HALF-YEAR REPORT

1. Company details

Name of entity:	Wisr Limited
ABN:	80 004 661 205
Reporting period:	For the half-year ended 31 December 2024
Previous period:	For the half-year ended 31 December 2023

2. Results for announcement to the market

Key information				**$A'000**
Revenues from ordinary activities	Down	6%	to	45,309
Loss from ordinary activities after tax attributable to members	Up	58%	to	(2,706)
Loss for the period attributable to members	Down	30%	to	(11,113)

Dividends paid and proposed

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

Explanation of key information and dividends

An explanation of the above figures is contained in the Review of Operations included within the attached Directors' Report. The Directors have determined not to pay dividends at this time.

3. Net tangible assets

	Reporting period Cents	**Previous period Cents**
Net tangible asset per ordinary security	2.11	3.33

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

Wisr Finance Pty Ltd, 100% owned subsidiary of Wisr Limited, deregistered the following dormant subsidiaries during the reporting period:

- Wisr Investment Management Pty Ltd
- Wisr Loans Servicing Pty Ltd
- Wisr Credit Management Pty Ltd
- Wisr Marketplace Limited
- Wisr Funding Pty Ltd
- Wisr Notes 1 Pty Ltd

5. Details of associates and joint venture entities

Not applicable.

6. Significant information

Refer to Review of Operations included within the attached Directors' Report below.

7. Independent auditor review

Details of review status:

The financial statements were subject to a review by the auditors and the review report is attached as part of the Interim Financial Report.

8. Attachments

The Interim Financial Report of Wisr Limited for the half-year ended 31 December 2024 is attached.

9. Signed

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MATTHEW BROWN

CHAIR
SYDNEY

26 February 2025

WISR LIMITED

ABN: 80 004 661 205

INTERIM FINANCIAL REPORT

For the half-year ended 31 December 2024

CONTENTS

DIRECTORS’ REPORT

For the half-year ended 31 December 2024

The directors present their report, together with the financial statements, on the consolidated entity (referred to hereafter as the 'consolidated entity' or the ‘Group’ or ‘Wisr’) 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 half-year ended 31 December 2024.

DIRECTORS

The following persons were directors of the Company during the whole of the financial half-year and up to the date of this report, unless otherwise stated:

Name	Position
Matthew Brown	Non-Executive Chair
Craig Swanger	Non-Executive Director
Cathryn Lyall	Non-Executive Director
Kate Whitney	Non-Executive Director

PRINCIPAL ACTIVITIES

During the financial half-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

- Portfolio yield and NIM[1] increased, driven by front book repricing initiatives and improved funding margin. Portfolio yield increased to 11.20% (H1FY24: 10.51%) and NIM[1] increased to 5.75% (H1FY24: 5.33%)
- Revenue decreased to $45.3M (H1FY24: $48.1M), driven by a lower loan balance during the period, partially offset by a higher portfolio yield. The Group pivoted back to loan origination growth in Q4FY24 and returned to loan book growth in Q2FY25

[1] Net Interest Margin (“NIM”) defined as loan book yield less finance costs, excluding Corporate facility interest cost and hedge accounting impacts.

- EBITDA[2] of $0.8M, a $0.6M improvement on H1FY24 ($0.2M) driven by stronger loan unit economics and a reduction in net losses, which helped offset the impact of lower revenues during the period
- Loss after income tax for the period of $(2.7)M (H1FY24: $(1.7)M)

Loan book:

- Loan originations of $170.8M, a 66% increase on H1FY24 ($103.1M) against a backdrop of strong increases in non-bank lender market share
- Secured vehicle loan originations of $62.1M, an increase of 143% on H1FY24 ($25.6M) and personal loan originations of $108.7M, an increase of 40% on H1FY24 ($77.5M)
- Closing loan book of $757M[3], a slight decrease on Jun-24 ($770M), as the Group pivoted back to growth in Q4FY24 after a period of moderated loan volumes. As noted above, the loan book returned to growth in Q2FY25
- Loan book average credit score remained stable at 798 (Dec-23: 794)
- Increase in 90+ day arrears to 1.55% (Dec-23: 1.31%), and remains well-within risk appetite
- Net losses decreased by 48 bps to 1.87% (H1FY24: 2.35%)

