



## ASX RELEASE

# Wizr new funding model delivers growth and significantly increased revenue

**Sydney, 28 April 2020 - Wizr Limited (ASX: WZR) (ACN 004 661 205) ("Wizr", or the "Company")** is pleased to announce its business update and Appendix 4C for the 3 months ending 31 March 2020.

Wizr achieved a number of key strategic growth milestones, above management and Board expectations, as it continues to deliver on the Wizr Financial Wellness Ecosystem (**Wizr Ecosystem**) business strategy which is growing at a pace above expectations and setting the Company up for long term success.

Wizr rapidly responded to COVID-19, with changes implemented to Wizr's proprietary Intelligent Credit Engine (ICE) within 24 hours, a core feature of the Company's agile fintech business model. The Company is well placed to continue lending, operations and growth of its financial wellness products through COVID-19 disruption and post recovery.

## Highlights:

### Loan volume and revenue

- **\$38.9 million in new loans originated in Q3FY20, a 23% increase on Q2FY20 and a 107% increase on Q3FY19**
- **Total loan originations of \$202.7 million at 31 March 2020**
- **The first full quarter operating under the new funding model, delivering \$2.0 million of operating revenue for Q3FY20, a 50% increase on Q2FY20 and a 140% increase on Q3FY19**
- **Loan book continues to grow, with a Q3FY20 average credit score of 709 (Australian average credit score is circa 600<sup>1</sup>), reinforcing the prime nature of the Company's loan book and customer base**

### Capital

- **A successful \$36.5 million capital raise in the quarter**
- **Well capitalised with \$42.4 million in cash and loan assets at 31 March 2020, positioning the Company very well through the COVID-19 period and beyond**
- **\$42.4 million consists of \$37.0 million cash, \$1.9 million invested into receivables held in the loan warehouse and circa \$3.5 million into liquid loan assets held on balance sheet and available for sale**
- **Operational expenditure has been reduced inline with altered forecast due to COVID-19**

### Loan funding

- **After initial \$50 million into loan warehouse, a dual funding model strategy has been adopted in Q3FY20, with an off-balance sheet funding being utilised alongside the loan warehouse to manage risk and optimise capital management**

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<sup>1</sup> According to data supplied by Equifax



- A \$53.8 million portfolio balance in the loan warehouse at 31 March 2020, ahead of management forecast
- An increase in committed funding in the loan warehouse from \$80 million to \$95 million, which in combination with second facility provides ample lending headway
- Total portfolio arrears are stable with 90+ Day arrears of 1.66% at 31 March 2020, well below internal risk appetite triggers
- The Company has engaged in the AOFM process for non-ADI non-bank lenders and is actively contributing to the Senate COVID-19 support submissions of FinTech Australia

