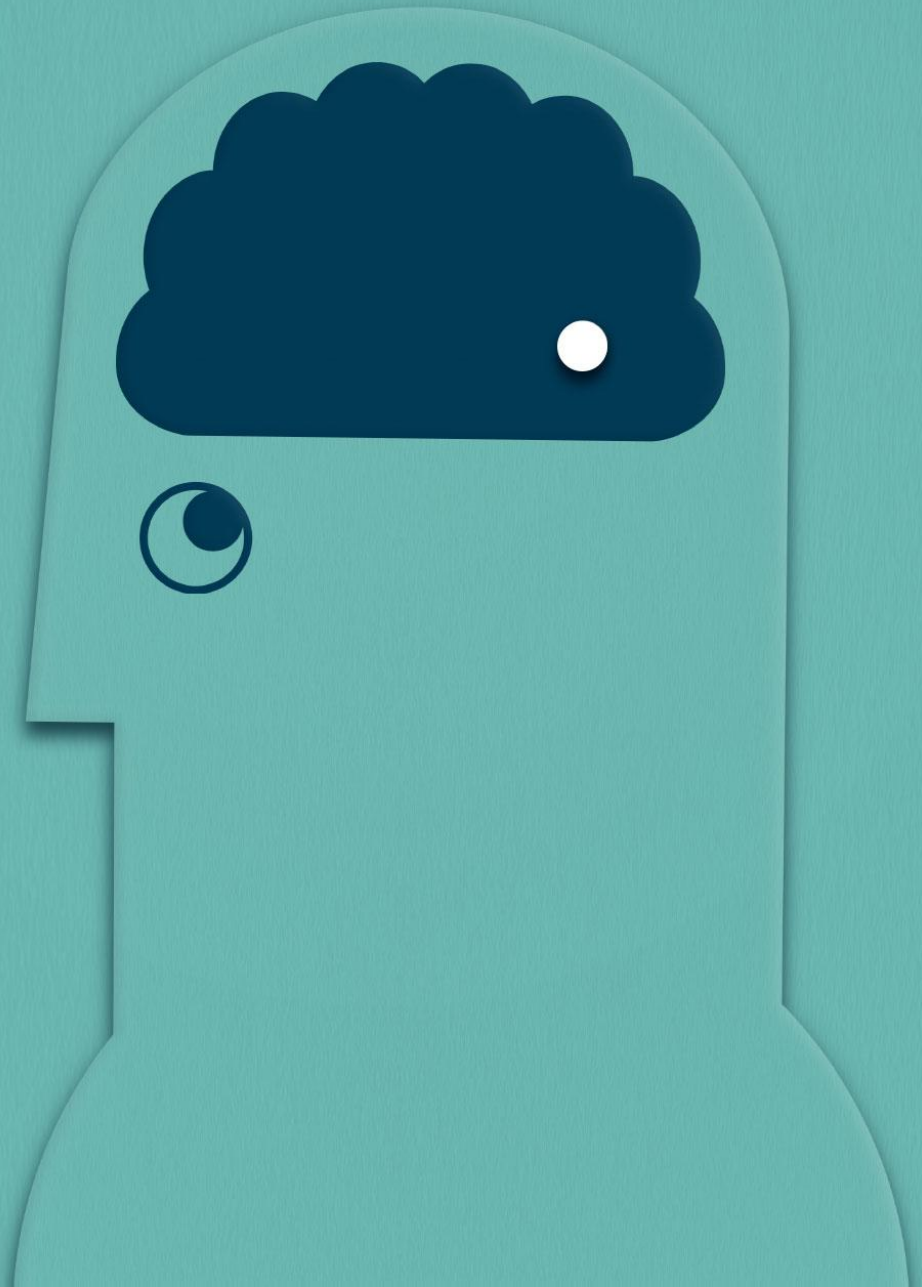




COMPANY UPDATE

FY23



24 August 2023



KEEPING PROMISES

DELIVERING ON FY23 OBJECTIVES

WISR began FY23 with the goal of achieving profitability[^] within 12 months.

Our prudent and proactive adjustment of strategy and cost base, in response to macroeconomic conditions, successfully delivered profitability[^] on a run-rate basis in FY23 and positioned WISR for long-term sustainable growth.

Objectives set for FY23

Focus on near-term profitability

- ✓ Significant reduction in short-term growth aspirations in lending
- ✓ Uplift of front book yield
- ✓ Switching from high to moderate growth to positively impact EBTDA

Cost management

- ✓ Material reduction in employee expenses and headcount
- ✓ Material reduction in external spend

Strategic adjustments

- ✓ Pausing all new credit product expansion and/or go-to-market expenditure
- ✓ Exited support for Arbor (EU market) and any short-term geographical expansion
- ✓ Reduced investment in the WISR Financial Wellness Platform

Outcomes

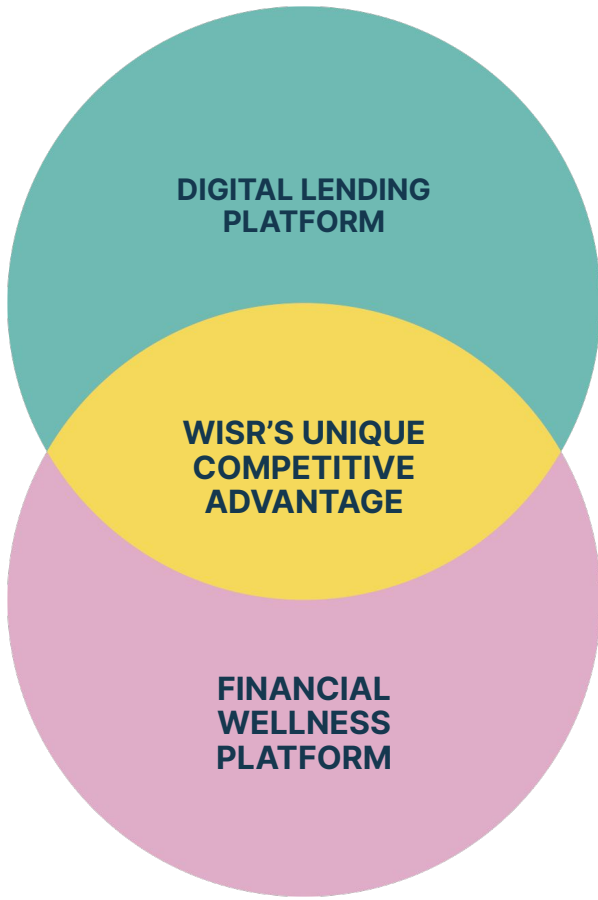
- Growth moderated and profitability[^] delivered
- June 2023 run-rate new loan origination yield (c. 13%) and Net Interest Margin (NIM) (c. 5%) - refer to slide 6
- Operating cash flow of \$7.4M¹ and 78% EBTDA¹ improvement (FY23 vs FY22), including two positive quarters (Q2FY23 and Q4FY23)

