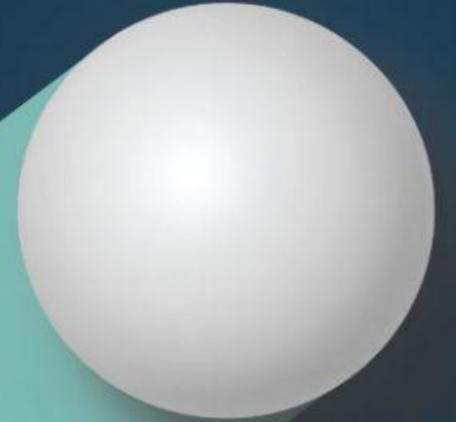




COMPANY UPDATE

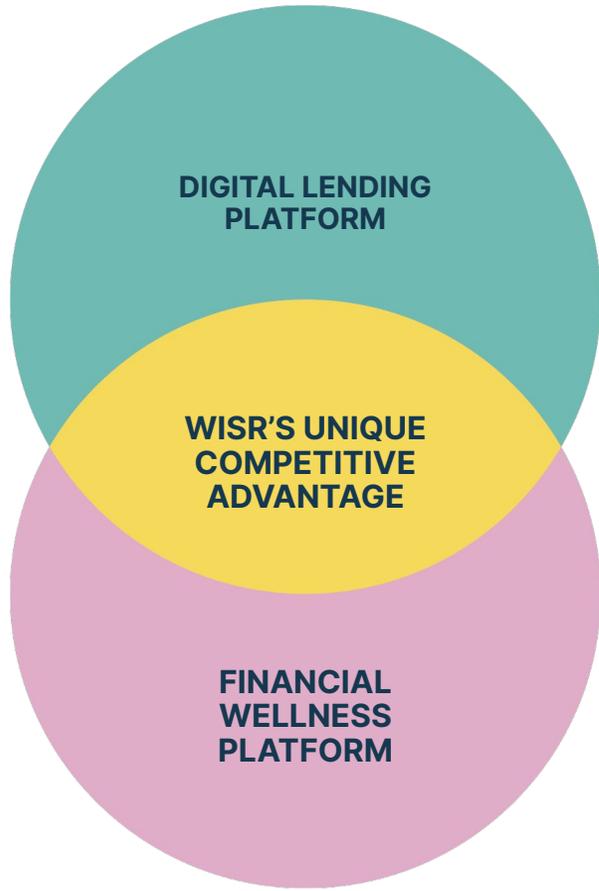
# Q1FY24



30 October 2023



# Q1FY24 KEY RESULTS



## Moderated lending volume

**\$50M<sup>1</sup>**  
in new loan originations

↓6%  
(Q4FY23 \$53M)

**\$1.7B<sup>1</sup>**  
total loan originations

780 average credit score of total book as at 30 September 2023 (Q4FY23 780)

**\$887M**  
Wisr loan book

↓5%  
(Q4FY23 \$931M)

## Strong balance sheet

**\$48.3M**  
Wisr equity holding in Wisr Warehouses

Wisr well capitalised with cash balance of **\$53.9M**

Includes \$20.3M unrestricted cash. Refer to slide 9 for full detail

## Focused on profitability

**\$24.3M<sup>2</sup>**  
in operating revenue

1% decrease  
(Q4FY23 \$24.6M)

**\$(0.8)M<sup>3</sup>**  
EBTDA

(Q4FY23 \$0.9M)

**1.26%**  
On-balance sheet 90+ day arrears as at 30 September 2023

(1.25% as at 30 June 2023)

## Proprietary Financial Wellness Platform

**774K+**  
Wisr Financial Wellness Platform profiles

2% improvement  
(758K as at 30 June 2023)

**\$7.0M**  
in round ups paid off customer debt

as at 30 September 2023

<sup>1</sup> Q1FY24 loan originations are unaudited

<sup>2</sup> Q1FY24 revenue is unaudited

<sup>3</sup> Q1FY24 EBTDA (unaudited) is a profit and loss statement metric. Source: Q1FY24 (Appendix and Financials)