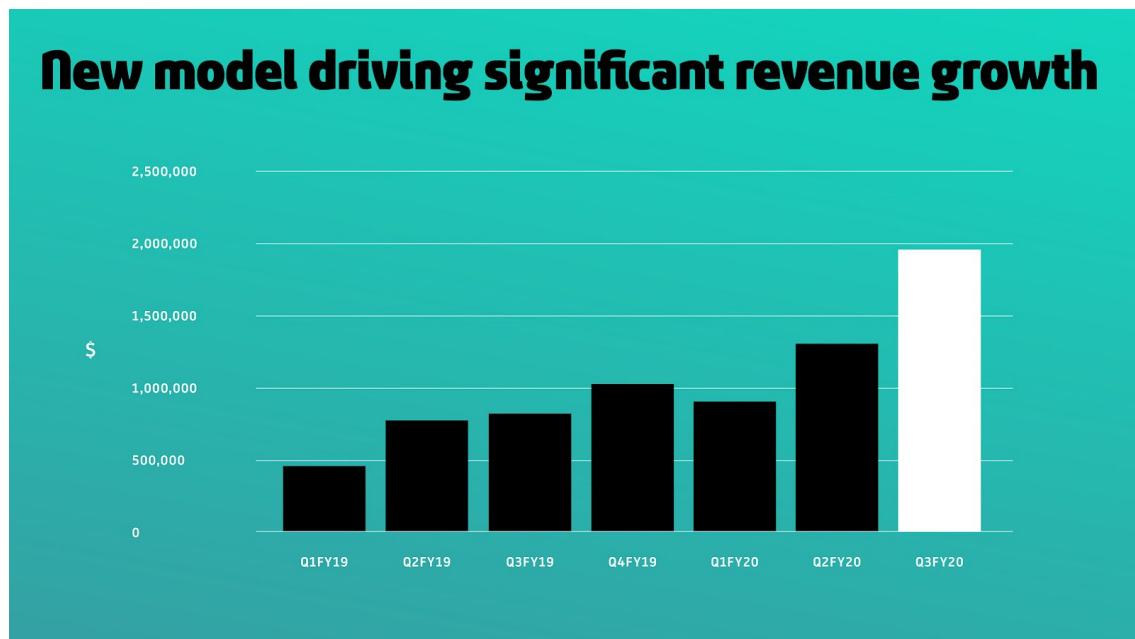
#### Wistr Ecosystem

- Over 190,000 Australians have been introduced to the Wistr Ecosystem as at March 31
- Over 87,034 Wistr App downloads and 97,000 WistrCredit checks as at end of quarter
- A successful partnership launch of pilot program with Guild Super (75,000+ members and 16,000 employers), the first partner in the significant superannuation sector and opening up more opportunities for FY21

#### STRONG GROWTH AND BUSINESS MODEL COMMENTARY:

In the quarter ending 31 March 2020, new Wistr loan originations totalled \$38.9 million, a 23% increase. Wistr has now reached \$202.7 million in total loan originations, the most recent \$50 million written in under 4 months.

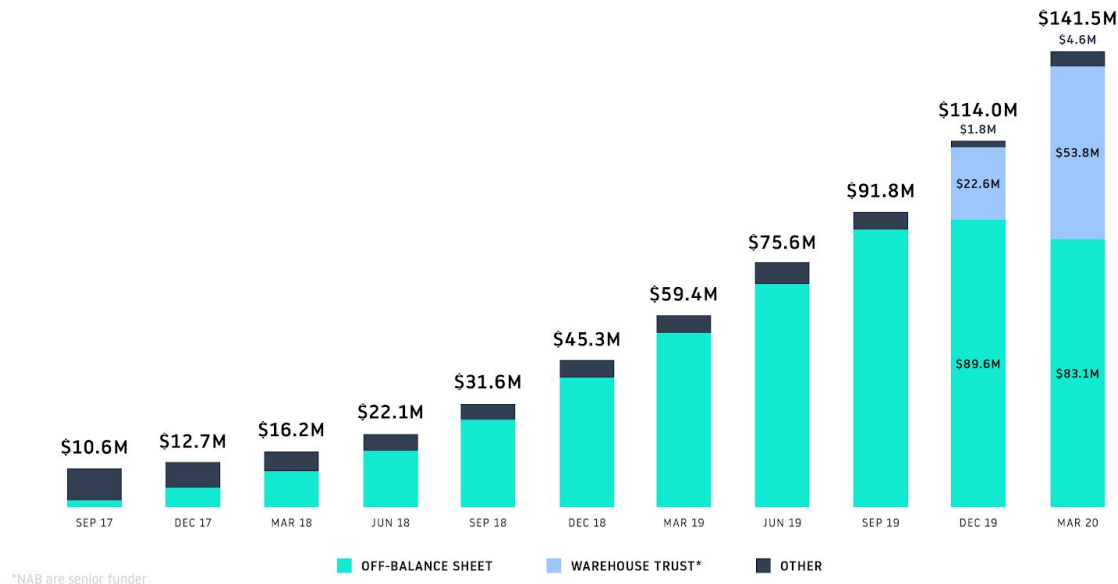
Q3FY20 was the first full quarter operating under the new loan warehouse funding model and delivered \$2.0 million in operating revenue, a 50% increase on Q2FY20 and a 140% increase on Q3FY19.





Mr. Anthony Nantes, Chief Executive Officer, Wistr said, “Q3FY20 is the first full quarter under the new loan warehouse funding model, with revenue and origination growth above management and Board expectations, and setting the company up for a strong revenue growth trajectory over the coming quarters.”