[^]Profitability is on a run-rate EBTDA basis

¹Operating cash flow is audited and on a cash basis per the 4E versus EBTDA (audited) which is a profit and loss statement metric. Both operating cash flow and EBTDA exclude \$1.1M one-off restructuring costs. Source: FY23 (Appendix and Financials)



WISR HAS A UNIQUE AND DIFFERENTIATED STRATEGY



Moderated lending growth

\$495M¹
in new loan
originations

↓ 19% on pcp
(FY22 \$611M)

\$1.6B¹
Total loan
originations

**781 average credit
score** of total book as
at 30 June 2023
(FY22 780)

\$931M
Wisr loan book

↑ 19% on pcp
(FY22 \$780M)

Strong balance sheet

\$200M
ABS transaction,
**Wisr Independence
Trust 2023-1,**
2.58% over
one-month BBSW

**Wisr well
capitalised with
cash balance of
\$23.1M**

Includes \$21.7M
unrestricted cash and
\$1.4M loans for sale.
Refer to slide 11 for
full detail

Focused on profitability

\$92M²
in operating
revenue

↑ 55% on pcp
(FY22 \$59M)

\$(1.6)M³
EBTDA

78% improvement
on pcp
(FY22 \$(7.2)M)

1.25%
On-balance
sheet 90+ day
arrears as at 30
June 2023

(0.98% as at
30 June 2022)

Proprietary Financial Wellness Platform

758K+
Wisr Financial
Wellness Platform
profiles

↑ 17% on pcp
(647K as at
30 June 2022)

\$6.3M
in round-ups on
customer debt as
at 30 June 2023

¹ Loan originations audited

² Revenue audited and percentage increase is on previous corresponding period (PCP)

³ Excludes \$1.1M restructuring costs



POSITIVE OPERATING CASH FLOW DELIVERED

We responded to changing macroeconomic conditions in FY23 with a series of material operating expense reductions, implemented in Q1FY23 and Q4FY23, while also growing revenue.

This has had a materially positive impact, delivering \$7.4M of operating cash flow (excluding \$1.1M one-off restructuring costs), a 386% improvement on FY22 (\$2.6M).

Operating cash flow¹



¹ Operating cash flow is audited and on a cash basis per the 4E versus EBTDA (audited) which is a profit and loss statement metric. Source: FY23 (Appendix and Financials)

² Includes one-off Olympics & Brand campaign spend



OPERATIONAL LEVERAGE EXPANSION

- In FY23 the Company continued on the path to profitability with EBTDA of \$(1.6)M, which is a 78% improvement on \$(7.2)M in FY22
- The continued operational leverage expansion in the business is evidenced through **55% operating revenue growth and a 20% reduction in opex**
- Net loan write-offs represent 1.59% of the average loan book balance for FY23 which is within management expectations - also refer to slide 7
- Interest expense (including head company debt facility) increased 146%, driven by 19% loan book growth, along with higher funding costs
 - The interest expense represents c. 5.4% of the average loan book balance for FY23

	FY23	FY22	Variance
Revenue	\$91.9M	\$59.4M	55%
Operating expenses [^]	\$(32.8)M	\$(41.0)M	20%
Net loan write-offs	\$(14.5)M	\$(6.9)M	112%
Interest expense	\$(46.2)M	\$(18.8)M	146%
EBTDA	\$(1.6)M	\$(7.2)	78%

[^] Operating expenses exclude \$1.1M restructuring costs



WISR LOAN UNIT ECONOMICS AND NIM EXPANSION

WISR is well positioned in the medium-term to deliver a business with a NIM of c. 6%¹, which would deliver strong profitability at scale.

	PRE NIM COMPRESSION (2021) (Example for \$1B loan Book)	WISR CURRENT BUSINESS (Example for \$1B loan Book)	WISR JUNE 2023 RUN-RATE (Example for \$1B loan Book)	SHORT TERM TARGET RUN-RATE (Example for \$1B loan Book)	MEDIUM TERM TARGET (Example for \$2B loan Book)
Yield	10%	10.25%	13%	13.25%	13.5%
- Annualised net losses	1.25%	1.5%	1.5%	1.75%	2%
- Cost of funds	2.5%	5%	6.5%	5.75%	5.5%
= NIM	6.25%	3.75%	5%	5.75%	6%
Example NIM =	\$62.5M	\$37.5M	\$50M	\$57.5M	\$120M
- Opex	\$40M	\$30M	\$30M	\$35M	\$55M
Example EBTDA	\$22.5M	\$7.5M	\$20M	\$22.5M	\$65M

¹ Subject to a relatively stable cost of funds over the same period. Rapid changes in cost of funds would alter this materially
Disclaimer: This is not a forecast. The data represents an indicative scenario of the economics of the WISR Loan Book. Indicative economics are illustrative only and may vary due to a range of assumptions and variables.
Data is subject to broader market conditions, including (but not limited to) movement in interest rates, macroeconomic conditions, and/or significant market volatility events.



NET LOAN WRITE-OFFS AND PROVISIONING

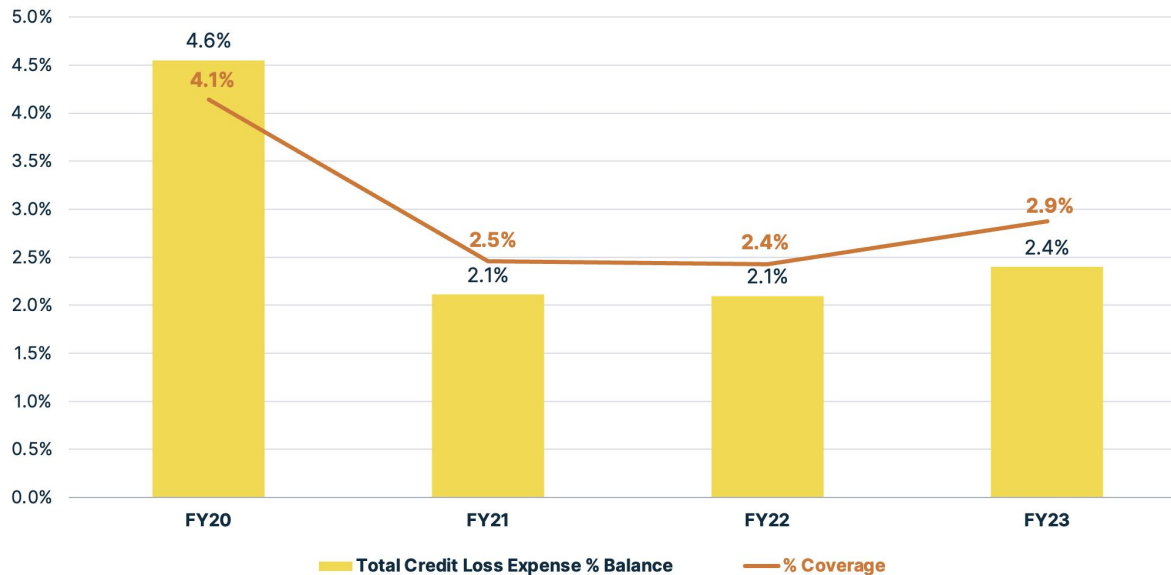
As at 30 June 2023, Wiser had a total ECL provision of 2.9% of the loan book and a total credit loss expense (P&L) of 2.4% of the loan book.

