



## ASX RELEASE

### **Wizr delivers 136% revenue growth for FY20** *Turning point for operating leverage reached*

Sydney, 27 August 2020 - Wizr Limited (ASX: WZR) (ACN 004 661 205) ("Wizr", or the "Company") is pleased to announce its Preliminary Financial Report commentary for the year ended 30 June 2020.

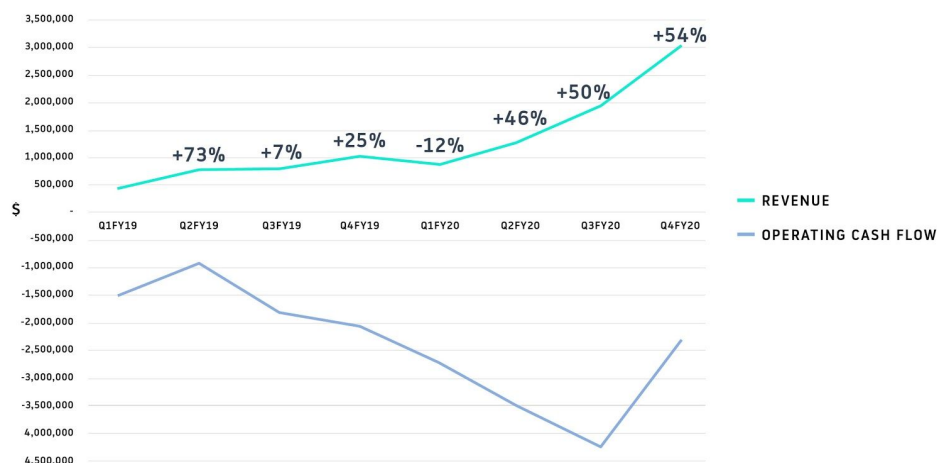
Wizr achieved significant Company milestones and growth records for FY20 as consumer sentiment for digitally led products and services accelerated during the changing macroeconomic conditions of COVID-19.

#### Highlights:

##### Strong Growth Recorded on Key Metrics

- Operating revenue up 136% to \$7.2 million<sup>1</sup> (FY19: \$3.0 million)
- 125% revenue growth in H2FY20 compared to H1FY20, as Wizr Warehouse economics begin to flow through
- Total loan originations \$244.9 million as at 30 June 2020
- Total new loan originations up 95% to \$135.9 million<sup>2</sup> (FY19: \$68.9 million)
- A 389% increase (FY20 compared to FY19) in the Wizr Ecosystem Channel, with over 239,000 entrants as at 30 June 2020 (FY19: 61,500)

### Revenue and cash flow trends.



<sup>1</sup> Revenue unaudited

<sup>2</sup> New loan origination unaudited



### Company Well Capitalised

- Wizr is strongly capitalised with \$38.0 million cash and \$2.0 million liquid loan assets available for sale at 30 June 2020, positioning the Company very well through COVID-19 and beyond
- \$38.0 million includes \$4.7 million in restricted cash

### Loan Funding

- Wizr Warehouse went live on 15 November 2019
- An increase in committed funding into the Wizr Warehouse from \$95 million to \$150 million, which in combination with the off-balance sheet facility provides ample lending runway
- The Wizr Warehouse received an initial investment of \$30.8 million from the Australian Office of Financial Management through the Structured Finance Support Fund. The investment will support the Wizr Warehouse up to \$200 million
- Total portfolio arrears are down with 90+ Day arrears of 1.44% at 30 June 2020, compared to 1.59% 30 June 2019

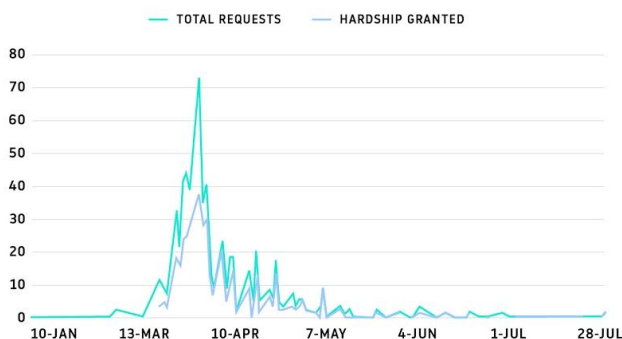
### Upcoming Second Credit Product Launch

- Full launch of Secured Vehicle product in Q1FY21 on track as previously advised, to enter the \$33 billion dollar<sup>3</sup> auto finance market

### COVID-19

- In FY20, the Company rapidly responded to COVID-19 implementing a significantly tightened credit policy and prudent approach to lending
- Customer hardship requests returned to pre-COVID-19 levels in May 2020
- \$10.3 million or 6.12% of total portfolio loan balances were on COVID-19 specific payment assistance, this dropped to \$5.6 million (3.09%) by 31 July 2020
- Recovery rate for COVID-19 hardship customers was 75% as 30 June 2020, increasing to 81% as at 31 July 2020

DAILY REQUESTS VS HARDSHIPS GRANTED



CUSTOMERS UNDER INITIAL COVID-19 PAYMENT ASSISTANCE



<sup>3</sup>Includes consumer and commercial lending segments. ABS 5601.0 LTM to Dec-19, and ABS 5671.0 LTM to Nov-18; ABS discontinued ABS 5671.0 in Nov-18.



