



ASX RELEASE

## WZR Delivers \$17.6M Revenue for Q4FY22

*Prime loan book grows 106% on pcp to \$780M*

Sydney, 29 July 2022 - Wisr Limited (ASX: WZR) (ACN 004 661 205) (“Wisr”, or the “Company”) is pleased to provide the Quarterly Activities Report for the quarter ending 30 June 2022 (Q4FY22).

The Company's unbroken track record of **24 quarters of prime-credit loan origination growth** continued by attracting high-quality borrowers as customers with an average credit score of **801**, delivering prime, low-risk, profitable and safe growth against current market conditions.

### Q4FY22 Highlights:

- June settlement for **\$250M priced second ABS**, with a **weighted average margin of 2.23% over one-month BBSW**, freeing up **\$250M capacity in \$450M warehouse (WH1)**
- To ensure we **maintain and protect margin and profitability**, in response to the realised and predicted increase in **Cost of Funds (COF)**, the Company has been **lifting loan rates consistently through Q4FY22**. These pricing changes have already **delivered a 130bps lift in the weighted average yield of new loans written in July** compared to **April 2022**. As we predict further **increases in our COF**, **front book yield will continue to lift to protect our margins**.
- **Quarterly Revenue** up to **\$17.6M<sup>1</sup>**, an **81% increase on Q4FY21 (\$9.7M)** and a **13% increase on Q3FY22 (\$15.5M)**
- **Q4FY22 loan originations of \$186M**, a **51% increase on Q4FY21 (\$123M)** and an **18% increase on Q3FY22 (\$158M)**
- **Secured vehicle loans (SVL): \$86M originations for the quarter**, a **139% increase on Q4FY21 (\$36M)**
- **\$1.2B in total loan originations as at 30 June 2022**, **100% growth from pcp Q4FY21 (\$611M)**
- Wholly-owned prime **loan book** (warehouse, securitised and balance sheet) now **\$780M**, an **increase of 106% on pcp (Q4FY21 \$379M)**, with **arrears at 0.98% and average credit score of 801**
- **Well capitalised with a cash balance of \$71.5M**, including **\$23.3M unrestricted cash**; in addition, there were **\$8.2M liquid loan assets available for sale as at 30 June 2022**
- **Wisr Financial Wellness Platform** passing **647K profiles (43% growth on pcp)**, with **45K+ profiles added in Q4FY22**
- While remaining cognisant of current market conditions, Wisr is focused on delivering both profitability in the short-term and sustainable long-term profitability. Wisr has the resources and capability in place to achieve this, including a strong cash-balance sheet, rate and pricing levers and reductions in operating costs being put in place for FY23.

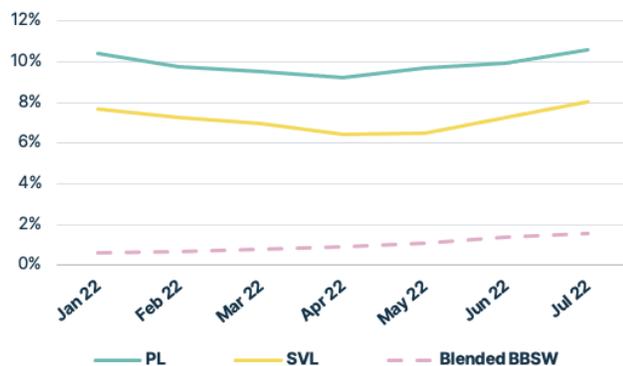
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<sup>1</sup> Revenue unaudited

## WISR QUARTERLY REVENUE GROWTH



## LOAN ORIGATION YIELD AND BBSW



### The effect of rising COF:

Since the inception of warehouse funding facilities in November 2019, Wisr has hedged the floating component of its COF, the BBSW. Between January 2022 and July 2022, the blended hedged BBSW cost increased by 93 basis points. In response, Wisr has increased the front book origination weighted average yield by 130 points between April and July 2022. Wisr will continue to lift yield and pricing in the market to protect profitability and Net Interest Margin (NIM), ensuring we remain the lender of choice outside the Big 4 Banks in Australia for personal loans.