Provision coverage rates have increased in FY23 as a reflection of higher growth in stage 2 and 3 balances compared to total balances.

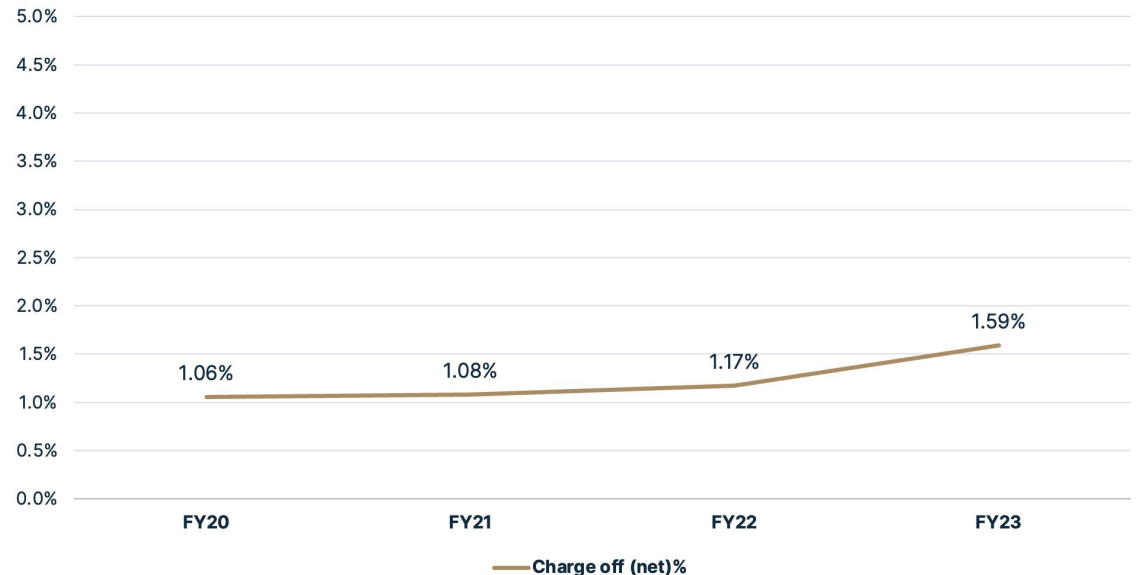
Net loan write-offs are 1.59% compared to the 30 June 2023 balances.

The increase in FY23 was in line with book maturity, higher 90+ arrears and decreasing growth rates of the loan book.

Provision coverage %



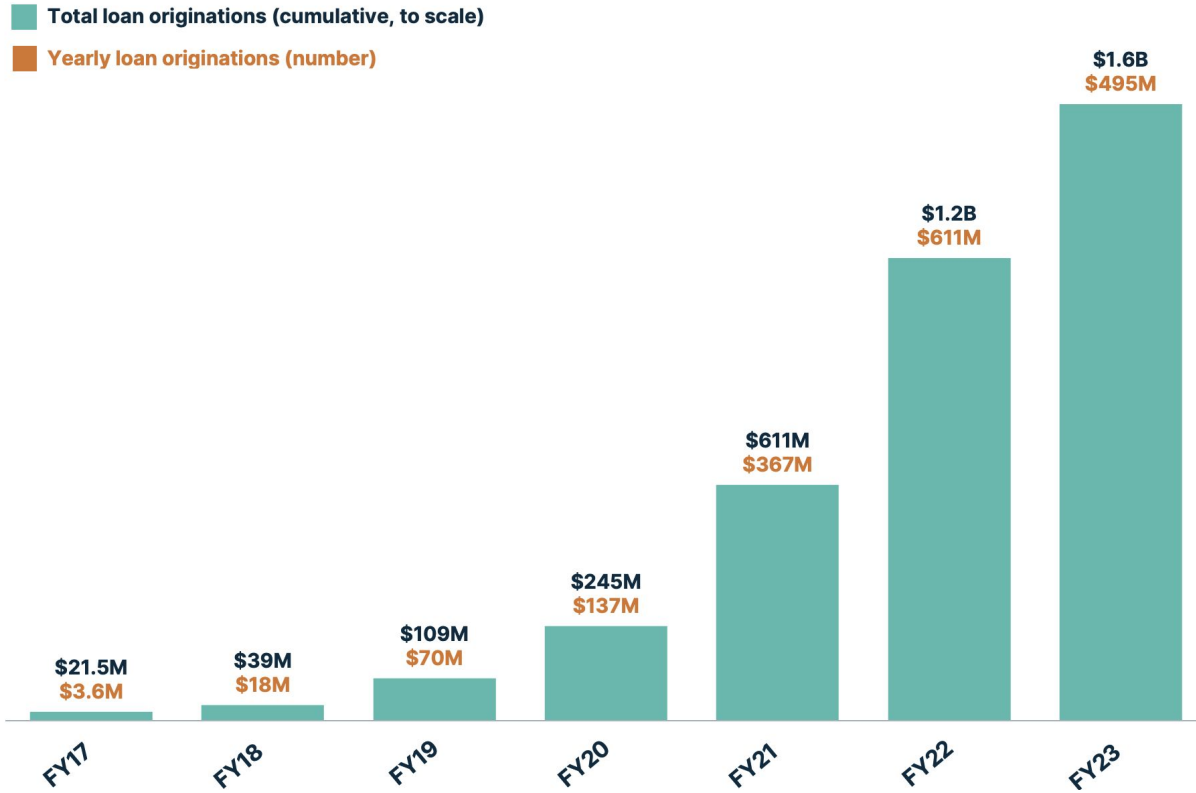
Net loan write-offs as % of average balance