## Consistent growth of high quality loan book



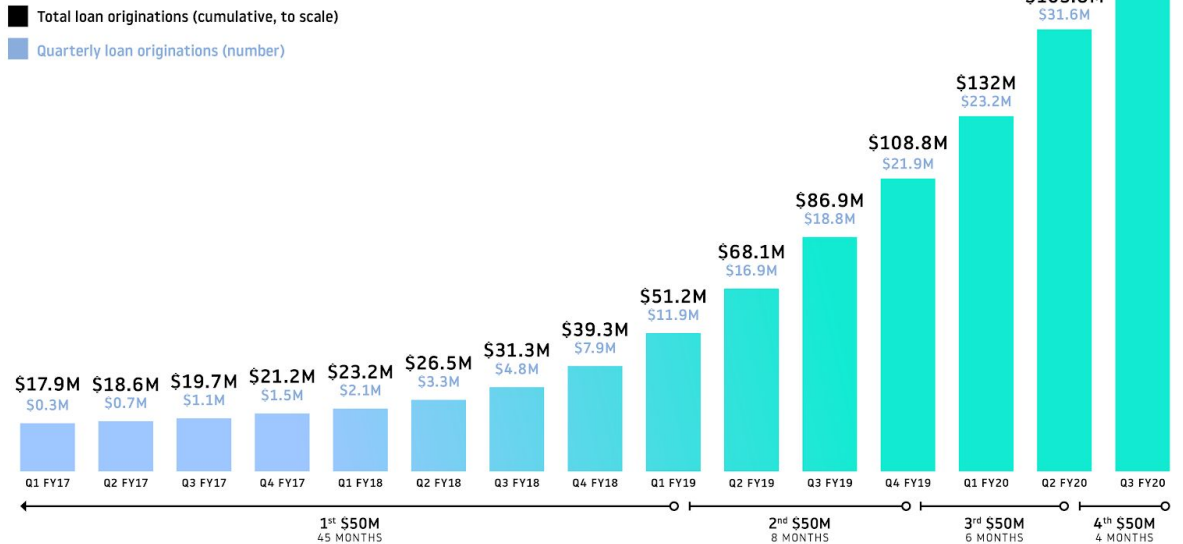
“Surpassing \$200 million in loan originations while the entire Company has been working-from-home, with no disruption to normal business operations or impact to the business, is a strong validation of our fintech business model and proprietary technology, and high-performance culture.”

“Wistr’s business model is focused on the best borrowers in Australia. To ensure we continue to support our targeted prime customer base through the COVID-19 disruption, our credit policy has been tightened and we’ve also implemented a risk based approach to factor in industry sectors and employment types which have been significantly impacted. This has ensured a very low level of balance sheet exposure in Q3FY20.”

“Wistr will be taking a prudent approach to loan origination in Q4FY20, while continuing to responsibly lend to our customers to help them consolidate, refinance, purchase, and fulfil their needs through the Wistr Ecosystem in these uncertain times. The vast majority (more than 90%) of Australians continue to be employed through these times, and its important we provide them with access to our fairer credit, with a better overall experience”



# Loan origination growth



“As a non-ADI non-bank lender, Wistr welcomes the COVID-19 support from the Government. We are engaging with the Australian Office of Financial Management (AOFM) and the process has been positive. The Company is also an active member of FinTech Australia and have been heavily involved in all COVID-19 submissions to the Australian Government and Senate Select Committees, and will continue to do so” finished Mr. Nantes.

## APPENDIX 4C QUARTERLY ACTIVITY REPORT COMMENTARY:

Per item 5.5, cash and cash equivalents at the end of Q3FY20 was \$37.0 million. Note the following:

- Since the loan warehouse facility became operational in November 2019, Wistr has contributed \$3.5 million in Class 4 notes with \$1.9 million invested into loan receivables and \$1.6 million sitting in restricted cash (see Item 5.4)
- There were circa \$3.5 million of loans on balance sheet available for sale at 31 March 2020

Q3FY20 was the first full operational quarter under the loan warehouse facility. Therefore, the structure of the Appendix 4C has been amended to better reflect the underlying business operations. Note the following:

- Item 1.1 and 1.2 reflect cash inflows from operating activities
- Item 2.5 reflects the net movement in customer loans/receivables
- Item 5.4 reflects cash which Wistr has committed to the loan warehouse which is yet to be used for funding loan receivables.