## CEO COMMENTARY:

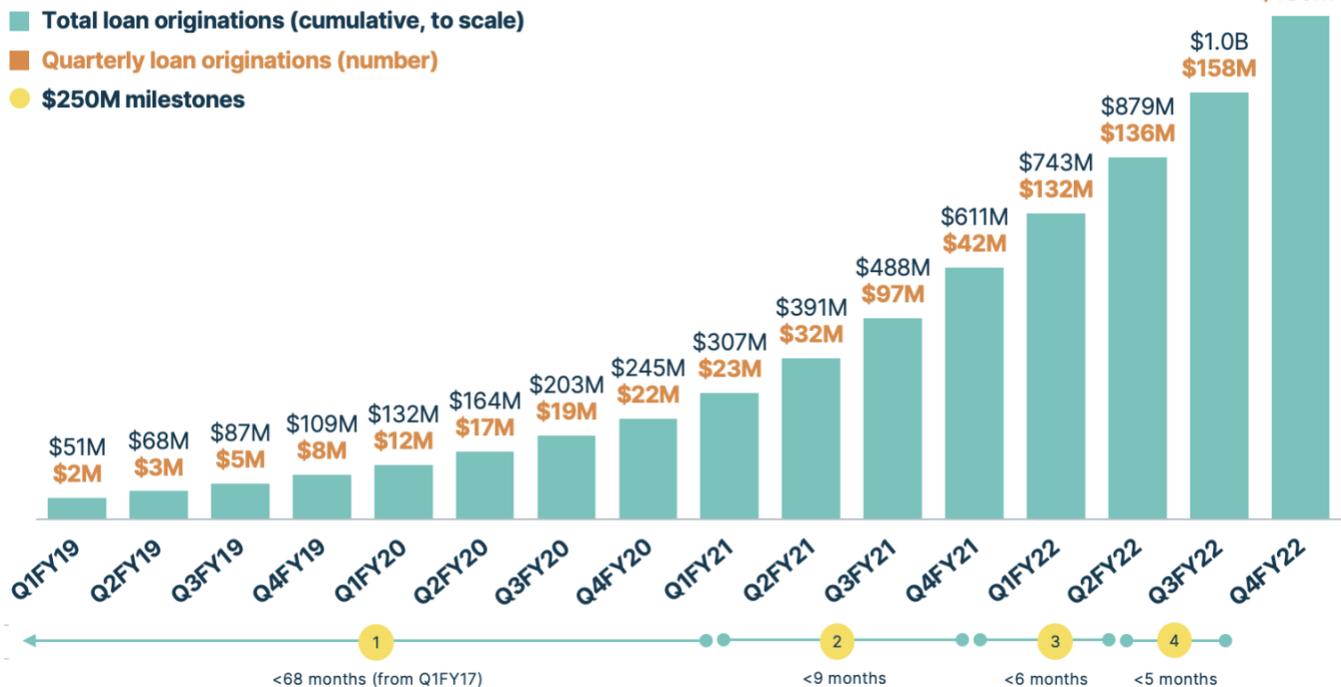
Mr Anthony Nantes, Chief Executive Officer, Wisr, said, “Despite current conditions, we’ve delivered a record \$186M in new loans; continued our unbroken 24 quarters of loan growth; grown revenue by 81%; grown our loan book by 106% with an average prime 801 credit score; originated credit assets of the highest quality; priced our second ABS deal - receiving significant support from the debt market; and maintained a strong balance sheet.”

“We have our sights set firmly on moving through breakeven and into sustainable profitability as our next goal. Our credit decisions and products are prime-skewed to bank-grade customers. As we did in COVID, we’re well prepared to navigate market conditions with early warning indicators already in place to respond quickly and tighten credit while also investing in our collection processes. We’re in a solid position to absorb BBSW increases while still earning a very healthy NIM with multiple levers available, including raising interest rates on new loans, in line with Wisr’s credit risk appetite, which we have been doing throughout the quarter.”