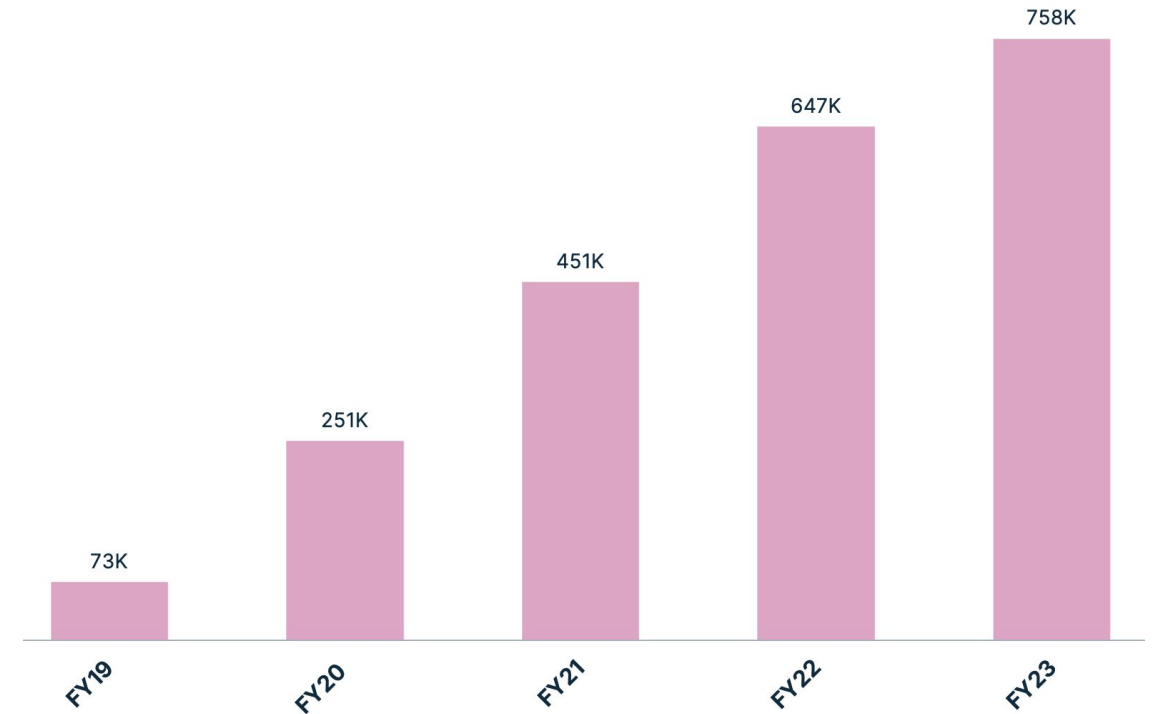


DUAL PLATFORM STRATEGY HAS DELIVERED CONSISTENT GROWTH

Lending platform growth[^]



Financial Wellness Platform profile balance

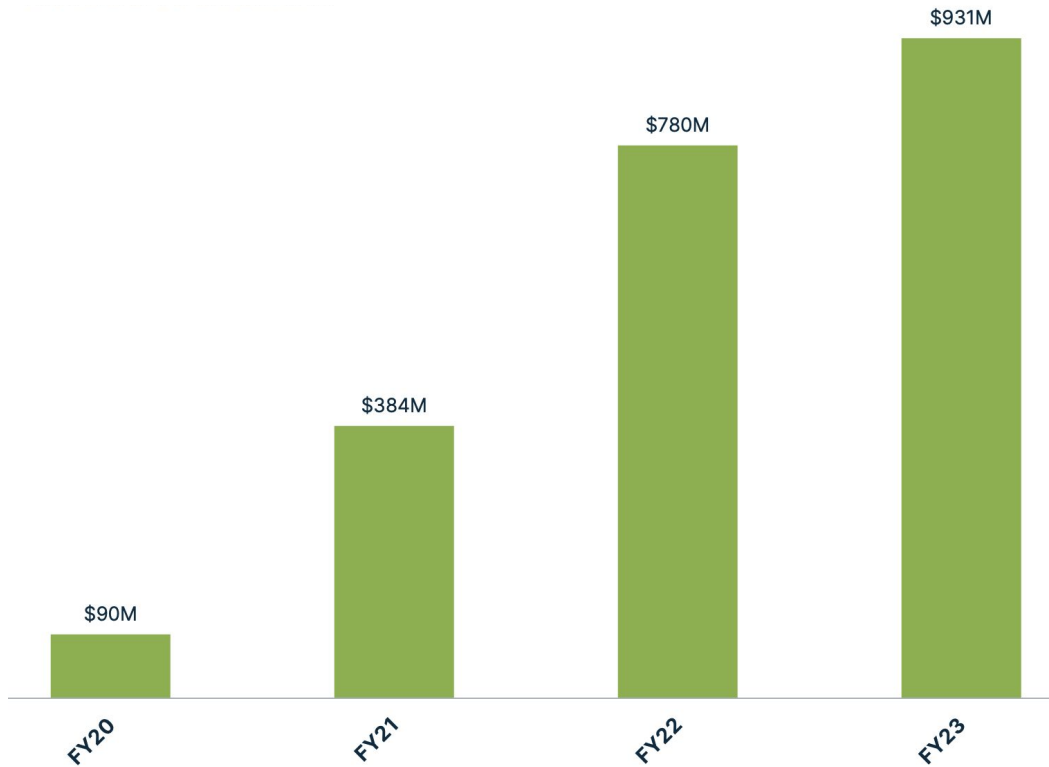


[^]As previously advised in Q2FY23, Wisr has deliberately moderated loan origination growth to maintain balance sheet strength and prioritise profitability.

