps – cash flow hedges	17,045,211	12,713,529	29,758,740
Total financial assets	**246,647,098**	**748,779,749**	**995,426,847**
Financial liabilities			
Non-derivatives			
Trade creditors	298,167	-	298,167
Other payables	1,021,921	-	1,021,921
Borrowings	2,604,010	928,451,651	931,055,661
Total financial liabilities	**3,924,098**	**928,451,651**	**932,375,749**
Net financial assets	**242,723,000**	**(179,671,902)**	**63,051,098**

2022	Within 1 year $	1-5 years $	Total $
Financial assets			
Non-derivatives			
Cash and cash equivalents	71,489,070	-	71,489,070
Loan receivables	134,644,329	630,194,399	764,838,728
Trade and other receivables	1,065,176	-	1,065,176
Other assets	113,201	561,629	674,830
Derivatives at fair value			
Interest rate swaps – cash flow hedges	8,845,960	17,471,816	26,317,776
Total financial assets	**216,157,736**	**648,227,844**	**864,385,580**
Financial liabilities			
Non-derivatives			
Trade creditors	2,428,912	-	2,428,912
Other payables	3,006,781	-	3,006,781
Borrowings	929,489	781,352,865	782,282,354
Total financial liabilities	**6,365,182**	**781,352,865**	**787,718,047**
Net financial assets	**209,792,554**	**(133,125,021)**	**76,667,533**

31.8 Market risk

Price risk

The Group is not exposed to any significant price risk at 30 June 2023.

31.9 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.

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 14.

	INTEREST RATE SWAPS	
	2023	**2022**
Hedging instruments		
• Average contracted fixed interest rate	2.57458%	1.42734%
• Notional principal (borrowings)	939,486,979	693,426,793
• Carrying amount of the hedging instrument (liability)	27,780,456	24,856,717
• Change in fair value used for calculating hedge ineffectiveness	5,425,600	15,442,262
Hedged items		
• Nominal amount of the hedged item	939,486,979	693,426,793
• Change in value used for calculating hedge ineffectiveness	7,313,598	16,791,815
Balance in cash flow hedge reserve for continuing hedges	13,615,051	15,564,838
Balance in cash flow hedge reserve arising from hedging relationships for which hedge accounting is no longer applied	12,967,125	9,328,688
Hedge ineffectiveness recognised in profit or loss (within Finance costs)	1,265,702	525,784

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*.

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MATTHEW BROWN
DIRECTOR

Sydney
24 August 2023

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INDEPENDENT AUDITOR'S REPORT

To the members of Wisr Limited

Report on the Audit of the Financial Report

Opinion

We have audited the financial report of Wisr Limited (the 'Company') and its subsidiaries (collectively known as the 'Group'), which comprises the consolidated statement of financial position as at 30 June 2023, 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 2023 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.

Carrying Value Loan Receivables

Key audit matter	*How the matter was addressed in our audit*
As disclosed in Note 6 of the financial report, the Group holds loan receivables of $909,217,193 as at 30 June 2023 (2022: $764,838,727). The requirements of AASB 9 *Financial Instruments* involve significant judgements and estimates in assessing expected credit losses to be incurred based on past performance, the current economic environment, as well as expectations around future conditions. Refer to Note 6 of the financial report for a description of the accounting policy, significant estimates and judgements applied by management. The carrying value of loan receivables has been considered a key audit matter due to the subjectivity involved in determining the expected credit losses, complexity involved in the calculations and judgements made by Management.	Our procedures included, but were not limited to: • Understanding and testing the control environment around the initial recognition and measurement of loan receivables; • Testing a sample of loan receivables to ensure that the balance at year end complies with the requirements of AASB 9 *Financial Instruments*; • Critically evaluating whether the expected credit loss model prepared by Management complies with the requirements of AASB 9 *Financial Instruments*; • Evaluating the completeness and accuracy of the historical data used in calculating the underlying historical loss rate; • Assessing the reasonableness of key judgements and estimates applied to the model which account for the current economic conditions, as well as expectations of future economic conditions; and • We also assessed the adequacy of the Group's disclosures in relation to loan receivables.

Other information

The directors are responsible for the other information. The other information comprises the information contained in directors' report (excluding the audited Remuneration Report section) for the year ended 30 June 2023, 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

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 16 to 26 of the directors' report for the year ended 30 June 2023.

In our opinion, the Remuneration Report of Wisr Limited, for the year ended 30 June 2023, 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

BDO

Tim Aman
Director

Sydney, 24 August 2023