Balance sheet and funding:

- Unrestricted cash of $17.9M (30-Jun-24: $28.4M)
- $15M remains available from the corporate facility to fund the Group's ongoing growth plans
- Two warehouse facilities are in place to support originations with a total commitment value of $650M and an undrawn capacity of $153M

Customer:

- Customer Net Promoter Score +75 (H1FY25)
- Winner of Good Design Award for 'Liger', Wisr's native lending platform which helps streamline loan processing and champion responsible lending by placing customers' needs at the forefront of every decision
- Wisr has facilitated the payment of $39.4M in extra loan repayments and $10.1M in round-ups on customer debt (since inception)

FINANCIAL AND LENDING

In the first half of FY25, Wisr continued to execute its growth strategy, evidenced by strong loan origination of $170.8M, a 66% increase on H1FY24 ($103.1M). This has also led to positive

[2] EBITDA defined as earnings before Interest, taxes, depreciation and amortisation. This also excludes corporate facility interest cost, hedge accounting impacts, share based payments expense and non-cash expected credit loss provision movements.

[3] Pre-accounting adjusted balance.

EBITDA[4] of $0.8M (H1FY24: $0.2M) driven by increasing NIM[5] of 5.75% (H1FY24: 5.33%) and improved losses of 1.87% (H1FY24: 2.35%), as well as a return to loan book growth (in Q2FY25).

Wisr continues to benefit from structural tailwinds which include the increase in the personal loan market share of non-bank lenders. At the same time, the Group has been focused on delivering efficiencies and growth through technology-driven automation which will see Wisr well-placed to efficiently continue scaling.

CAPITAL AND FUNDING

Wisr has rolled forward the Personal Loan Warehouse and Secured Vehicle Loan Warehouse for another 12 months with improved pricing, and work is continuing on a third warehouse with new senior and mezzanine funders, with the ability to fund both Personal Loans ("PL") and Secured Vehicle Loans ("SVL").

Equity capital in both Wisr Warehouses remains high at $46.0M (31-Dec-23: $46.9M). The total commitment value for both warehouses is $650M and an undrawn capacity of $153M.

The Group is well capitalised with a $51.9M cash balance, including $17.9M in unrestricted cash.

GOVERNANCE AND RISK MANAGEMENT FRAMEWORK

Wisr faces a broad range of risks reflecting its business operations as a non-bank consumer lender.

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 and assessment of likelihood and magnitude of risks. The Board also ensures senior management has identified key risks, that those risks are managed and controlled appropriately and endorses the Risk Management plan. 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.

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

- Board Audit and Risk Committee, Chaired by the Non-Executive Chair, Matthew Brown
- Risk Management Committee, Chaired by Chief Operating Officer, Joanne Edwards
- Credit Committee, Chaired by Chief Operating Officer, Joanne Edwards

OUTLOOK – H2FY25 AND BEYOND

Wisr is a purpose-led company committed to a strategy of improving our customers' financial health and wellbeing. In the current economic climate, our purpose is more relevant than ever.

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[4] EBITDA defined as earnings before Interest, taxes, depreciation and amortisation. This also excludes corporate facility interest cost, hedge accounting impacts, share based payments expense and non-cash expected credit loss provision movements.

[5] Net Interest Margin ("NIM") defined as loan book yield less finance costs, excluding Corporate facility interest cost and hedge accounting impacts.

As we look ahead to the remainder of FY25 and beyond, we remain focused on loan origination and book growth at attractive unit economics, while supporting Australians in making smarter financial decisions via our award-winning platform. The combination of a strong balance sheet, our proprietary technology, prime loan book, and robust risk and operational frameworks means that Wisr is well-positioned to achieve these objectives.

EVENTS SINCE THE END OF THE FINANCIAL HALF-YEAR

There are no material events reportable after the reporting period.

SIGNIFICANT CHANGES IN STATE OF AFFAIRS

There were no significant changes in the state of affairs of the Group during the financial half-year other than those discussed in the Review of operations.

OPERATING SEGMENT

The Group has one operating segment under AASB 8 Operating Segments, being the provision of personal loans to customers. This reflects the way the business is monitored, and resources are allocated. The Group's revenues and activities are predominately domiciled in Australia.