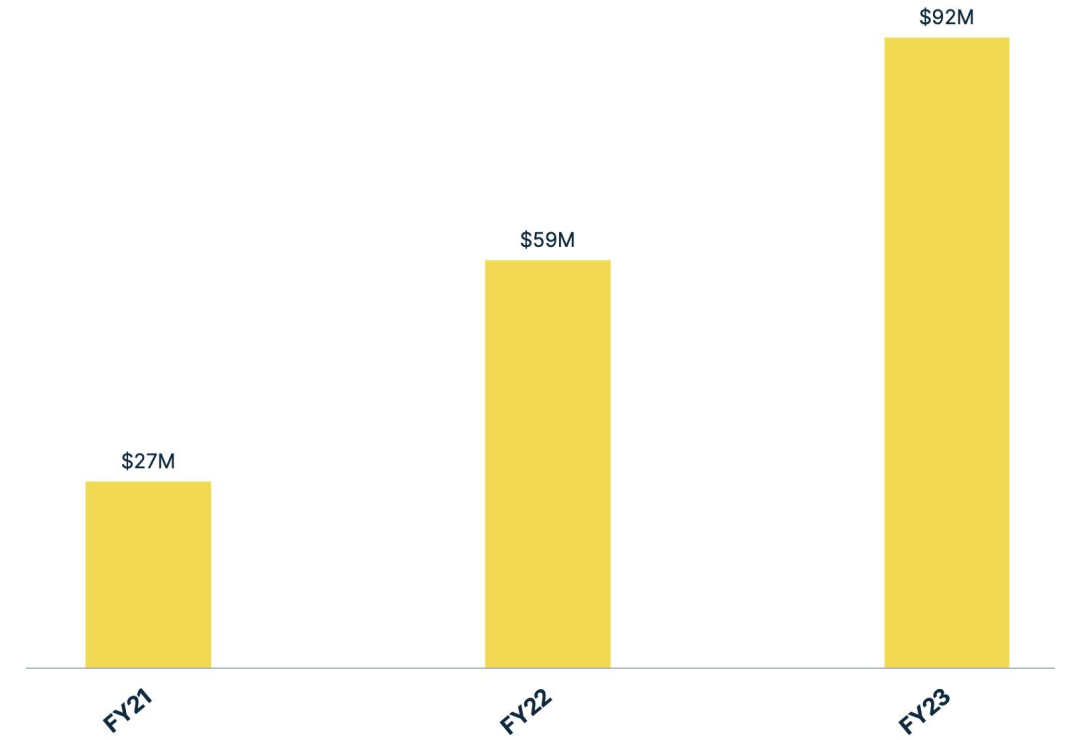


WISR'S LENDING PLATFORM IS DELIVERING SCALE

Wisr YOY loan book balance¹



Wisr YOY revenue growth²



¹ Loan Book includes all loans in WH1, WH2, Freedom Trust 2021-1, Freedom Trust 2022-1, Independence 2023-1, and balance sheet, excludes off-balance sheet of \$8.8M as at 30 June 2023

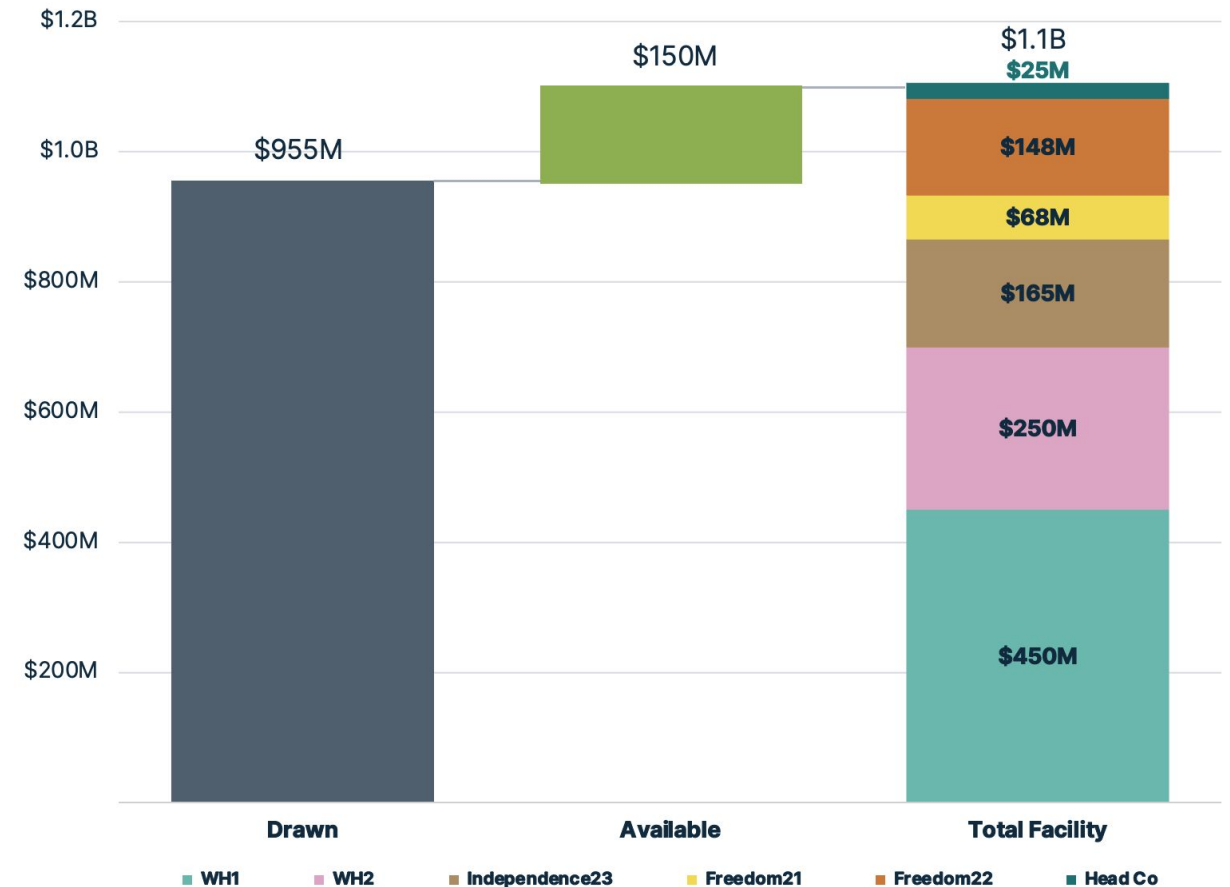
² Revenue audited



STRONG FUNDING PLATFORM

- WH1 has \$450M of committed funding and an undrawn capacity of \$75M, while WH2 has committed funding of \$250M and an undrawn capacity of \$75M (total \$150M available)
- Wisr has now delivered three ABS transactions - Freedom 2021, Freedom 2022 and Independence 2023
- In June 2023, Wisr released term deal capital with the sale of the \$3.6M Freedom 21 G1 notes
- A debt facility (Head Company) is in place which is fully drawn to \$25M. The facility is due to mature in July 2025
- Work is continuing on a third warehouse with a new senior funder and ability to fund both PL and SVL (senior funder credit approval received)
- Credit approval was received for an intraday overdraft facility for working capital requirements and is currently going through implementation