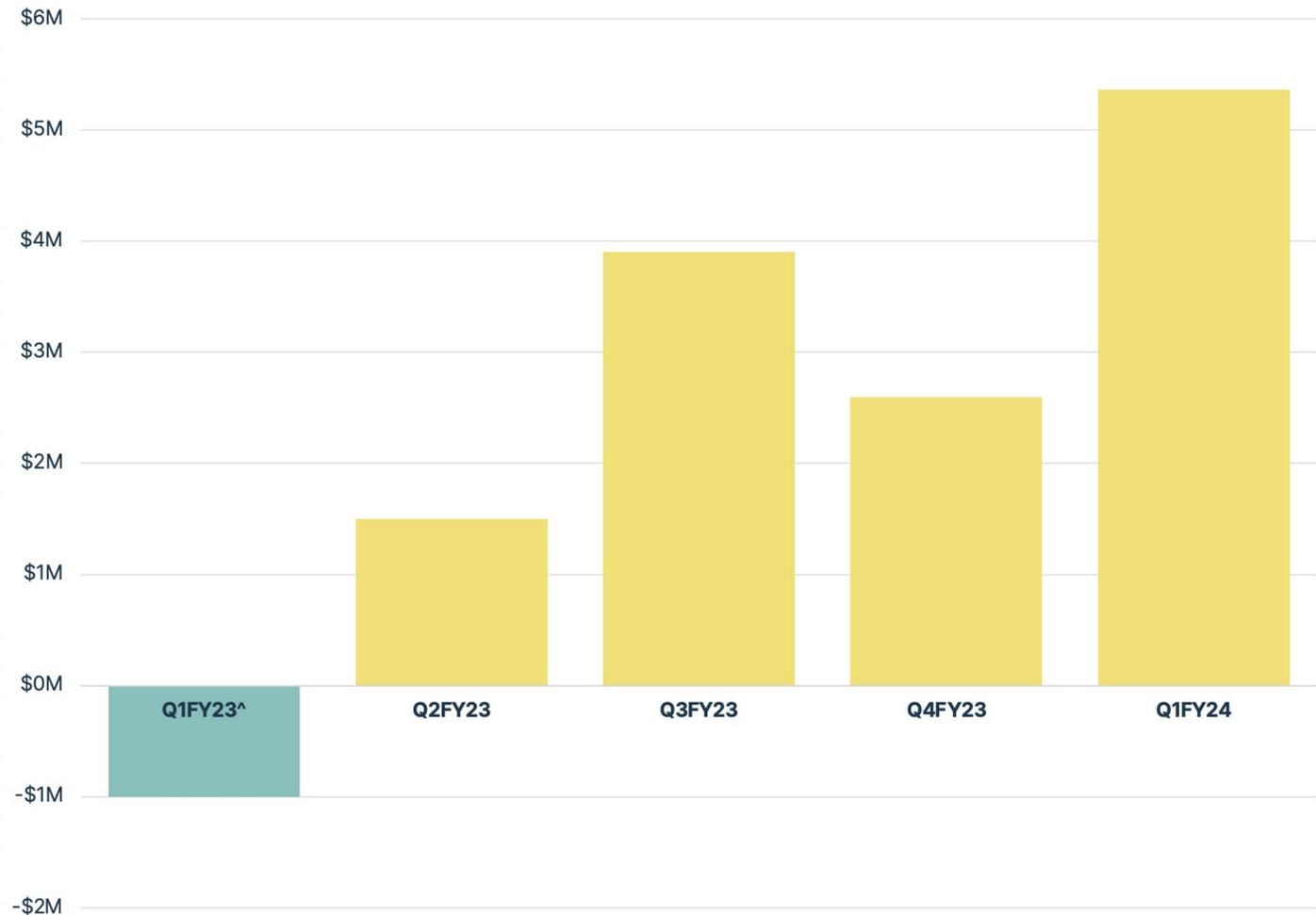
# OPERATING CASH FLOW GROWTH

\$5.4M of operating cash flow<sup>1</sup> delivered in Q1FY24.

The Q4FY23 operating cash flow decrease was driven by a \$1.8M deferred distribution payment for Independence23 which was accrued in March and paid in April. On a normalised basis, the operating cash flow for Q4FY23 is \$4.4M (\$2.6M + \$1.8M deferred distribution payment).

The Q1FY24 operating cash flow increase was driven by Wisr's response to changing macroeconomic conditions in H1FY23 with a series of material reductions in operating costs in Q1FY23 and again in Q3FY23.

Operating cash flow<sup>1</sup>



<sup>1</sup> Q1FY24 operating cash flow is unaudited and on a cash basis per the 4C versus EBTDA (Q1FY24 unaudited) which is a profit and loss statement metric. Source: Q1FY24 (Appendix and Financials)

<sup>^</sup> During H1FY23, a reclassification of Q1FY23 operating activity payments was undertaken.