## STRONG GROWTH AND BUSINESS MODEL COMMENTARY:

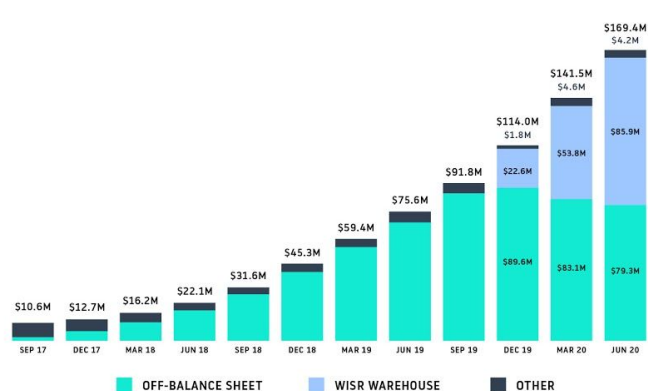
The Company has now reached \$244.9 million in total loan originations since inception. FY20 delivered \$135.9 million in new loan originations, a 95% increase on FY19 (\$68.9 million).

Under the Company's new Wizr Warehouse funding model, which went live in November 2019, Wizr achieved core cash flow profitability in H2FY20<sup>4</sup>, delivering significantly improved unit economics and operational leverage, including \$7.2 million in operating revenue, a 136% increase on FY19 (\$3.0 million).

### Loan originations (\$M).



### Loan book (\$M).



Mr. Anthony Nantes, Chief Executive Officer, Wizr said, “FY20 has been a year of unquestionable success for Wizr. We’ve delivered significant growth across all of our key metrics and achieved major milestones.”

“Our purpose-led, fully digital and agile fintech business model ensured we could rapidly respond to COVID-19 conditions, instantly adjust our models and succeed through unprecedented macroeconomic changes.”

“We achieved strong loan origination growth and revenue uplift for the second half of FY20. Our loan origination run-rate is now 45% above pre-COVID-19 levels and our exit velocity from June puts us in a strong position for FY21.”

“Our innovative Wizr Ecosystem is differentiating Wizr, not only providing a platform to scale and grow with increased operational leverage and market leading economics, but also enables us to support our customers and improve their financial wellness. Customers coming to us through this channel are 2.5x more likely to settle a loan than from any other channel.”

<sup>4</sup> Core business profitability excludes growth opex, Public Company and one-off costs and non-cash items



“Across all areas of the business, our team has delivered incredible results against very challenging circumstances. We have focused heavily on our high-performance culture and delivered a record +94 for our Employee Net Promoter score during COVID-19, in Q4FY20.”

“Wizr has a significant opportunity to provide a new type of lending experience and grow market share in-line with our risk appetite and deliver on the enormous potential available to us,” finished Mr. Nantes.

## **APPENDIX 4E YEARLY ACTIVITY REPORT:**

### **Revenue**

Operating revenue of \$7.2 million has increased 136% in FY20 compared to FY19. This was driven by 95% growth in loan originations and switching to the Wizr Warehouse funding model in H2FY20.

### **Expenses**

The Company turned a corner from an operating leverage perspective in Q4FY20 with a significant reduction in operating cash burn.

In FY20 the Company made a Cash EBTDA of \$(13.2) million and an accounting loss of \$(23.5) million, due to significant non-recurring and other non-cash items during the period:

- Share based payment expense of \$6.1 million, the majority of which relates to the reset during the year of the Board/KMP/Staff incentive plan for FY20-FY22 (all expensed in FY20)
- Provision for expected credit loss expense of \$4.1 million driven by the introduction of the Wizr Warehouse (as per AASB 9, expected life-of-loan losses are reconsigned upfront). Actual bad debts written-off during the year were \$0.7 million

Other expense items include:

- Increase in employee benefits and marketing expense driven by scaling of the Company through growth investment into the Wizr Ecosystem
- Increase in customer processing costs driven by growth in loan volume and entrants into the Wizr Ecosystem
- Other expenses include Public Company costs, accounting, legal fees and administration items
- Finance costs driven by introduction of the Wizr Warehouse in H2FY20, which is on balance sheet

### **Financial Position and Loan Book Funding**

The Company is very well capitalised with \$38 million of cash and \$2.0 million liquid loan assets at 30 June 2020.

The Company had a \$169.4 million total loan book at 30 June 2020. A dual funding model was adopted in response to COVID-19 with the majority of loans still funded via the Wizr Warehouse. The off-balance sheet facility will continue to generate revenue as the book runs off. The Wizr Warehouse is the go forward funding source with vastly improved loan unit economics.



