



ASX RELEASE

Wisr AGM - Chair's Address

Sydney, 27 November 2023 - Wisr Limited (ASX: WZR) ("Wisr", or the "Company") is pleased to present the Chair's address, which will be delivered at the Company's AGM today.

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

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About Wisr Limited

Wisr (ASX: WZR) is an Australian purpose-built consumer lender with a commitment to improving the financial health of all Australians through providing a smarter, fairer and wiser collection of financial products and services. Wisr provides a unique Financial Wellness Platform underpinned by consumer finance products, the Wisr App to help Australians pay down debt, multiple credit score comparison service and psychology-based money-coaching modules. Combined with content and other products that use technology to provide better outcomes for borrowers, investors, and everyday Australians. For more information, visit www.wisr.com.au



Chair's address to WZR AGM 2023

FY23 has been a year of challenging macroeconomic conditions, including: ongoing RBA Cash Rate increases, inflation, tightening of funding markets, and broader economic uncertainty.

By implementing a capital management strategy that prioritised profitability on a run-rate basis within 12 months, in place of accelerating loan growth, we sought to navigate these market conditions and delivered upon our Company objectives set at the end of FY22.

We made prudent and proactive adjustments to the Company's strategy and cost base to successfully deliver positive operating cash flow of \$7.4M, a 78% improvement in EBTDA and profitability on a run-rate basis, with two positive EBTDA quarters, while maintaining a robust balance sheet.

The sale of Freedom 2021 G1 notes at the end of Q4FY23 released additional capital of \$3.6M back into the business, and the Company maintained its well-capitalised position with \$21.7M of unrestricted cash as at 30 June.

In Q1FY23, we delivered our 25th consecutive quarter of loan growth, surpassing \$1.6B in total loan originations, before a series of cost reductions were enacted throughout the quarter. At the beginning of Q4FY23, we made the prudent decision to reduce operating costs further while continuing to focus on profitability. This included the deliberate moderation of loan origination volume and additional headcount reductions.

Through the period we balanced, during the most aggressive rate rise cycle in Wisr's history, the need to; preserve capital, protect the credit quality of the loan book, time operational cost reductions without introducing additional risk in doing so, and create further runway for the business.



Despite the moderation in loan origination volume, operational leverage was evidenced through a 55% increase in operating revenue and a 20% reduction in operating expenses compared to FY22.

We also grew our prime loan book by 19%. Importantly, our robust funding strategy enabled the Company to respond quickly to the rapidly changing debt market conditions in H1FY23, and we priced our inaugural \$200M secured vehicle loan and third ABS deal, Wisr Independence Trust 2023-1, receiving significant support from the debt market in Q3FY23.

H2FY23 saw the Company return to Net Interest Margin (**NIM**) expansion after 12 months of NIM compression. It was achieved using the multiple levers available to absorb funding cost increases, including lifting front book yield in response to higher cash rates.

The focus on maintaining balance sheet strength and profitability while earning a healthy NIM on new business continues into FY24.

The moderated loan volume strategy, in our view, continues to be the appropriate strategy at this stage of the credit cycle. However, the macro sentiment is ultimately beyond our control. We do not believe the current share price or the previous 12 months reflects the Company's actual value. We feel for all our shareholders, many of whom include staff and key stakeholders, and we will continue to work tirelessly on the things we can control to drive Wisr's performance strongly into 2024.

As such, in the short to medium term, the Company is taking a calculated approach to managing the prime loan book and operational strategy amidst an evolving financial landscape and economic uncertainty.

The focus on maintaining a strong balance sheet and profitability is the most prudent path for financial stability, and our moderated loan volume strategy will remain in place until market conditions stabilise and are deemed appropriate to recommence scaling.



As we move into FY24, we are focused on improving the investor community's understanding of the value of what we are building. Our competitive advantage, a purpose-led business model that improves financial health and goes far beyond the traditional lending experience, has never been more relevant as rising interest rates and other cost-of-living pressures create a financial strain for more Australians.

We want to support customers to reduce debt faster and improve their financial position. As consumers demand smarter financial products, services and tools, Wisr is well-placed and well-resourced to meet the demand.

Through the Wisr App, our customers can access a wide range of tools to help them make smarter money decisions, along with providing a channel to build relationships with our customers throughout their financial journey. It makes us more than just a lender and builds a data-rich picture of a customer's financial situation, behaviour and interests over time.

I would also like to address the changes to the Company's Executive Leadership Team after the year-end in Q1FY24.

Firstly, Andrew Goodwin, who had been with the Company as its Chief Financial Officer since 2017, was appointed Chief Executive Officer. Joanne Edwards, who had been Wisr's inaugural Chief Risk and Data Officer since 2019, was appointed Chief Operating Officer.

Andrew has been instrumental in building Wisr's business and treasury position and the Company's relationships with capital market institutions. He was vital in formulating and executing Wisr's current initiatives to maintain balance sheet strength and focus on profitability.

Joanne has successfully innovated and led the Company's credit and risk functions, delivering a market-leading underwriting process and prime customer profile. Her wealth of industry



experience, deep credit and risk management expertise and operational transformation skillset position her strongly to take on the expanded operations role.

The Board has great confidence that under Andrew's exceptional leadership, supported by the incredible capability of the Wisr Executive Leadership team, our differentiated purpose-built business model is well-positioned to navigate through the cycle and build a sustainable business.

On behalf of the Wisr Board, we sincerely thank our shareholders for your ongoing support and trust.

I want to thank the Board, Executive Management, and all Wisr staff for their continued support, vision, expertise and resilience in rapidly changing conditions.

For me personally, it has been a privilege to lead Wisr these past 7 years. When I took over as Chair, we were generating \$1M of revenue per year off an \$8M total loan book. As at FY23, we grew revenue to \$92M and the loan book to \$931M (\$1.6B in originations), not to mention many awards and innovative solutions along the way that now lead our non-bank lending market.

I will retire as a fully supportive shareholder, knowing that Wisr is set for success with strong leadership in place for the next stage of profitable growth. I would like to thank Wisr's loyal staff, fellow Board members, shareholders, and funders for being on the growth journey with the Company during my 7-year tenure.

Thank you.