# LOAN UNIT ECONOMICS AND NIM EXPANSION

WISR is well positioned in the medium-term to deliver a business with a NIM of c. 5.8%<sup>1</sup>, which would deliver strong profitability at scale.

	<b>PRE NIM COMPRESSION (2021)</b>  (Example for \$1B loan Book)	<b>WISR CURRENT BUSINESS (Rolling 4 Qrt)</b>  (Example for \$1B loan Book)	<b>WISR SEPTEMBER 2023 RUN-RATE</b>  (Example for \$1B loan Book)	<b>MEDIUM TERM TARGET</b>  (Example for \$2B loan Book)
<b>Yield</b>	10.0%	10.3%	12.7%	13.5%
<b>- Annualised net losses</b>	1.3%	1.9%	1.7%	1.7%
<b>- Cost of funds</b>	2.5%	5.0%	5.4%	6.0%
<b>= NIM</b>	6.3%	3.4%	5.6%	5.8%
<b>Example NIM =</b>	\$63M	\$34M	\$56M	\$116M
<b>- Opex</b>	\$40M	\$33M	\$30M	\$55M
<b>Example EBTDA</b>	\$23M	\$1M	\$26M	\$61M

<sup>1</sup> Subject to a relatively stable cost of funds over the same period. Rapid changes in cost of funds would alter this materially

Disclaimer: This is not a forecast. The data represents an indicative scenario of the economics of the WISR Loan Book. Indicative economics are illustrative only and may vary due to a range of assumptions and variables. Data is subject to broader market conditions, including (but not limited to) movement in interest rates, macroeconomic conditions, and/or significant market volatility events.

Finance costs relating to the Head Co debt facility is included in the opex cost base.



# ARREARS

- Q1FY24 net write-offs of \$5.5M (0.61%), with the increase driven by the maturing loan book.
- The average rolling annualised loss rate over last 4 quarters is 1.88% up from 1.59% last quarter.
- The lower relative loan book growth influences this, e.g. when applying loan book growth consistent with pcp (which was higher versus current moderated growth settings), annualised rolling loss rate over last 4 quarters would be 1.31%.

## Rolling net write-offs



## Wisr total book average credit score & 90+ day arrears



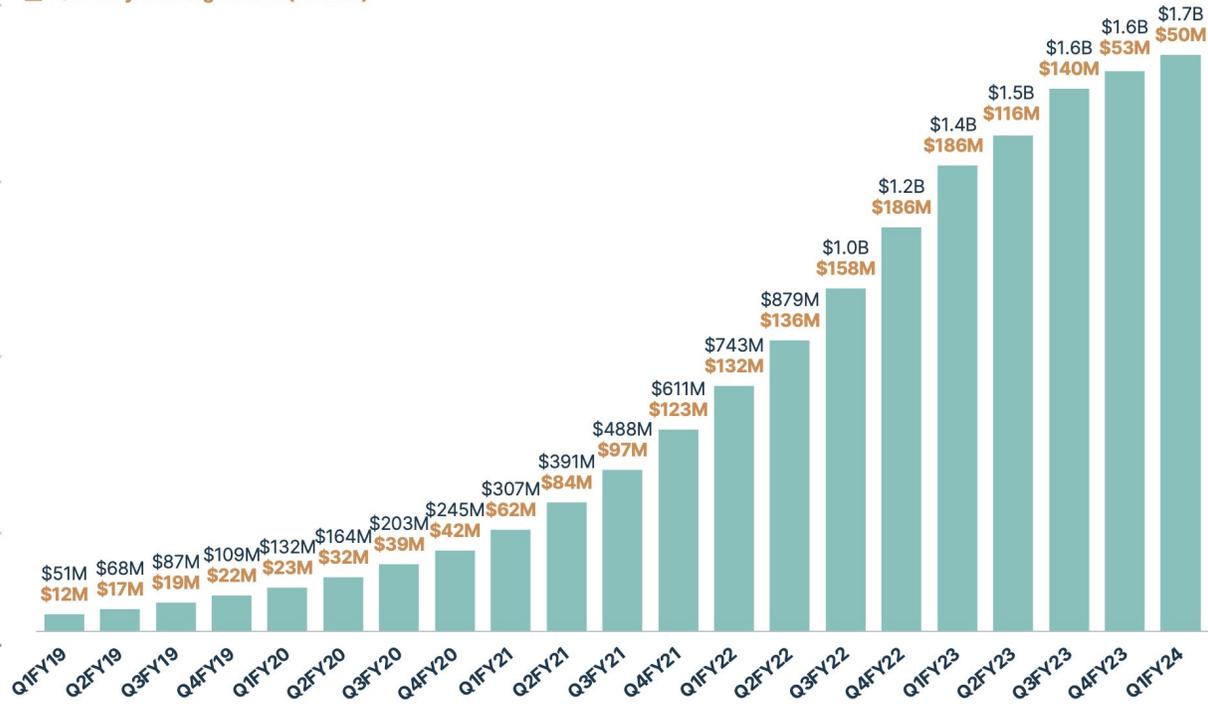
Quarter	Average Outstanding Balances	Net Write-offs	Quarterly Net Write-offs %	Rolling 4 Qrt Net Write-offs %	QoQ Book Growth
Q1FY22	\$442.7M	\$0.9M	0.22%	1.03%	
Q2FY22	\$535.6M	\$0.7M	0.13%	0.90%	20.99%
Q3FY22	\$622.7M	\$2.6M	0.43%	1.13%	16.25%
Q4FY22	\$735.9M	\$2.4M	0.34%	1.17%	18.19%
Q1FY23	\$857.4M	\$2.6M	0.30%	1.24%	16.51%
Q2FY23	\$907.7M	\$2.8M	0.31%	1.36%	5.75%
Q3FY23	\$949.0M	\$4.5M	0.48%	1.45%	4.66%
Q4FY23	\$947.0M	\$4.5M	0.48%	1.59%	-0.16%
Q1FY24	\$899.5M	\$5.5M	0.61%	1.88%	-5.06%