“Wisr has never been better positioned to accelerate our operating leverage and scale. As consumers demand fairer financial products and services due to cost-of-living pressures and a rising rate cycle, Wisr is well-placed and well-resourced

to meet the demand. We're well-capitalised and building sustainable revenue. Reductions in operating costs are being put in place as we enter FY23 and surpass our near-term target of a \$1B wholly-owned loan book and delivering a highly profitable business in the medium term." finished Mr Nantes.

## WISR LOAN ORIGINATION GROWTH



Despite market conditions, Q4FY22 loan originations of **\$186M** represented a **51%** increase on Q4FY21 (\$123M) and an **18%** increase on Q3FY22 (\$158M). The quarter continued the Company's unbroken track record of 24 quarters of prime-credit growth.

### Funding, Capital and Risk

- **Strongly capitalised** with **\$23.3M** in unrestricted cash and **\$8.2M** in liquid loan assets as at **30 June 2022**
- Wisr's wholly-owned loan book (warehouse, securitised and balance sheet) is now **\$780M**, an increase of **106%** on pcp
- **\$250M** priced ABS (second for Wisr) settled on **20 June**, 61% (top tranche) being AAA-rated
- **Systems and data early warning indicators** are already in place to respond very quickly via tightened credit parameters while also investing in collections
- **Proprietary credit score Wisr Score** is optimising Wisr's customer risk-adjusted return to increase the addressable market up and down the credit spectrum throughout the year

## WISR LOAN BOOK GROWTH<sup>^</sup>



<sup>^</sup>Loan Book includes all loans in WH1, WH2, Freedom Trust 2021-1, Freedom Trust 2022-1 and balance sheet, excludes off-balance sheet of \$22.7M as at 30 June 2022

Wisr is well-placed to continue its strong growth in loan originations in FY23 and surpass its short-term \$1B wholly-owned loan book target, with a longer-term target of \$3B. Both Wisr funding facilities have increased capacity. WH2 increased to \$300M from \$225M, WH1 increased to \$450M from \$350M, and the priced second ABS term deal (**Wisr Freedom Trust 2022-1**) frees up \$250M of capacity in WH1. There will be a further increase of the SVL WH2 capacity and a potential ABS term deal of SVL assets in the first half of FY23.

## Strong Credit Performance

On-balance sheet portfolio 90+ Day arrears 0.98% as at 30 June 2022.

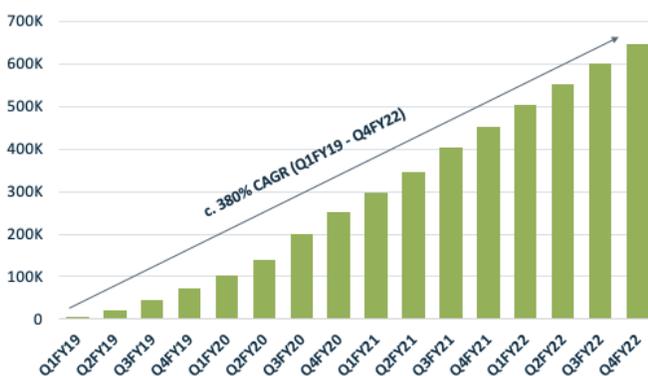
## WISR 90+ DAY ARREARS<sup>^</sup>



<sup>^</sup>On-balance sheet portfolio arrears, excludes off-balance sheet.

Writing prime quality credit and attracting Australia's best customers, Wisr's prime loan book, backed by National Australia Bank and tier one credit fund investors, including IFM, MA Financial and Revolution Asset Management, boasts industry-leading margins with on-balance sheet 90+ day arrears at 0.98% as at 30 June 2022.

## WISR FINANCIAL WELLNESS PLATFORM PROFILES



## Wisr Financial Wellness Platform

The Wisr Financial Wellness Platform continued to grow with more than 45K new profiles created in Q4FY22, taking the total to over 647K profiles at quarter-end. The Wisr App has now paid off \$4M in debt through roundups and repayment boosters.