ROUNDING OF AMOUNTS

The Group has applied the relief available to it in *ASIC Corporations (Rounding in Financial/Directors' Reports) Instrument 2016/191.* Certain amounts in the directors' report have been rounded off to the nearest million dollars and certain amounts in the financial report have been rounded off to the nearest $1.

AUDITOR'S INDEPENDENCE DECLARATION

A copy of the auditor's independence declaration, as required under section 307C of the Corporations Act 2001, is set out on page 10.

This report is made in accordance with a resolution of directors, pursuant to section 306(3)(a) of the Corporations Act 2001.

On behalf of the directors

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MATTHEW BROWN
CHAIR

Sydney
26 February 2025

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Fax: +61 2 9240 9821
www.bdo.com.au

Level 11, 1 Margaret Street
Sydney NSW 2000
Australia

DECLARATION OF INDEPENDENCE BY JESHAN VELUPILLAI TO THE DIRECTORS OF WISR LIMITED

As lead auditor for the review of Wisr Limited for the half-year ended 31 December 2024, 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 review; and
2. No contraventions of any applicable code of professional conduct in relation to the review.

This declaration is in respect of Wisr Limited and the entities it controlled during the period.

Jeshan Velupillai

Jeshan Velupillai
Director

BDO Audit Pty Ltd

Sydney, 26 February 2025

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the half-year ended 31 December 2024

	Note	31 Dec 2024 $	31 Dec 2023 $
REVENUE	2	45,308,625	48,113,217
EXPENSES			
Employee benefits expense		(8,689,100)	(7,633,452)
Marketing expense		(214,007)	(184,186)
Customer processing expense		(1,814,674)	(1,656,183)
Other expense		(3,223,786)	(3,644,499)
Finance expense	3	(26,987,356)	(26,744,008)
Depreciation and amortisation expense		(805,264)	(581,772)
Provision for expected credit loss expense	5	(5,180,260)	(8,273,924)
Share based payment expense	11	(1,099,869)	(1,105,756)
Loss before income tax		**(2,705,691)**	**(1,710,563)**
Income tax expense		**-**	**-**
Loss after income tax for the period		**(2,705,691)**	**(1,710,563)**
Loss for the period is attributable to: Owners of Wisr Limited		**(2,705,691)**	**(1,710,563)**
Earnings per share for loss attributable to the owners of Wisr Limited		**Cents**	**Cents**
Basic earnings per share		(0.20)	(0.13)
Diluted earnings per share		(0.19)	(0.13)
Other comprehensive loss			
Loss arising from changes in fair value of cash flow hedging instruments entered into	10	(8,407,147)	(14,126,830)
Other comprehensive loss for the period, net of tax		(8,407,147)	(14,126,830)
Total comprehensive loss for the period		(11,112,838)	(15,837,393)
Total comprehensive loss for the period is attributable to: Owners of Wisr Limited		**(11,112,838)**	**(15,837,393)**

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

At 31 December 2024

	Note	31 Dec 2024 $	30 Jun 2024 $
ASSETS			
Cash and cash equivalents	4	51,919,362	62,363,091
Trade and other receivables		254,656	1,177,266
Loan receivables	5	741,511,077	750,699,338
Other assets		1,883,591	1,449,127
Property, plant and equipment		93,028	118,418
Right of use assets		4,070,871	129,799
Related party loan		300,000	300,000
Derivative financial instruments	8	5,297,084	13,873,831
Intangible assets	6	8,652,941	8,361,211
Total assets		**813,982,610**	**838,472,081**
LIABILITIES			
Trade and other payables		1,835,934	1,422,398
Provision for employee benefits		1,209,282	1,236,725
Lease liability		4,180,636	145,136
Borrowings	7	768,782,207	787,680,302
Total liabilities		**776,008,059**	**790,484,561**
Net assets		**37,974,551**	**47,987,520**
EQUITY			
Issued capital	9	146,007,568	145,216,449
Reserves	10	9,617,731	17,716,128
Accumulated losses	10	(117,650,748)	(114,945,057)
Total equity		**37,974,551**	**47,987,520**