# MODERATED LENDING AND PROPRIETARY PLATFORM

## Wisr Lending Platform^

- Total loan originations (cumulative, to scale)
- Quarterly loan originations (number)



## Financial Wellness Platform profiles

Cumulative, to scale

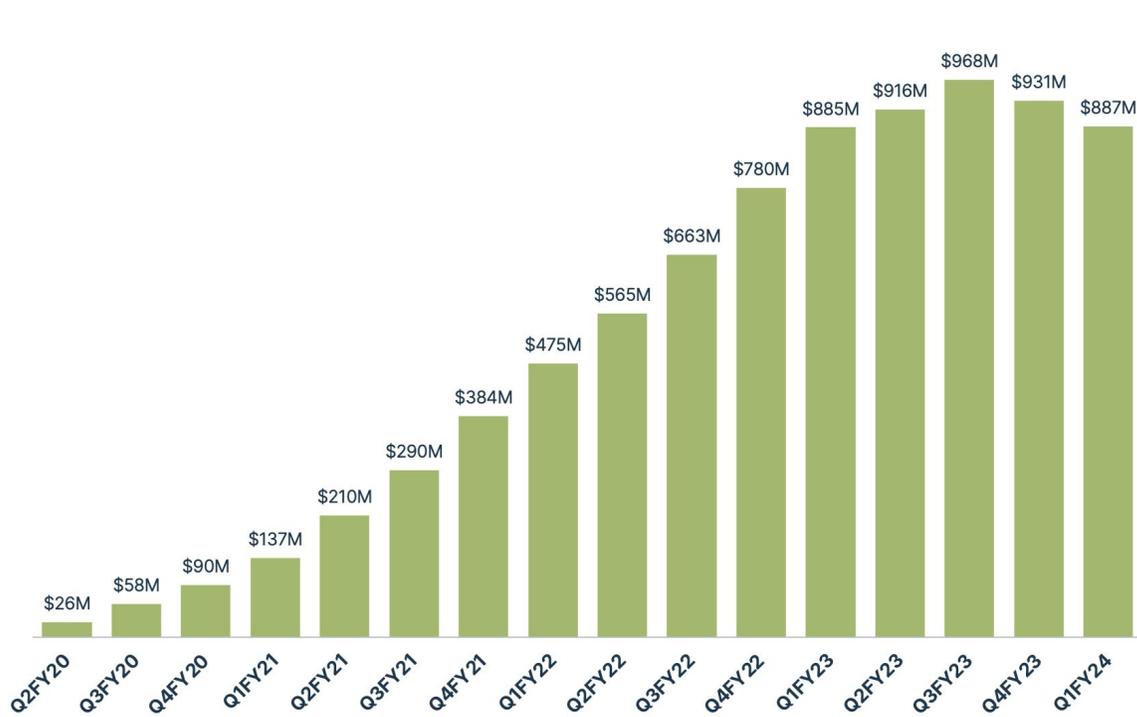


^As previously advised in Q2FY23, Wisr has deliberately moderated loan origination growth to maintain balance sheet strength and prioritise profitability. Q1FY24 loan originations are unaudited.