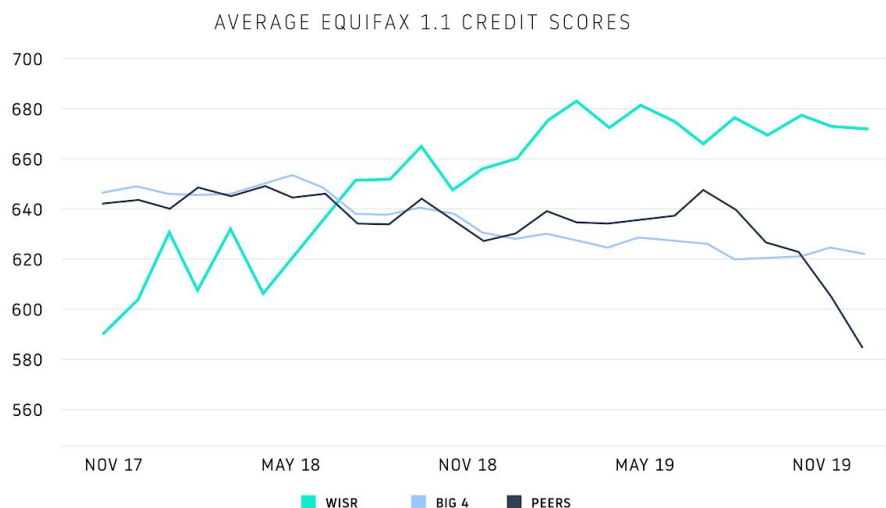
Item 6.1 relates to salary payments to the Board of Directors and a \$1.7k payment to a Director related party as an interest payment for their capital participation in the Wistr secured note.



## LOAN BOOK AND COVID-19 EXPOSURE COMMENTARY:

The loan book continues to grow, with a Q3FY20 average credit score of 709 (Australian average credit score is circa 600), reinforcing the prime nature of the Company's loan book and customer base.

# Credit quality lead indicators



Source: Equifax Consumer Market Demand and Risk Benchmarking Dec 2019

To ensure Wizr continues to grow safely and maintain its market-leading credit performance through COVID-19, in Q3FY20 Wizr tightened its credit policy while retaining its market-leading approach to responsible lending.

The Company has also implemented a risk based approach to factor in high-risk industry sectors and employment types which are likely to be most impacted due to COVID-19, defined as hospitality, tourism, airlines, arts, entertainment, sports, recreation, events planning, catering and retail (clothing, footwear, homeware, accessories).

The Company has very low balance sheet exposure (NAB loan warehouse facility) to these high-risk industry sectors, with \$6.7 million (13%) at 31 March 2020. Only \$0.3 million (0.8%) of the balance sheet exposure is within a high risk industry segment and has a higher risk credit score (<539).

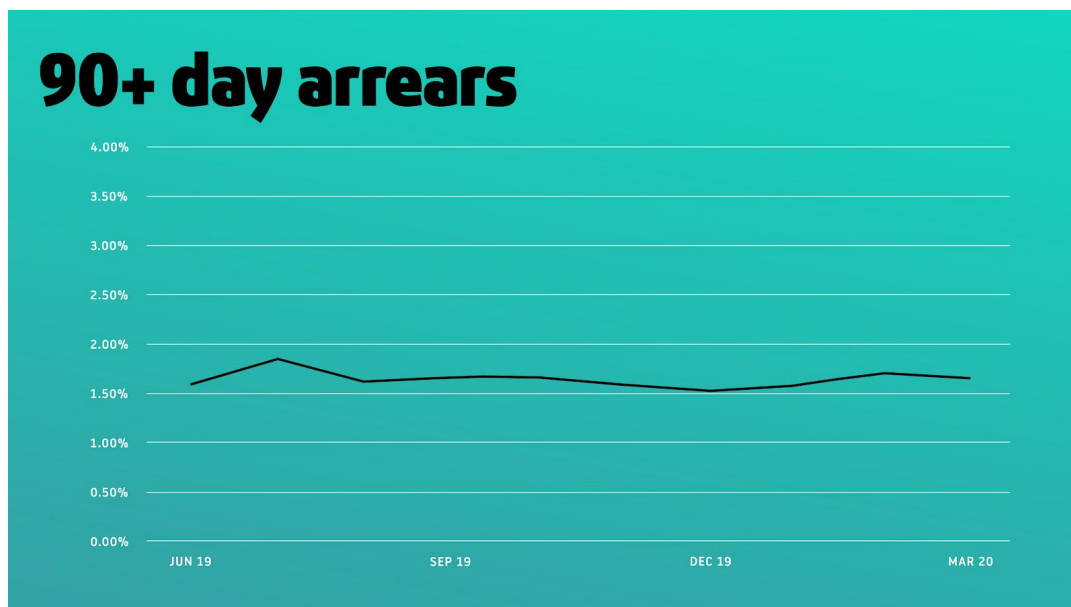
Wizr expects a period of heightened customer hardship stemming from COVID-19. However, this impact is manageable in light of the Company's very small balance sheet loan exposure, strong cash balance, prime customer base and exceptionally low exposure to high risk sectors.