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

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the half-year ended 31 December 2024

	Issued capital $	Reserves $	Accumulated losses $	Total equity $
Balance at 1 Jul 2023	144,702,718	30,580,043	(107,267,865)	68,014,896
Loss after income tax expense for the period	-	-	(1,710,563)	(1,710,563)
Other comprehensive income for the period, net of tax	-	(14,126,830)	-	(14,126,830)
Total comprehensive loss for the period	-	(14,126,830)	(1,710,563)	(15,837,393)
Transactions with owners in their capacity as owners:				
Share based payment expense (Note 11)	-	1,105,756	-	1,105,756
Transfer of share based reserve to issued capital on exercise of options	196,088	(196,088)	-	-
Transfer of share-based payment reserve	-	(246,342)	246,342	-
Balance at 31 Dec 2023	**144,898,806**	**17,116,539**	**(108,732,086)**	**53,283,259**
Balance at 1 Jul 2024	145,216,449	17,716,128	(114,945,057)	47,987,520
Loss after income tax expense for the period	-	-	(2,705,691)	(2,705,691)
Other comprehensive loss for the period, net of tax	-	(8,407,147)	-	(8,407,147)
Total comprehensive loss for the period	-	(8,407,147)	(2,705,691)	(11,112,838)
Transactions with owners in their capacity as owners:				
Share based payments (Note 11)	-	1,099,869	-	1,099,869
Transfer of share based reserve to issued capital on exercise of options	791,119	(791,119)	-	-
Balance at 31 Dec 2024	**146,007,568**	**9,617,731**	**(117,650,748)**	**37,974,551**

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

CONSOLIDATED STATEMENT OF CASH FLOWS

For the half-year ended 31 December 2024

	Note	31 Dec 2024 $	31 Dec 2023 $
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts from customers		44,126,022	47,282,248
Payments to suppliers and employees		(13,647,148)	(13,596,488)
		30,478,874	33,685,760
Interest received on investments and cash		809,652	753,360
Management fees received		997,352	65,569
Interest and other finance costs paid		(25,090,308)	(25,081,928)
Net cash from operating activities		**7,195,570**	**9,422,761**
CASH FLOWS FROM INVESTING ACTIVITIES			
Payments for plant and equipment		(37,808)	(14,995)
Payments for technology assets		(776,543)	(1,170,123)
Net movement in customer loans		3,498,077	73,194,401
Net cash from investing activities		**2,683,726**	**72,009,283**
CASH FLOWS FROM FINANCING ACTIVITIES			
Proceeds from Wisr Warehouse borrowings		63,520,000	200,800,000
Repayment of Wisr Warehouse borrowings		(83,592,893)	(257,760,093)
Transaction costs related to borrowings		(93,766)	(873,352)
Payments for lease liabilities		(156,366)	(441,204)
Net cash used in financing activities		**(20,323,025)**	**(58,274,649)**
Net (decrease) / increase in cash and cash equivalents		(10,443,729)	23,157,395
Cash and cash equivalents at the beginning of the financial period		62,363,091	53,576,843
Cash and cash equivalents at the end of the financial period	**4**	**51,919,362**	**76,734,238**

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

NOTES TO THE FINANCIAL STATEMENTS

For the half-year ended 31 December 2024

The financial statements cover Wisr Limited as a consolidated entity, consisting of Wisr Limited and the entities it controlled at the end of, or during, the half-year. The financial statements are presented in Australian dollars ($), which is Wisr Limited's functional and presentation currency.

Wisr Limited is a listed public company limited by shares, incorporated and domiciled in Australia. Its registered office and principal place of business is Level 9, 333 Kent Street, Sydney NSW 2000.

A description of the nature of the consolidated entity's operations and its principal activities are included in the directors' report.

NOTE 1. SUMMARY OF MATERIAL ACCOUNTING POLICY INFORMATION

These general purpose financial statements for the interim half-year reporting period ended 31 December 2024 have been prepared in accordance with Australian Accounting Standard AASB 134 'Interim Financial Reporting' and the Corporations Act 2001, as appropriate for for-profit oriented entities. Compliance with AASB 134 ensures compliance with International Financial Reporting Standard IAS 34 'Interim Financial Reporting'.