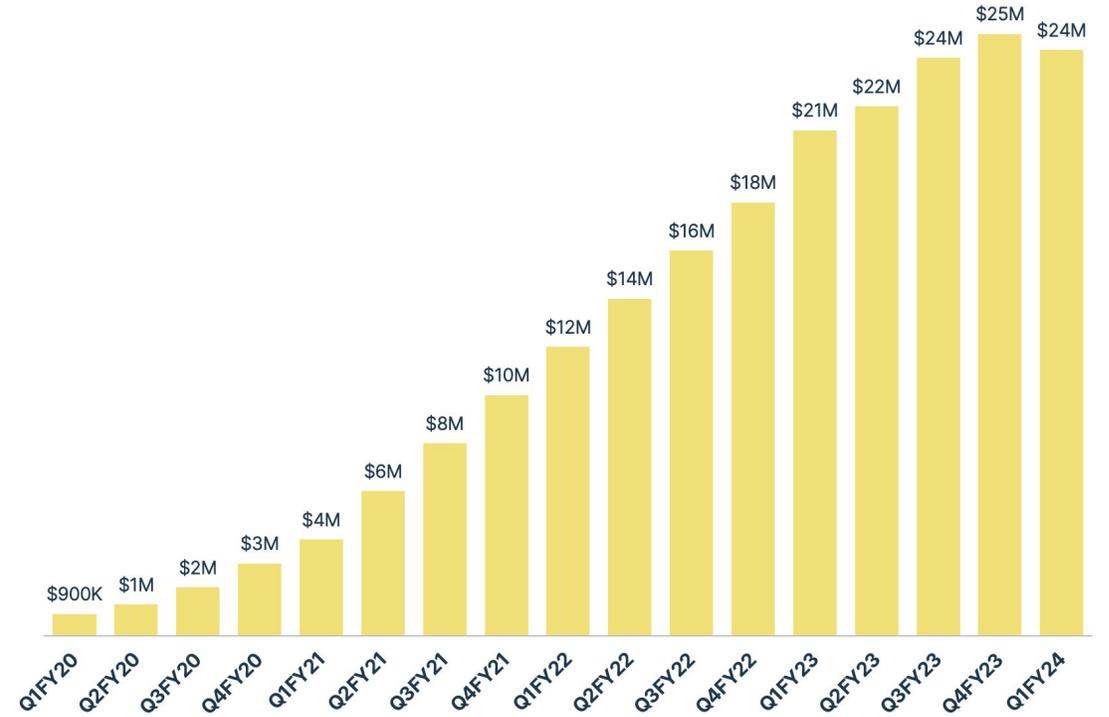


# LOAN BOOK AND REVENUE PERFORMANCE

Wisr quarterly loan book balance<sup>1</sup>



Wisr quarterly revenue<sup>2</sup>



<sup>1</sup> Loan Book includes all loans in WH1, WH2, Freedom21, Freedom22, Independence23, and loans held on balance sheet and excludes off-balance sheet loans of \$6.4M as at 30 September 2023.