**APPENDIX 4C QUARTERLY ACTIVITY REPORT COMMENTARY:**

<b>CASH EBTDA</b>	<b>Q4FY22</b>	<b>Q3FY22</b>	<b>Q2FY22</b>	<b>Q1FY22</b>
<b>Revenue</b>	\$17.6M	\$15.5M	\$14.1M	\$12.1M
<b>Opex</b>	\$(11.0)M	\$(9.1)M	\$(7.5)M	\$(13.3)M
<b>Loan write-offs*</b>	\$(2.6)M	\$(2.4)M <sup>^</sup>	\$(1.1)M	\$(1.0)M
<b>Finance costs</b>	\$(6.3)M	\$(4.9)M	\$(4.2)M	\$(3.3)M
<b>Cash EBTDA</b>	<b>\$(2.3)M</b>	<b>\$(0.9)M</b>	<b>\$1.3M</b>	<b>\$(5.5)M</b>

\* Loan write-offs are pre recoveries.

<sup>^</sup> Q3FY22 excludes an additional \$0.5M predominantly relating to prior periods for new treatment of hardship loans i.e. write-offs

Wisr continues its path to profitability, with \$17.6M in operating revenue, an 81% increase on Q4FY21 **(\$9.7M)** and a 13% increase on Q3FY22 **(\$15.5M)**.

Cash EBTDA of \$(2.3)M for Q4FY22 (Q3FY22: \$(0.9)M) was driven by a combination of yield compression due to SVL scale,

higher funding costs and an increase in opex. Mitigants are in place to manage these items, including increased yield on front book loan originations, continued hedging and opex reduction initiatives in FY23.

Per item 1.10, net cash from operating activities for Q4FY22 was \$(0.5)M (Q3FY22: \$1.4M), driven by the yield, funding cost and opex dynamic described above, all of which are being tightly managed.

Per item 5.1, unrestricted cash at the end of Q4FY22 was \$23.3M. In addition, there were \$8.2M of loans on-balance sheet available for sale as at 30 June 2022.

Item 6.1 relates to salary payments to the Board of Directors.

-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:**

Vanessa Chidrawi  
Company Secretary  
E: investor@wisr.com.au

**About Wisr Limited**

Wisr (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. 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, 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](http://www.wisr.com.au)

## Appendix 4C

### Quarterly cash flow report for entities subject to Listing Rule 4.7B

**Name of entity**

Wisr Limited

**ABN**

80 004 661 205

**Quarter ended ("current quarter")**

 30<sup>th</sup> June 2022

<b>Consolidated statement of cash flows</b>		<b>Current quarter \$A'000</b>	<b>Year to date (12 months) \$A'000</b>
<b>1.</b>	<b>Cash flows from operating activities</b>		
1.1	Receipts from customers	17,266	56,965
1.2	Management fee income	122	644
1.3	Payments for		
	(a) research and development	-	-
	(b) product manufacturing and operating costs	(2,755)	(8,358)
	(c) advertising and marketing	(2,873)	(12,052)
	(d) leased assets	-	-
	(e) staff costs	(5,185)	(17,693)
	(f) administration and corporate costs	(1,183)	(4,910)
1.4	Dividends received (see note 3)	-	-
1.5	Interest received	10	19
1.6	Interest and other costs of finance paid	(5,859)	(17,473)
1.7	Income taxes paid	-	-
1.8	Government grants and tax incentives	-	280
1.9	Other (provide details if material)	-	-
<b>1.10</b>	<b>Net cash from / (used in) operating activities</b>	<b>(457)</b>	<b>(2,578)</b>
<b>2.</b>	<b>Cash flows from investing activities</b>		
2.1	Payments to acquire or for:		
	(a) entities	-	-
	(b) businesses	-	-
	(c) property, plant and equipment	(192)	(372)
	(d) investments	-	(1,169)
	(e) intellectual property	-	-

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (12 months) \$A'000
	(f) other non-current assets – technology assets	(804)	(2,297)
2.2	Proceeds from disposal of:		
	(a) entities	-	-
	(b) businesses	-	-
	(c) property, plant and equipment	-	-
	(d) investments	-	-
	(e) intellectual property	-	-
	(f) other non-current assets	-	-
2.3	Cash flows from loans to other entities	-	-
2.4	Dividends received (see note 3)	-	-
2.5	Other (provide details if material)		
	(a) Net movement in customer loans	(117,832)	(401,956)
	(b) Transfer for term deposit	-	(562)
<b>2.6</b>	<b>Net cash from / (used in) investing activities</b>	<b>(118,828)</b>	<b>(406,356)</b>