Funding as at 30 June 2023



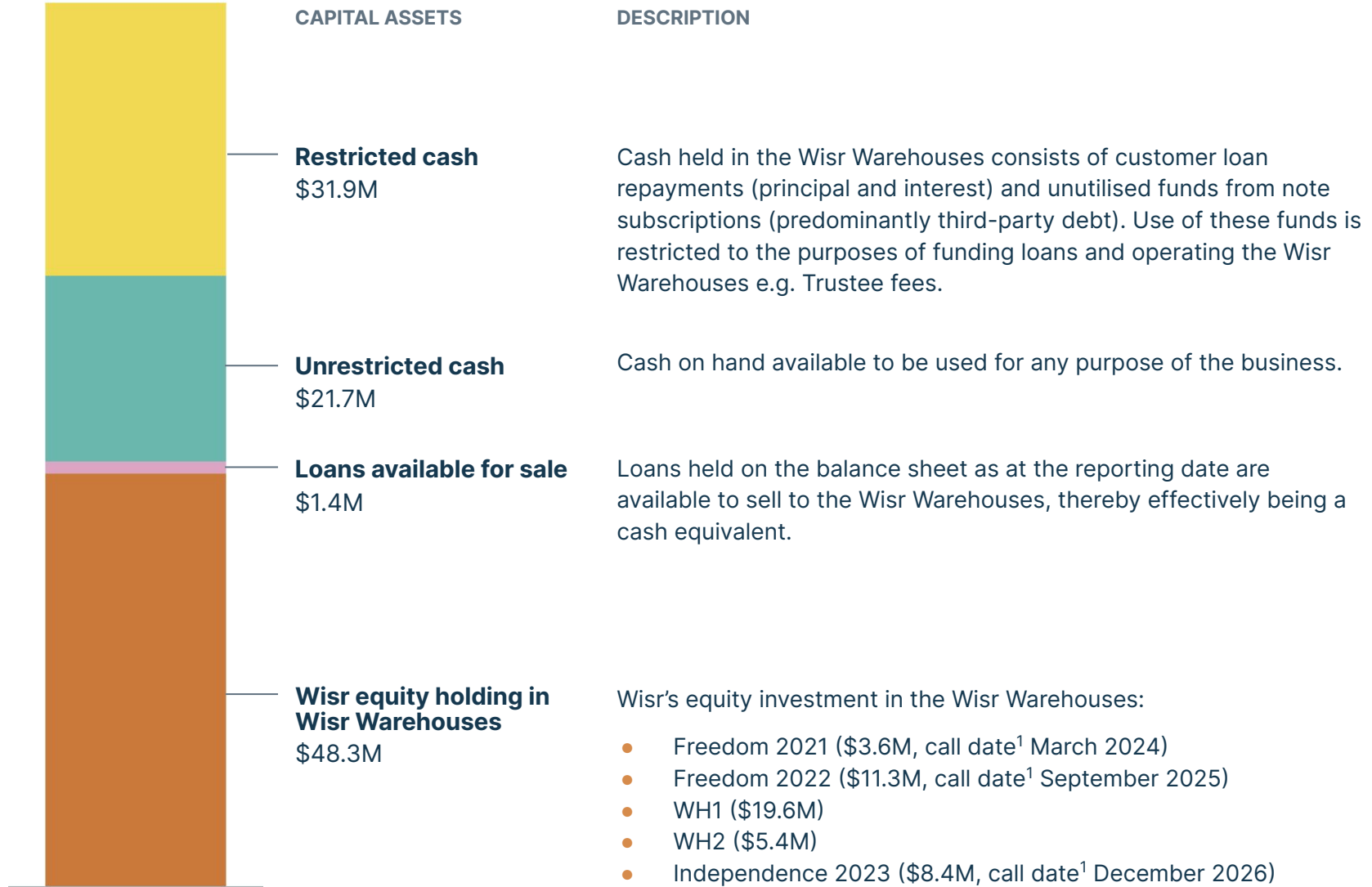


CAPITAL POSITION

Cash per balance sheet
\$53.6M

Cash and cash equivalents
\$23.1M

Wiser equity holding in Wiser Warehouses
\$48.3M



¹Call dates are forecasted based on expected prepayment rates and actual dates may vary.



FINANCIAL WELLNESS PLATFORM (FWP)



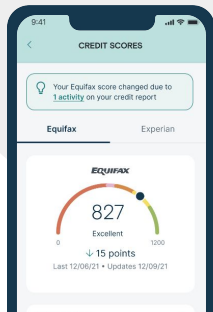


FINANCIAL WELLNESS PLATFORM (FWP)

HOW WISR'S FWP SUPPORTS CUSTOMERS



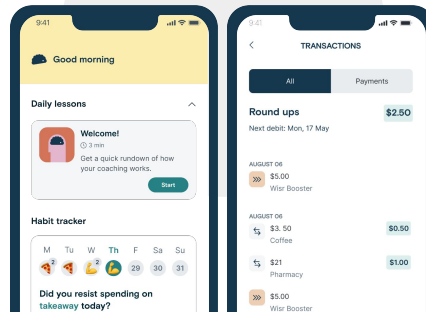
Where do I stand financially?



CREDIT SCORES

- Free access to Equifax and Experian credit scores
- Overview of credit insights and liabilities, indicates eligibility for a WISR loan
- Alerts when scores change

How do I improve my finances?



MONEY COACHING

- Daily coaching and tips to help improve spending, savings and credit scores

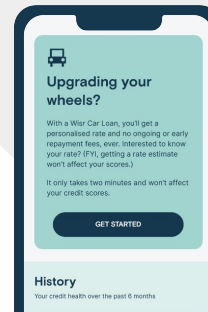
ROUND UPS

- Send digital spare change from daily purchases, towards a debt/other money goal

IMPROVE FINANCES

IMPROVE CREDIT SCORES

How do I access credit?



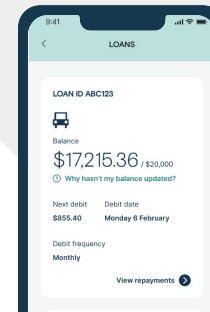
LOAN OFFER

By accompanying a customer through their money moments, WISR can offer them a personalised offer at the right time

Transaction data helps determine a customer's creditworthiness

We know when a customer's credit scores improve enough to make them eligible for a loan

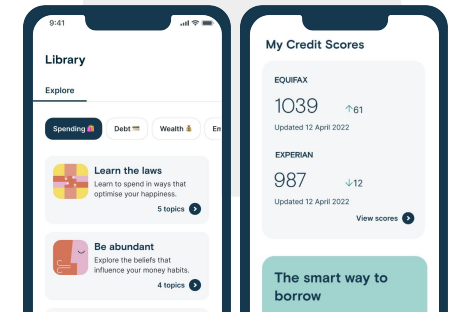
How do I manage my loan?