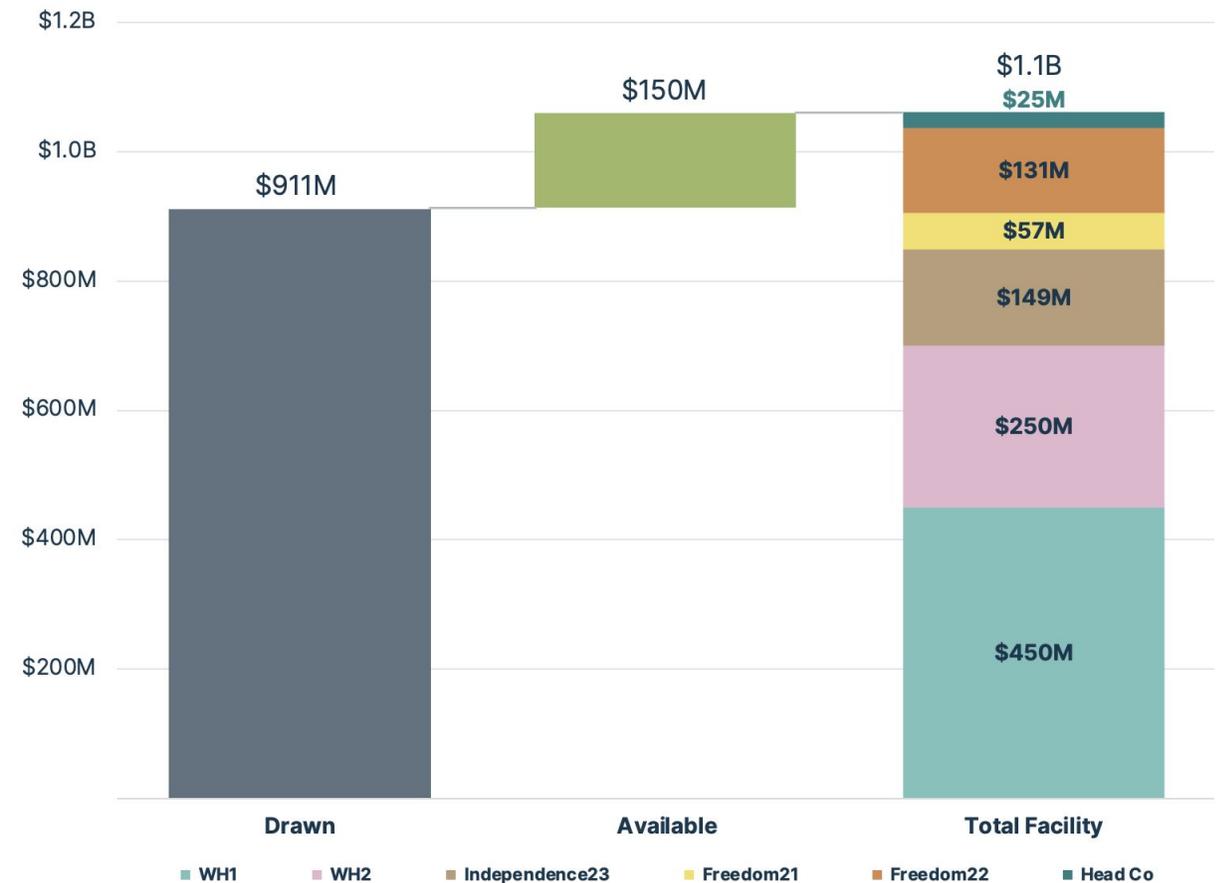
<sup>2</sup> Q1FY24 revenue is unaudited