These general purpose financial statements do not include all the notes of the type normally included in annual financial statements. Accordingly, these financial statements are to be read in conjunction with the annual report for the year ended 30 June 2024 and any public announcements made by the Company during the interim reporting period in accordance with the continuous disclosure requirements of the Corporations Act 2001.

The principal accounting policies adopted are consistent with those of the previous financial year and corresponding interim reporting period, unless otherwise stated below.

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, right of use assets, property, plant and equipment, and financial instruments, for which expected term is disclosed.

The financial statements were authorised for issue, in accordance with a resolution of directors, on 26 February 2025.

a. 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. There was no material impact on the Group's interim financial statements on the adoption of these Standards and Interpretations.

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

b. Operating segments

Management has determined that the Group has one operating segment, being the provision of personal loans to customers. The internal reporting framework is based on the principal activity as discussed within the Interim Financial Report 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 revenue and assets as presented relate to the operating segment. The Group operates in Australia only as at 31 December 2024.

NOTE 2. REVENUE

	CONSOLIDATED	
	31 Dec 2024 $	**31 Dec 2023 $**
Interest income on financial assets		
Effective interest income on financial assets	43,283,377	46,533,573
Other revenue from financial assets	1,128,037	750,067
Interest on cash	809,652	753,360
Total income from financial assets	**45,221,066**	**48,037,000**
Revenue from contracts with customers		
Management fees	87,559	76,217
Total revenue from contracts with customers	**87,559**	**76,217**
Total revenue	**45,308,625**	**48,113,217**

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.

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.

NOTE 3. FINANCE EXPENSE

	CONSOLIDATED	
	31 Dec 2024 $	**31 Dec 2023 $**
Interest and finance charges paid/payable on borrowings	26,789,560	26,367,881
Interest and finance charges paid/payable on lease liabilities	28,196	(21,452)
Cash flow hedge ineffectiveness	169,600	397,579
Total	**26,987,356**	**26,744,008**

NOTE 4. CASH AND CASH EQUIVALENTS

	CONSOLIDATED	
	31 Dec 2024 $	**30 Jun 2024 $**
Cash at bank	17,920,077	28,356,940
Restricted cash	33,999,285	34,006,151
Total	**51,919,362**	**62,363,091**

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

NOTE 5. LOAN RECEIVABLES

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

5.1 Impairment of financial assets

The Group recognises a loss allowance for expected credit losses ("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 or have a low credit risk at the reporting date, 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.

5.2 Allowance for expected credit losses

For H1FY25, the ECL model analysed 13 months of loan performance to calculate Probability of Default ("PD"), Loss Given Default ("LGD"), and Exposure at Default ("EAD") for provisioning. The analysis covered six loan books:

- Book 1 – Wisr Warehouse Trust No. 1- 98% Stage 1
- Book 2 – Wisr Warehouse Trust No. 2 – 98% Stage 1
- Book 3 – Wisr Freedom Trust 2022-1 – 96% Stage 1
- Book 4 – Wisr Independence Trust 2023-1 – 97% Stage 1
- Book 5 – Wisr Freedom Trust 2023-1 – 96% Stage 1
- Book 6 – Wisr Finance – 21% Stage 1 (legacy loans not sold to partners)

Credit loss occurs when a counterparty defaults on obligations, defined as loans 90+ days overdue, while a significant increase in credit risk is for loans 30+ days overdue.

ECL comprises three main components: Exposure at Default ("EAD"), the total value exposed when the loan defaults; Probability of Default ("PD"), the likelihood of default within 12 months or over the loan's lifetime; and Loss Given Default ("LGD"), the portion of EAD not recovered after default.

Loans have maturities of 3, 5, and 7 years and are held to maturity within various Wisr Trusts and Wisr Finance Pty Ltd.

Scenario analysis and forward-looking macroeconomic assessments were incorporated through the ECL model based on backtesting performance on prior periods. The back testing demonstrated that provisions held are conservative and with adequate coverage. This is based on the following assumptions:

- Backtesting shows ECL over-provisioned for Stage 1 loans by 59.9% post-recovery and 21.9% pre-recovery;
- Stage 2 and 3 provisions accurately predict conservative loss over loan life;
- A 15% PD increase was made to Stage 1 loans for unemployment risk, translating to a 75bps rise in unemployment; and
- Conservative ECL inputs retained for FY25 to manage macroeconomic risks.