<b>3.</b>	<b>Cash flows from financing activities</b>		
3.1	Proceeds from issues of equity securities (excluding convertible debt securities)	-	-
3.2	Proceeds from issue of convertible debt securities	-	-
3.3	Proceeds from exercise of options	-	-
3.4	Transaction costs related to issues of equity securities or convertible debt securities	-	(148)
3.5	Proceeds from borrowings	133,466	390,614
3.6	Repayment of borrowings	-	-
3.7	Transaction costs related to loans and borrowings	(984)	(1,770)
3.8	Dividends paid	-	-
3.9	Other (provide details if material) Payments for right of use asset	(178)	(683)
<b>3.10</b>	<b>Net cash from / (used in) financing activities</b>	<b>132,304</b>	<b>388,013</b>

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (12 months) \$A'000
<b>4.</b>	<b>Net increase / (decrease) in cash and cash equivalents for the period</b>		
4.1	Cash and cash equivalents at beginning of period	58,470	92,410
4.2	Net cash from / (used in) operating activities (item 1.10 above)	(457)	(2,578)
4.3	Net cash from / (used in) investing activities (item 2.6 above)	(118,828)	(406,356)
4.4	Net cash from / (used in) financing activities (item 3.10 above)	132,304	388,013
4.5	Effect of movement in exchange rates on cash held	-	-
<b>4.6</b>	<b>Cash and cash equivalents at end of period</b>	<b>71,489</b>	<b>71,489</b>

<b>5.</b>	<b>Reconciliation of cash and cash equivalents</b> at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts	Current quarter \$A'000	Previous quarter \$A'000
5.1	Bank balances	23,339	23,289
5.2	Call deposits	-	-
5.3	Bank overdrafts	-	-
5.4	Other (restricted cash)	48,150	35,181
<b>5.5</b>	<b>Cash and cash equivalents at end of quarter (should equal item 4.6 above)</b>	<b>71,489</b>	<b>58,470</b>

<b>6.</b>	<b>Payments to related parties of the entity and their associates</b>	Current quarter \$A'000
6.1	Aggregate amount of payments to related parties and their associates included in item 1	99
6.2	Aggregate amount of payments to related parties and their associates included in item 2	-
<i>Note: if any amounts are shown in items 6.1 or 6.2, your quarterly activity report must include a description of, and an explanation for, such payments.</i>		

7.	<b>Financing facilities</b>	<b>Total facility amount at quarter end \$A'000</b>	<b>Amount drawn at quarter end \$A'000</b>
	<i>Note: the term "facility" includes all forms of financing arrangements available to the entity. Add notes as necessary for an understanding of the sources of finance available to the entity.</i>		
7.1	Loan facilities	1,128,837	776,362
7.2	Credit standby arrangements	-	-
7.3	Other (corporate card)	235	16
7.4	<b>Total financing facilities</b>	<b>1,129,072</b>	<b>776,378</b>
7.5	<b>Unused financing facilities available at quarter end</b>		<b>352,694</b>
7.6	Include in the box below a description of each facility above, including the lender, interest rate, maturity date and whether it is secured or unsecured. If any additional financing facilities have been entered into or are proposed to be entered into after quarter end, include a note providing details of those facilities as well.		
	<p>The facilities in 7.1 are as follows:</p> <ul style="list-style-type: none"> <li>- Wisr Warehouse of \$450m with NAB as senior funder, a cost of funds of circa 3.5%, senior maturity in November 2022 and secured against the loan receivables it funds.</li> <li>- Wisr Freedom Trust 2021-1 securitisation with a current balance of \$122.3m (amortising loan book) and day one weighted average margin of circa 1.5% + 1 month BBSW.</li> <li>- Wisr Secured Vehicle Warehouse of \$300m with NAB as senior funder, Revolution as mezzanine funder, a drawn cost of funds of circa 2.3% over BBSW, maturity in October 2022 and secured against the receivables it funds.</li> <li>- Wisr Freedom Trust 2022-1 securitisation with a current balance of \$229m (amortising loan book) with a weighted average margin of 2.23% over 1 month BBSW.</li> <li>- Unsecured Head Co loan facility of \$6.5m, with \$6.5m drawn, 9.5% pa coupon and maturity in May 2023.</li> </ul> <p>In Q1FY18, an off-balance sheet wholesale funding agreement was entered into structured around the whole loan purchase of Wisr originated assets. The balance as at 30 June 2022 was circa \$22.7m. Wisr continues to service this loan book but is not using the facility to fund loans at present.</p>		