REPAYMENT TOOLS

- Monitor repayment progress
- Pay loans back faster using round ups
- One-off extra payments, used frequently by early arrears customers
- No early repayment fees

How do I keep going?



CONTINUED PLATFORM ACCESS

- Monitor credit scores
- Make payments, set round ups & other goals
- Keep improving money habits
- Future access to credit



BACKED BY RESULTS

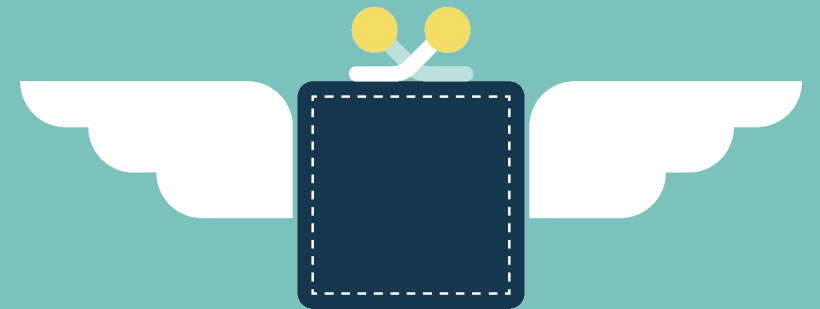
WISR FWP IMPROVES LOAN CUSTOMERS' FINANCIAL HEALTH

WISR loan customers who engaged with the FWP during FY23 were on average **41%¹ further ahead on their loan repayment balance** compared to loan customers who didn't engage with the FWP.



The FWP can help loan customers save on interest.

For example, if a customer on a \$30K loan pays an extra \$50 per month through round-ups, the loan will be paid off **5 months² ahead of schedule**.



¹Based on average comparison of engaged and not engaged loan customers that are current and not in arrears between 01 July 2022 - 30 June 2023

²Calculation is based on average loan size of \$30k and a baseline interest rate of 8.79%



SUMMARY





EXECUTIVE SUMMARY

WISR DELIVERS RUN-RATE PROFITABILITY

POSITIVE OPERATING CASH FLOW AND EBTDA IMPROVEMENT

FY23 operating cash flow of \$7.4M² and 78% EBTDA improvement (FY23: \$(1.6)M² vs FY22: \$(7.2)M).

DELIBERATE MODERATION OF GROWTH TO FOCUS ON PROFITABILITY¹

Loan origination volume has been deliberately moderated with FY23 new loan originations of \$495M (19% decrease on FY22 \$611M), prime \$931M loan book and FY23 operating revenue up 55%³. The moderation of loan origination volume was deemed prudent given ongoing monetary tightening, maintaining balance sheet strength and a focus on profitability.

OPEX REDUCTION INITIATIVES

With a focus on profitability, opex reduction activities (including headcount) undertaken in Q1FY23 and Q4FY23 delivered a 20% reduction (FY23 versus FY22).

CONTINUED NIM EXPANSION AFTER 12 MONTHS OF CONTRACTION

Positioned for medium-term delivery of c. 6%⁴ Net Interest Margin (NIM) to deliver a highly profitable Company at scale.

UNIQUE STRATEGY

Over 758K Australians in proprietary Financial Wellness Platform reduces customer acquisition cost, drives loan conversion and improves customer financial wellbeing.

¹ Profitability is on a run-rate EBTDA basis

² Operating cash flow is audited and on a cash basis per the 4E versus EBTDA (audited) which is a profit and loss statement metric. Both operating cash flow and EBTDA exclude \$1.1M one-off restructuring costs. Source: FY23 (Appendix and Financials)

³ Revenue audited and percentage increase is on previous corresponding period (PCP)

⁴ Subject to a relatively stable cost of funds over the same period. Rapid changes in cost of funds would alter this materially



QUESTIONS





FY23 AUDITED FINANCIAL RESULTS AND APPENDIX





PROFIT AND LOSS

- Operating revenue of \$91.9M (FY22: \$59.4M), a 55% increase driven by loan book growth and increased yield on new loan origination
- Employment benefits expense increased 7% notwithstanding the headcount reduction during FY23
- Marketing expense decreased 81%, consistent with the moderated growth strategy
- Finance expense increased 146% driven by loan book growth of 19% along with higher funding costs
- Provision for expected credit loss expense - refer to slide 20
- Loss before income tax decreased 34% driven by improved operational leverage

	30-JUN-23 \$	30-JUN-22 \$	% VARIANCE
REVENUE			
Operating income	91,857,224	59,392,199	55%
Other income	-	31	(100)%
EXPENSES			
Employee benefits expense	(20,261,961)	(18,926,195)	7%
Marketing expense	(2,263,532)	(12,089,987)	(81)%
Customer processing costs	(4,709,663)	(3,688,843)	28%
Property lease costs	(65,624)	(69,473)	(6)%
Other expenses	(6,673,405)	(6,197,511)	8%
Finance expense	(46,152,209)	(18,753,814)	146%
Depreciation and amortisation expense	(926,275)	(931,461)	(1)%
Loss on investments	-	(1,168,695)	(100)%
Provision for expected credit loss expense	(22,323,943)	(16,352,472)	37%
Share based payment expense	(1,634,672)	(1,118,686)	46%
Loss before income tax	(13,154,060)	(19,904,907)	(34)%