	CONSOLIDATED	
	31 Dec 2024 $	**30 Jun 2024 $**
Gross loan receivables	763,987,671	775,148,342
Less provision for expected credit loss	(22,476,594)	(24,449,004)
	741,511,077	**750,699,338**

Note 5. Loan receivables (cont.)

The following tables summarise the gross carrying value of loan receivables and the provision for expected credit loss by stage:

	CONSOLIDATED	
	31 Dec 2024 $	**30 Jun 2024 $**
Gross loan receivables		
12-month (Stage 1)	740,519,052	748,057,671
Lifetime (Stage 2 & 3)	23,468,619	27,090,671
Total gross carrying amount	**763,987,671**	**775,148,342**
Less provision for expected credit loss		
12 month expected credit loss	9,985,601	9,717,520
Lifetime expected credit loss	12,490,993	14,731,484
Total provision for expected credit loss	**22,476,594**	**24,449,004**
Net balance sheet carrying value	**741,511,077**	**750,699,338**
Expected credit loss per gross loan receivables	**%**	**%**
12-month (Stage 1)	1.35	1.30
Lifetime (Stage 2 & 3)	53.22	54.38
Total expected credit loss per total gross loan receivables	**2.94**	**3.15**
Reconciliation of total provision for expected credit loss	**$**	**$**
Balance at 1 July	24,449,004	26,739,450
Expected credit loss expense recognised during the year to profit or loss	5,180,260	18,157,115
Receivables written-off during the year	(9,484,309)	(24,553,882)
Recoveries during the year	2,331,639	4,106,321
Closing balance	**22,476,594**	**24,449,004**
Net loan receivables	**$**	**$**
Expected to be recovered within 12 months	166,722,950	167,051,057
Expected to be recovered after 12 months	574,788,127	583,648,281
Balance at 30 June	**741,511,077**	**750,699,338**

NOTE 6. INTANGIBLE ASSETS

	CONSOLIDATED	
	31 Dec 2024 $	**30 Jun 2024 $**
Technology assets:		
Cost	5,675,023	5,675,023
Accumulated amortisation	(1,716,164)	(1,206,705)
Net carrying amount	3,958,859	4,468,318
Technology assets under development:		
Cost	4,694,082	3,892,893
Accumulated amortisation	-	-
Net carrying amount	4,694,082	3,892,893
Total intangible assets	**8,652,941**	**8,361,211**
Reconciliation of technology assets under development:		
Balance at 1 July	3,892,893	6,930,564
Additions	801,189	2,028,113
Completed	-	(5,065,784)
Disposals	-	-
Amortisation expense	-	-
Balance at	**4,694,082**	**3,892,893**
Reconciliation of technology assets in use:		
Balance at 1 July	4,468,318	78,655
Additions	-	5,065,784
Disposals	-	-
Amortisation expense	(509,459)	(676,121)
Balance at	**3,958,859**	**4,468,318**

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.

The Group's intangible assets have been assessed for impairment indicators with no indications of impairment since the end of the most recent financial period (H1FY24: no impairment).

During the reporting period, an additional amount of $801,189 (30 June 2024: $2,028,113) 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 relates to the development of internal systems.

NOTE 7. BORROWINGS

	CONSOLIDATED	
	31 Dec 2024 $	**30 Jun 2024 $**
Debt facility	35,000,000	35,000,000
Wisr Warehouse funding	738,062,904	757,974,031
Less transaction costs	(4,280,697)	(5,293,729)
Total borrowings	**768,782,207**	**787,680,302**

7.1 Debt facility

At 31 December 2024, the Group has drawn $35m of its $50m corporate debt facility. The facility matures in June 2027.