“Wizr will be taking a prudent approach to loan origination in Q4FY20, reflecting changed economic conditions with COVID-19, while focusing on growing the Wizr Ecosystem of financial wellness products which continues to rapidly attract thousands of Australians during COVID-19,” said CEO, Anthony Nantes.

“Our numbers and risk exposure are showing that Wizr’s purpose-led model is a real differentiator in the market, driving growth and revenue in line with risk appetite, above management expectations. Our Wizr Ecosystem strategy provides us with a platform to scale and grow, as well as enabling us to really help our customers, and we will continue to do so during these rapidly changing times,” finished Mr. Nantes.

Notwithstanding the strong total portfolio credit performance with 90+ day arrears of 1.66% as at 31 March 2020, Wizr continues to maintain limited exposure to historical loan book performance, given the off-balance sheet loan funding model utilised until mid-November 2019.



### **Secured Vehicle Finance**

In Q1FY20 Wizr announced a secured vehicle finance product to increase the total addressable market. In Q2FY20 this product was soft launched and continued through Q3FY20 as a pilot program, generating revenue for the business and will be rolled out across Wizr’s full range of distribution channels in Q4FY20. The product won RateCity Gold Award 2020 for New Car Loan Lender.

### **Wizr@Work and Wizr&Co.**

The Company’s B2B distribution strategy, Wizr@Work and Wizr&Co continues to grow, launching a pilot Wizr@Work Financial Wellness program with Guild Super. The Company has also launched a new pilot program with one of Australia’s leading member healthcare charities, as well as updating engagement plans with Wizr@Work partners to align with remote work conditions to deliver solutions to help alleviate the financial stress of companies and employees due to COVID-19.



## **Wizr App**

Debt reduction smartphone application Wizr App continued to grow with 87,034 downloads since launch. Wizr App connects to a user's everyday transaction account, rounding-up purchases to the nearest dollar and automatically paying the funds off a nominated debt - i.e any credit card or mortgage debt with the majority of Australian banks and consumer finance providers. The app will continue to evolve and develop through investment from the 2020 capital raise.

## **WizrCredit**

Credit score comparison service WizrCredit provides one of the most comprehensive credit score services in Australia to its close to 100,000 customer user base. Drawing comprehensive credit report data from two major bureaus, alongside the proprietary offering from Wizr, the platform will continue to evolve, leveraging opportunities with the incoming Open Banking regime, CDR and the roll out of Comprehensive Credit Reporting.

## **Strategic ecosystem hires**

As the Company continues to deliver on the Wizr Ecosystem business strategy, two strategic hires were made, following the January capital raise. Former Xinja Head of Deposit Products, Julia Park, to the Company's newly created role of Head of Product Experience and Delivery (for Wizr App), and, former ICONIC Head of UX Design, Abraham Atiya, to the Company's newly created role of Head of User Experience (entire Wizr Ecosystem).

## **Industry recognition**

In Q3FY20, Wizr continued to claim industry recognition on the Company's growth, debuting at number 78 on the AFR Fastest 100 Growing Companies and number 275 (out of 500), on the Financial Times High-Growth Companies Asia Pacific 2020.

## **FY20 Awards:**

Highly commended, CEO Magazine Executive of the Year Awards - CEO of the Year, Anthony Nantes  
Finalist, Australian Lending Awards 2020 - Best Unsecured Personal Lender  
Finalist, Australian Lending Awards 2020 - Best Customer Experience  
Finalist, Australian Lending Awards 2020 - Best Lending Innovation  
Finalist, Australian Lending Awards 2020 - Best Specialist Lender  
Deloitte APAC Technology Fast 500 2019 - #367  
RateCity Gold Award 2020 New Car Loan Lender  
AFR Fastest 100 Growing Companies 2020 - #78  
Financial Times High-Growth Companies Asia Pacific 2020 - #275



## Industry recognition for reinventing consumer lending



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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.

### 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)