EXPECTED CREDIT LOSS PROVISION

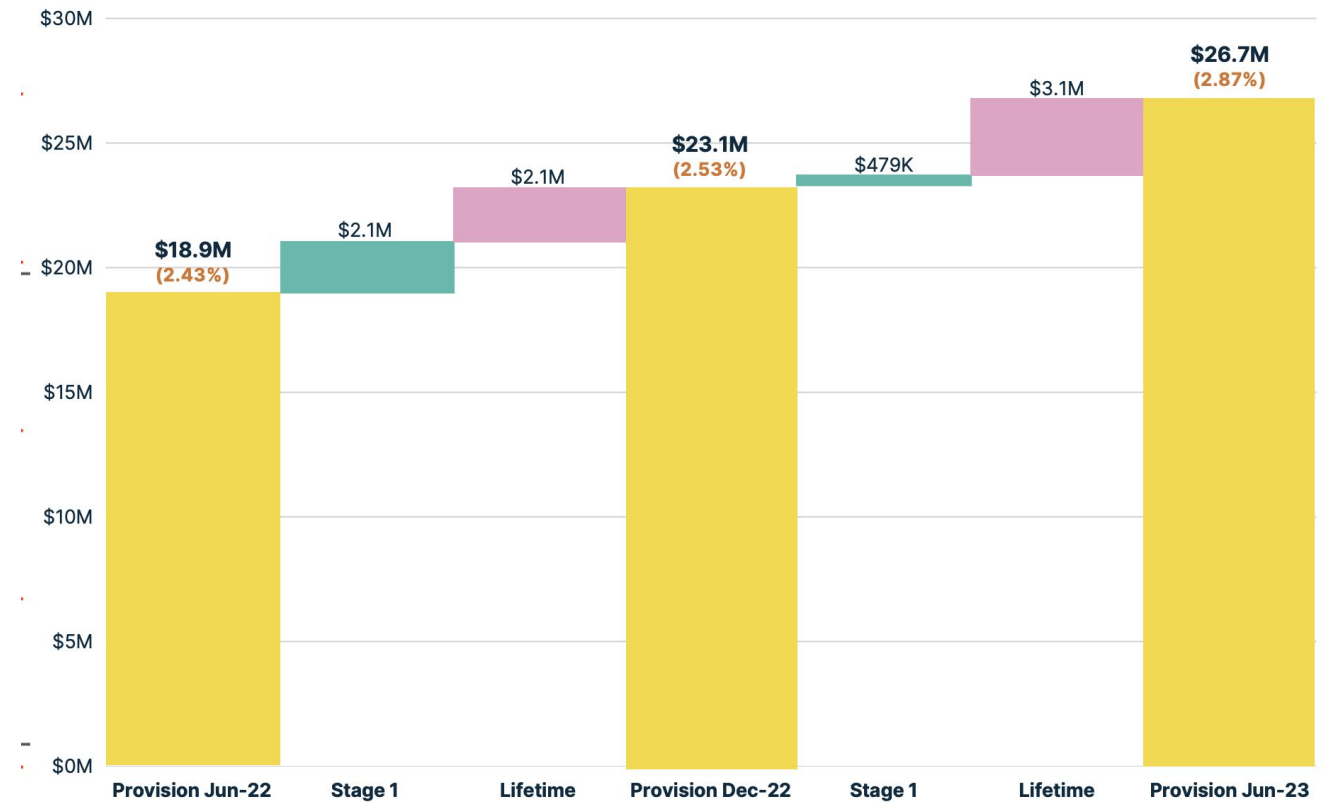
The total credit loss expense for FY23 was \$22.3M (2.4%), representing \$7.8M of incremental provisions and \$14.5M of net losses (\$17.5M gross losses net of \$3.0M recoveries).

As at 30 June 2023, the total provisions held are \$26.7M (2.9%), an increase from \$18.9M (FY22). The increase reflects 19% portfolio growth (YoY) and an increase in balances (stages 2 and 3).

RECONCILIATION OF TOTAL PROVISION OF EXPECTED CREDIT LOSS (ECL)

	\$	
Opening balance at 1 July 22	18.9M	2.4%
Expected credit loss expense recognised during the year	22.3M	2.4%
Receivables written-off	(17.5)M	
Recoveries	3.0M	
Closing balance at 30 June 23	26.7M	2.9%

Provision movement Jul 2022 - Jun 2023





BALANCE SHEET

- Well capitalised with cash of \$53.6M (\$21.7M unrestricted cash and \$1.4M loans available for sale)
- Loan receivables of \$909.2M (30 June 2022: \$764.8M), a 19% increase driven by \$495M of loan originations in FY23
- Derivative financial instruments of \$27.8M (30 June 2022: \$24.9M) represents the interest rate swap fair value as forecast market interest rates at 30 June 2023 have increased compared to the fixed rate Wisr pays on these contracts
- Borrowings of \$931.1M (30 June 2022: \$782.3M), a 19% increase driven by the increase in warehouse trust funded loan receivables

	30-Jun-23 \$	30-Jun-22 \$
ASSETS		
Cash and cash equivalents	53,576,843	71,489,070
Trade and other receivables	2,031,621	1,065,176
Loan receivables	909,217,193	764,838,727
Property, plant and equipment	279,576	487,866
Other assets	1,620,362	1,562,249
Right of use assets	345,915	1,037,746
Derivative financial instruments	27,780,456	24,856,717
Intangible assets	7,009,219	2,736,735
Total assets	1,002,081,185	868,074,286
LIABILITIES		
Trade and other payables	1,320,088	5,435,693
Provision for employee benefits	1,249,336	1,307,554
Lease liability	441,204	1,203,052
Borrowings	931,055,661	782,282,354
Total liabilities	934,066,289	790,228,653
NET (LIABILITIES) / ASSETS	68,014,896	77,845,633
EQUITY		
Issued capital	144,702,718	144,477,325
Reserves	30,580,043	27,906,702
Accumulated losses	(107,267,865)	(94,538,394)
TOTAL (DEFICIENCY IN EQUITY) / EQUITY	68,014,896	77,845,633



CASH FLOW

- Net cash used in operating activities improved significantly, driven by improvements in operational leverage through an increase operating revenue and decrease in operating expenses
- Net cash used in investing activities increase driven by lower relative loan book growth in FY23 v FY22
- Net cash from financing activities decrease driven by lower relative warehouse trust borrowings for new loan origination in FY23 v FY22

	30-Jun-23 \$	30-Jun-22 \$
Cash flows from operating activities		
Receipts from customers	88,930,737	56,963,941
Payments to suppliers and employees (inclusive of GST)	(38,780,698)	(43,012,102)
	50,150,039	13,951,839
Interest received	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	-	280,164
Net cash used in operating activities	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)
Payments for technology assets	(4,256,340)	(2,297,136)
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		
Proceeds from issue of shares	-	-
Proceeds from exercise of share options	-	-
Costs of raising capital paid	-	(148,183)
Repayment of borrowings	(6,500,000)	-
Proceeds from borrowings	154,329,418	390,614,465
Transaction costs related to loans and borrowings	(2,558,239)	(1,769,338)
Payments for right of use asset	(761,848)	(683,596)
Net cash from financing activities	144,509,331	388,013,348
Net increase in cash and cash equivalents	(17,912,227)	(20,920,488)
Cash and cash equivalents at the beginning of the financial half-year	71,489,070	92,409,558
Cash and cash equivalents at the end of the financial half-year	53,576,843	71,489,070

THANK
YOU



ASX: WZR
ABN 80 004 661 205

Level 4, 55 Harrington St, The Rocks, NSW 2000
1300 992 007



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