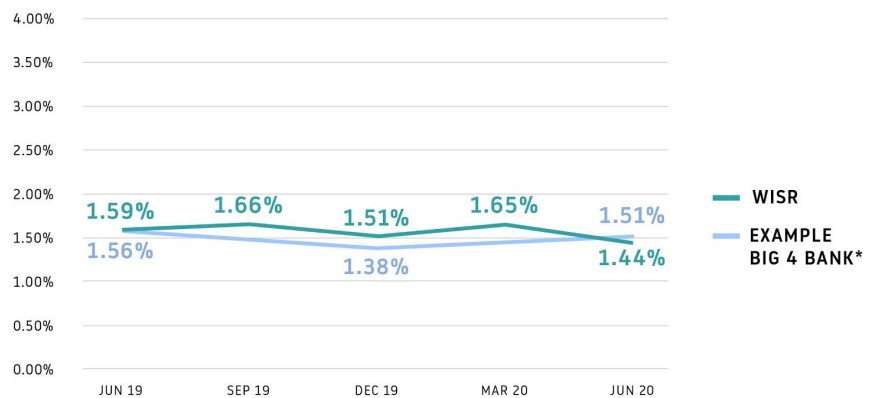
The Wizr Warehouse had a loan book balance of \$85.9 million at 30 June 2020 and \$150 million of committed funding, expandable to \$200 million which creates ample lending runway. Secured vehicle loans will be funded via the Wizr Warehouse with potential for a dedicated facility at scale.

## LOAN BOOK AND COVID-19 EXPOSURE COMMENTARY:

Strong total portfolio credit performance continued with 90+ day arrears of 1.44% as at 30 June 2020.

As at 30 June 2020, \$10.3 million or 6.12% of total portfolio loan balances were on COVID-19 specific payment assistance, this dropped to \$5.6 million (3.09%) by 31 July 2020. The average Equifax CCS score for this group was 692 compared to the portfolio average of 712.

### 90+ day arrears.



Source: \*CBA personal loan book – FY20 results presentation

Pleasingly, 85% of COVID-19 hardship have now come to the end of the initial three-month payment assistance period and 81% of these have either been remedied or resumed regular payments. The remaining 19% that require further assistance, represent 70 accounts which is 0.89% of the total portfolio, and 0.61% for the Wizr Warehouse.

Wizr continues to proactively reach out to customers on COVID-19 payment assistance. The tightening of Wizr's credit policy from 31 March 2020, across credit score and industry classifications has resulted in zero COVID-19 payment assistance being requested by customers for any loans settled after 31 March 2020.

Wizr CEO, Anthony Nantes said, "Our response to COVID-19 and changes implemented to our intelligent credit decisioning process, clearly shows our ability to continue to lend prudently, despite a challenging economic environment."

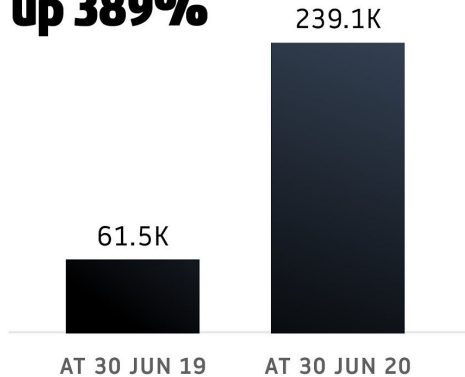
"Our business model is focused on the best borrowers in Australia, we are writing prime quality credit, and our customer-centric approach to responsible lending has seen an 81% recovery rate for COVID-19 hardship customers. We will continue to support all of our customers through the Wizr Ecosystem, as we help them improve their financial wellbeing throughout FY21."

"Wizr's market-leading approach to responsible lending and credit performance has the Company well-positioned for growth through FY21, setting Wizr up for a strong revenue growth trajectory over the coming quarters." finished Mr. Nantes.



## Wizr Ecosystem

↑ **Wizr Ecosystem  
up 389%**



Entrants to the Wizr Ecosystem increased 389% in FY20 compared to FY19.

As previously advised, the Secured Vehicle product launch is on track for Q1FY21 delivery and will significantly increase the total addressable market for the Company. The product won RateCity Gold Award 2020 for New Car Loan Lender.

The Company's B2B distribution strategy, Wizr@Work and Wizr&Co continues to grow, with the successful completion of the pilot Wizr@Work Financial Wellness program with Guild Super, our first partner in the important superannuation sector. Wizr's new pilot program with one of Australia's leading member healthcare charities also continues to progress, as well as Wizr@Work partner

support initiatives to help alleviate the financial stress of companies and employees due to COVID-19. The Company continues late stage pilots and discussions with a number of new partners.

**-ends-**

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

### For further investor enquiries, please contact:

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### About Wizr Limited

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

For more information visit [www.wizr.com.au](http://www.wizr.com.au)