# STRONG FUNDING PLATFORM

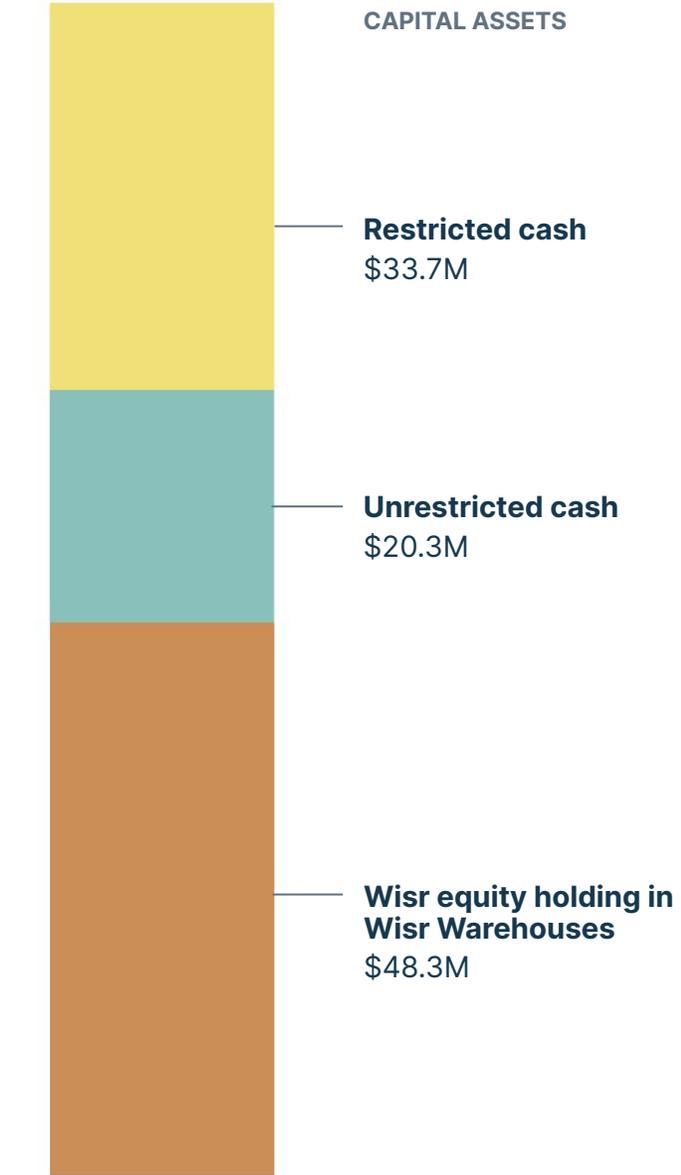
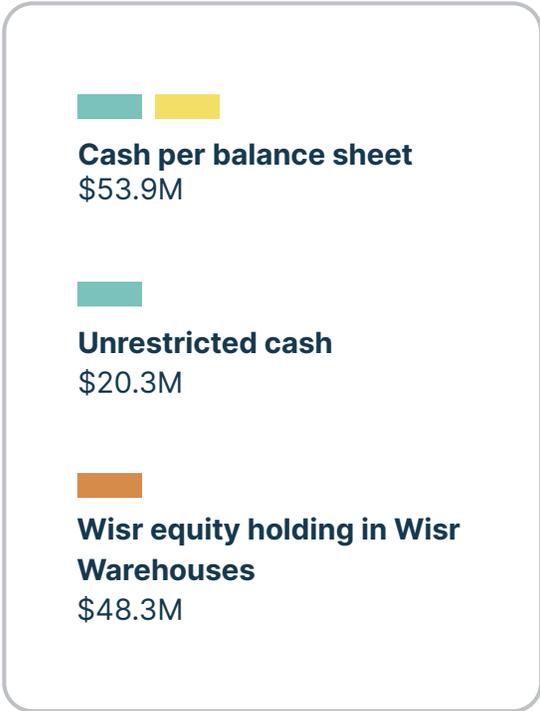
- WH1, our PL warehouse, has \$450M of committed funding and an undrawn capacity of \$72M, while WH2 (SVL) has committed funding of \$250M and an undrawn capacity of \$78M (total \$150M available)
- Both WH1 and WH2 were renewed for the customary 1-year period after the quarter-end
- Wisr has delivered three ABS transactions - Freedom21, Freedom22 and Independence23
- A debt facility (Head Co) is in place which is fully drawn to \$25M. The facility is due to mature in July 2025
- Work is continuing on a third warehouse with a new senior funder and ability to fund both PL and SVL
- Wisr implemented an intraday overdraft facility for working capital requirements to improve treasury operations efficiency

Funding as at 30 September 2023





# CAPITAL POSITION



CAPITAL ASSETS	DESCRIPTION
<b>Restricted cash</b> \$33.7M	Cash held in the Wisr Warehouses consists of customer loan repayments (principal and interest) and unutilised funds from note subscriptions (predominantly third-party debt). Use of these funds is restricted to the purposes of funding loans and operating the Wisr Warehouses e.g. Trustee fees.
<b>Unrestricted cash</b> \$20.3M	Cash on hand available to be used for any purpose of the business.
<b>Wisr equity holding in Wisr Warehouses</b> \$48.3M	<p>Wisr's equity investment in the Wisr Warehouses:</p> <ul style="list-style-type: none"> <li>• Freedom21 (\$3.6M, projected call date<sup>1</sup> February 2024)</li> <li>• Freedom22 (\$11.3M, projected call date<sup>1</sup> September 2025)</li> <li>• WH1 (\$19.6M)</li> <li>• WH2 (\$5.4M)</li> <li>• Independence23 (\$8.4M, projected call date<sup>1</sup> November 2026)</li> </ul>

<sup>1</sup>Call dates are forecasted based on expected prepayment rates and actual dates may vary.



## WISR FINANCIAL WELLNESS PLATFORM (FWP)

# SMART DECISIONS AT ANY STAGE OF A CUSTOMER'S LIFE, IN THEIR POCKET

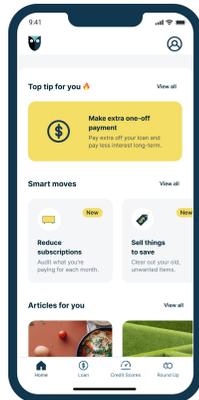
### CREDIT SCORES

- Free access to Equifax and Experian credit scores
- Overview of credit insights and liabilities, indicates eligibility for a Wisr loan
- Alerts when scores change



### SMART MOVES

- Surfaces financial actions based on the customer's circumstances
- Interactive lessons to help improve money habits



### LOAN OFFER

By accompanying customers through significant money moments, we have a data-rich picture of a customer's financial situation, behaviour and interests.