7.2 Warehouse funding structures and securitisation trusts

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

At 31 December 2024:

- Wisr Warehouse Trust No. 1 has utilised $315.2m of its $400m facility (30 June 2024: $274.0m was utilised) with maturity in September 2025. It is subject to a customary 12-month renewal period.
- Wisr Warehouse Trust No. 2 has utilised $181.7m of its $250m facility (30 June 2024: $156.0m was utilised) with maturity in August 2025. It is subject to a customary 12-month renewal period.
- Wisr Freedom Trust 2022-1 Trust securitisation had a balance of $62.8m (amortising loan book) (30 June 2024: $86.8m).
- Wisr Independence Trust 2023-1 Trust securitisation had a balance of $81.6m (amortising loan book) (30 June 2024: $107.4m)
- Wisr Freedom Trust 2023-1 Trust securitisation had a balance of $111.6m (amortising loan book) (30 June 2024: $143.8m).

The debt facility and Wisr Warehouses and securitisation trusts 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 8. DERIVATIVE FINANCIAL INSTRUMENTS

	CONSOLIDATED	
Derivative financial instruments	**31 Dec 2024 $**	**30 Jun 2024 $**
Interest rate swaps – cash flow hedges (at fair value)	5,297,084	13,873,831

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.

The following tables detail various information regarding interest rate swap contracts outstanding at the end of the reporting period.

Amount and timing of future cash flows	**Nominal Amount of the Hedging Instrument**		
Cash flow hedges	**Within 1 year**	**1 -5 years**	**Total**
Interest rate risk - Interest rate swaps (hedging forecast AUD floating interest)			
Average contracted fixed rate	0.38610%	3.31842%	3.28909%
Notional Amount at 31 Dec 2024	**34,993,871**	**689,285,499**	**724,279,370**

Interest rate swaps – cash flow hedges (undiscounted cash flows by time bucket)	**31 Dec 2024 $**	**30 Jun 2024 $**
Expected to be recovered within 12 months	5,250,565	9,866,828
Expected to be recovered after 12 months	541,573	4,969,116
Total	**5,792,138**	**14,835,944**

NOTE 9. ISSUED CAPITAL

9.1 Issued and paid up capital

	CONSOLIDATED	
	31 Dec 2024 $	**30 Jun 2024 $**
Ordinary shares fully paid	151,556,015	150,764,896
Costs of raising capital	(5,548,447)	(5,548,447)
	146,007,568	**145,216,449**

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.

Note 9. Issued capital (cont.)

9.2 Reconciliation of issued and paid-up capital

	31 Dec 2024		31 Dec 2023	
	Number of shares	$	Number of shares	$
Opening balance at 1 July	1,372,975,171	145,216,449	1,356,204,729	144,477,325
Issue of shares to staff on exercise of long-term incentives	12,291,978	624,669	2,689,812	196,088
Issue of shares to KMP on exercise of long-term incentives	6,684,747	166,450	-	-
Closing Balance at 31 Dec	**1,391,951,896**	**146,007,568**	**1,358,894,541**	**144,673,413**

NOTE 10. EQUITY – RESERVES AND ACCUMULATED LOSSES

10.1 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.

10.2 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.

10.3 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.

Note 10. Equity – Reserves and accumulated losses (cont.)

	Employee equity benefits reserve $	Other share based payments reserve $	Cash flow hedge reserve $	Total $
Movement in reserves:				
At 1 July 2023	3,679,090	318,776	26,582,177	30,580,043
Share based payments	1,105,756	-	-	1,105,756
Transfer from reserve to accumulated losses	(246,342)	-	-	(246,342)
Transfer from reserve on exercise of options	(196,088)	-	-	(196,088)
Loss arising on changes in fair value of hedging instruments entered into for cash flow hedges	-	-	(2,509,915)	(2,509,915)
Cumulative loss arising on changes in fair value of hedging instruments reclassified to profit or loss	-	-	(11,616,915)	(11,616,915)
At 31 December 2023	**4,342,416**	**318,776**	**12,455,347**	**17,116,539**
At 1 July 2024	**4,552,969**	**318,776**	**12,844,383**	**17,716,128**
Share based payments	1,069,869	30,000	-	1,099,869
Transfer from reserve on exercise of options	(791,119)	-	-	(791,119)
Loss arising on changes in fair value of hedging instruments entered into for cash flow hedges	-	-	1,626,562	1,626,562
Cumulative loss arising on changes in fair value of hedging instruments reclassified to profit or loss	-	-	(10,033,709)	(10,033,709)
At 31 December 2024	**4,831,719**	**348,776**	**4,437,236**	**9,617,731**