8.	<b>Estimated cash available for future operating activities</b>	<b>\$A'000</b>
8.1	Net cash from / (used in) operating activities (item 1.10)	(457)
8.2	Cash and cash equivalents at quarter end (item 4.6)	71,489
8.3	Unused finance facilities available at quarter end (item 7.5)	333,694
8.4	Total available funding (item 8.2 + item 8.3)	405,183
8.5	<b>Estimated quarters of funding available (item 8.4 divided by item 8.1)</b>	<b>887</b>
	<i>Note: if the entity has reported positive net operating cash flows in item 1.10, answer item 8.5 as "N/A". Otherwise, a figure for the estimated quarters of funding available must be included in item 8.5.</i>	
	Wisr notes Item 8.3 above is utilised for loan funding as opposed to operating expenses	

8.6 If item 8.5 is less than 2 quarters, please provide answers to the following questions:

8.6.1 Does the entity expect that it will continue to have the current level of net operating cash flows for the time being and, if not, why not?

Answer:

8.6.2 Has the entity taken any steps, or does it propose to take any steps, to raise further cash to fund its operations and, if so, what are those steps and how likely does it believe that they will be successful?

Answer:

8.6.3 Does the entity expect to be able to continue its operations and to meet its business objectives and, if so, on what basis?

Answer:

*Note: where item 8.5 is less than 2 quarters, all of questions 8.6.1, 8.6.2 and 8.6.3 above must be answered.*

## Compliance statement

- 1 This statement has been prepared in accordance with accounting standards and policies which comply with Listing Rule 19.11A.
- 2 This statement gives a true and fair view of the matters disclosed.

Date: 29 July 2022

Authorised by: The Board  
(Name of body or officer authorising release – see note 4)

## Notes

1. This quarterly cash flow report and the accompanying activity report provide a basis for informing the market about the entity's activities for the past quarter, how they have been financed and the effect this has had on its cash position. An entity that wishes to disclose additional information over and above the minimum required under the Listing Rules is encouraged to do so.
2. If this quarterly cash flow report has been prepared in accordance with Australian Accounting Standards, the definitions in, and provisions of, *AASB 107: Statement of Cash Flows* apply to this report. If this quarterly cash flow report has been prepared in accordance with other accounting standards agreed by ASX pursuant to Listing Rule 19.11A, the corresponding equivalent standard applies to this report.
3. Dividends received may be classified either as cash flows from operating activities or cash flows from investing activities, depending on the accounting policy of the entity.
4. If this report has been authorised for release to the market by your board of directors, you can insert here: "By the board". If it has been authorised for release to the market by a committee of your board of directors, you can insert here: "By the [name of board committee – eg Audit and Risk Committee]". If it has been authorised for release to the market by a disclosure committee, you can insert here: "By the Disclosure Committee".
5. If this report has been authorised for release to the market by your board of directors and you wish to hold yourself out as complying with recommendation 4.2 of the ASX Corporate Governance Council's *Corporate Governance Principles and Recommendations*, the board should have received a declaration from its CEO and CFO that, in their opinion, the financial records of the entity have been properly maintained, that this report complies with the appropriate accounting standards and gives a true and fair view of the cash flows of the entity, and that their opinion has been formed on the basis of a sound system of risk management and internal control which is operating effectively.