When a customer's financial situation or behaviour changes, we can propose relevant next steps at the right time, including personalised loan offers.

Can I access credit?

Where do I stand financially?

What's my next smart decision?

How do I reach my money goals?

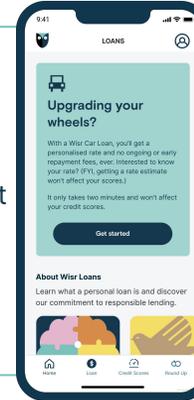
How do I manage my loan?

### CREDIT SCORES

Wisr knows when customers' **credit scores** improve enough to make them eligible for a loan offer

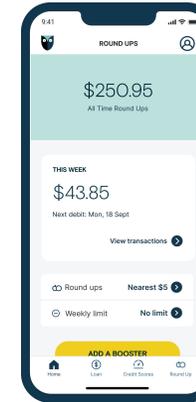
### ROUND UPS

**Transaction data** from round ups helps indicate spending patterns and potential serviceability



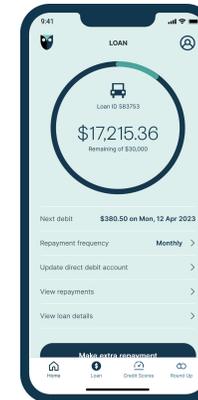
### ROUND UPS

- Send digital spare change from daily purchases, towards a debt or other money goal.



### LOAN MANAGEMENT

- Monitor repayment progress
- Pay loans back faster using round ups
- Self-service functionality used frequently by early arrears customers, including extra repayments, changing repayment frequency and direct debit account





## EXECUTIVE SUMMARY

# MODERATED LOAN VOLUME STRATEGY CONTINUES

### OPERATING CASH FLOW IMPROVEMENT

Q1FY24 operating cash flow of \$5.4M<sup>2</sup>, increased on a normalised basis by 22%<sup>3</sup> (Q4FY23: \$4.4M normalised) and EBTDA at \$(0.8)M<sup>2</sup> (Q4FY23: \$0.9M).

### DELIBERATE MODERATION OF LOAN VOLUME TO PRIORITISE PROFITABILITY<sup>1</sup>

Loan origination volume continues to be deliberately moderated to prioritise profitability and maintaining balance sheet strength, with Q1FY24 new loan originations of \$50M<sup>4</sup> (6% decrease on Q4FY23 \$53M), prime \$887M loan book and \$24.3M<sup>4</sup> Q1FY24 operating revenue.

### ARREARS MANAGEMENT

Stable 1.26% on-balance sheet 90+ day arrears (Q4FY23: 1.25%). Ongoing investment in collections strategies is a priority for the business in FY24, with work underway to deliver various initiatives, including investment in extra resources and technology.

### CONTINUED NIM EXPANSION

Run rate of c. 5.6% on new business written in September 2023. Positioned for medium-term delivery of c. 5.8%<sup>5</sup> Net Interest Margin (NIM) to deliver a highly profitable Company at scale.

### UNIQUE STRATEGY

Over 774K Australians in proprietary Financial Wellness Platform reduces customer acquisition cost, drives loan conversion and improves customer financial wellbeing. Wisr App paid \$7.0M in round-ups on customer debt (as at 30 September 2023).

<sup>1</sup> Profitability is on a run-rate EBTDA basis

<sup>2</sup> Q1FY24 operating cash flow is unaudited and on a cash basis per the 4C versus EBTDA (Q1FY24 unaudited) which is a profit and loss statement metric. Source: Q1FY24 (Appendix and Financials)

<sup>3</sup> Based on a normalised Q4FY23 operating cash flow of \$4.4M (\$2.6M + \$1.8M deferred distribution payment for Independence 2023, which was accrued in March and paid in April)

<sup>4</sup> Q1FY24 loan originations and revenue unaudited

<sup>5</sup> Subject to a relatively stable cost of funds over the same period. Rapid changes in cost of funds would alter this materially

THANK  
YOU



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## **Dollar estimates**

All references to dollars, cents or \$ in this presentation are to Australian currency, unless otherwise stated.