	CONSOLIDATED	
	31 Dec 2024 $	**31 Dec 2023 $**
Accumulated losses:		
Opening balance	(114,945,057)	(107,267,865)
Total loss after income tax for the year	(2,705,691)	(1,710,563)
Transfer from reserve to retained earnings	-	246,342
Total	**(117,650,748)**	**(108,732,086)**

NOTE 11. SHARE BASED PAYMENTS

The share-based payments of $1,099,869 (H1FY24: $1,105,756) consists of:

- KMP LTIs of $457,318 accrued up to 31 December 2024 (H1FY24: $289,577;
- Staff LTIs of $612,551 accrued up to 31 December 2024 (H1FY24: $816,179); and
- Share based external advisor expense accrued up to 31 December 2024 of $30,000 (H1FY24: nil).

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

FY25 Staff LTI scheme:

Assumptions - Grant date 1 July 2024, no volatility, 10% attrition rate, spot price $0.033.

Tranche	Rights granted	Vesting determination date
1	13,274,308	30 Sep 2025
2	13,274,290	30 Sep 2026

FY25 KMP LTI scheme:

Assumptions - Grant date 1 July 2024, volatility 45%, risk-free rate 4.2%

Tranche	Rights granted	Spot price	Barrier price	Fair value	Vesting determination date
1	11,037,528	$0.033	$0.038	$0.0272	30 Jun 2025
2	11,437,286	$0.033	$0.043	$0.0262	30 Jun 2026
3	11,587,486	$0.033	$0.048	$0.0259	30 Jun 2027

The Group provides benefits to employees in the form of share-based payment transactions, whereby employees render services in exchange for 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 12. CONTINGENT LIABILITIES

There were no material contingent liabilities reportable during the period (H1FY24: nil)

NOTE 13. EVENTS AFTER THE REPORTING PERIOD

There are no material events reportable after the reporting period.

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 as at 31 December 2024 and of its performance for the half year ended on that date; 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. 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.303(5)(a) of the *Corporations Act 2001*.

On behalf of the directors

MATTHEW BROWN
CHAIR

Sydney
26 February 2025

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INDEPENDENT AUDITOR'S REVIEW REPORT

To the members of Wisr Limited

Report on the Half-Year Financial Report

Conclusion

We have reviewed the half-year financial report of Wisr Limited (the 'Company') and its subsidiaries (the 'Group'), which comprises the consolidated statement of financial position as at 31 December 2024, 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 half-year ended on that date, material accounting policy information and other explanatory information, and the directors' declaration.

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the accompanying half-year financial report of the Group does not comply with the *Corporations Act 2001* including:

i. Giving a true and fair view of the Group's financial position as at 31 December 2024 and of its financial performance for the half-year ended on that date; and

ii. Complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.

Basis for conclusion

We conducted our review in accordance with ASRE 2410 *Review of a Financial Report Performed by the Independent Auditor of the Entity*. Our responsibilities are further described in the *Auditor's Responsibilities for the Review of the Financial Report* section of our report. We are independent of the Company in accordance with the auditor independence requirements of 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 the audit of the annual 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 the same terms if given to the directors as at the time of this auditor's review report.

Responsibility of the directors for the financial report

The directors of the company are responsible for the preparation of the half-year 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 half-year financial report that is true and fair and is free from material misstatement, whether due to fraud or error.

Auditor's responsibility for the review of the financial report

Our responsibility is to express a conclusion on the half-year financial report based on our review. ASRE 2410 requires us to conclude whether we have become aware of any matter that makes us believe that the half-year financial report is not in accordance with the Corporations Act 2001 including giving a true and fair view of the Group's financial position as at 31 December 2024 and its performance for the half-year ended on that date, and complying with Accounting Standard AASB 134 *Interim Financial Reporting and the Corporations Regulations 2001*.

A review of a half-year financial report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

BDO Audit Pty Ltd

BDO

Jeshan Velupillai

Jeshan Velupillai
Director

Sydney, 26 February 2025