



ASX RELEASE

Wisr Delivers \$24.3M Quarterly Revenue

Moderated loan volume strategy remains in place

Sydney, 30 October 2023 - Wisr Limited (ASX: WZR) (“Wisr”, or the “Company”) is pleased to provide the Quarterly Activities Report for the quarter ending 30 September 2023 (Q1FY24).

Q1FY24 Results:

Financial performance

- Operating cash flow of \$5.4M¹ and EBTDA of \$(0.8)M¹
- Opex decrease of 4% (versus Q4FY23)
- Net Interest Margin (**NIM**) run rate of c. 5.6%² on new business written in September 2023
- Quarterly Revenue of \$24.3M³, a 1% decrease on Q4FY23 (\$24.6M) and a 15% increase on Q1FY23 (\$21.2M)

Loan book

- Loan book of \$887M, a decrease of 5% on Q4FY23 (\$931M) as Wisr continues to moderate loan origination volume to prioritise profitability and maintain a strong balance sheet
- Stable on-balance sheet 90+ day arrears of 1.26% (Q4FY23: 1.25%) and high quality loan book as evidenced by an average credit score at 780⁴ (Q4FY23: 780), reflecting ongoing management of credit policy settings and focus on uplifting arrears management
- Loan originations of \$50M⁵ (a 6% decrease on Q4FY23 \$53M) continuing the deliberate moderation of loan origination volume and maintaining a strong balance sheet.
- \$1.7B in total loan originations to date

Balance sheet and funding

- \$20.3M unrestricted cash balance as at 30 September 2023 (\$21.7M at 30 June 2023)
- Equity note investments within Wisr Warehouses of \$48.3M

Financial Wellness Platform

- Wisr Financial Wellness Platform passed 774K profiles, Wisr App paid \$7.0M in round-ups on customer debt (as at 30 September 2023)

¹ 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)

² Subject to a relatively stable cost of funds over the same period. Rapid changes in cost of funds would alter this materially

³ Q1FY24 revenue unaudited

⁴ Total book average credit score is the score at the time of application, includes loans active on the book with a balance and excludes loans written off

⁵ Q1FY24 loan originations unaudited

Wisr quarterly revenue



LEADERSHIP COMMENTARY:

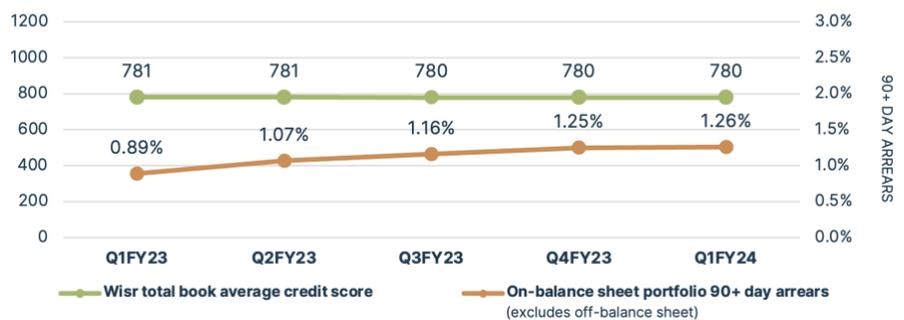
Mr Andrew Goodwin, Chief Executive Officer, Wisr, said, "Our moderated loan volume strategy remains in place with a continued focus on the maintenance of balance sheet strength and attractive loan unit economics. Notwithstanding our moderated loan volume settings, we've delivered operating cash flow of \$5.4M⁶, a 22%⁷ improvement on the prior quarter."

"Revenue was broadly flat quarter on quarter notwithstanding a small decrease in loan book, and losses increased given the ongoing maturing of the loan book. The macroeconomic environment and resulting impact on arrears will continue to be closely monitored. Ongoing focus on investment in collections strategies is a priority for the business with work well underway to deliver various initiatives, including investment in extra resources and technology."

"The moderation of loan origination volume will continue until market conditions are deemed appropriate to resume scaling." finished Mr Goodwin.

The high quality of Wisr's prime loan portfolio continued to be demonstrated with on-balance sheet 90+ Day arrears broadly flat at 1.26% (Q4FY23: 1.25%), which is within risk appetite. The Q1FY24 average credit score of the total book is steady at 780 (Q4FY23: 780)⁸.

Wisr total book average credit score & 90+ day arrears



⁶ 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)

⁷ 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).

⁸ Total book average credit score is the score at the time of application, includes loans active on the book with a balance and excludes loans written off

NIM expansion continues

The Company continued to increase the yield on new loan originations, now generating a NIM run rate of c. 5.6%⁹ for loans originated in September 2023. The table below outlines various illustrative scenarios for Wisr’s business economics and the resulting impact on profitability:

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

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.

Wisr quarterly loan book balance



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.

The 5% decrease in loan book for Q1FY24 versus Q4FY23 was driven by the deliberate moderation of loan origination volume with Q1FY24 new loan originations of \$50M (6% decrease on Q4FY23). In order to maintain a conservative capital management strategy, the moderation of loan origination volume will continue until market conditions are deemed appropriate to resume scaling.

⁹ Subject to a relatively stable cost of funds over the same period. Rapid changes in cost of funds would alter this materially

WISR's unrestricted cash balance was \$20.3M at 30 September 2023 (\$21.7M at 30 June 2023). WISR also holds \$48.3M of equity note investments within the WISR Warehouses (Q4FY23 \$48.3M).

Capital position



APPENDIX 4C QUARTERLY ACTIVITY REPORT COMMENTARY:

WISR delivered \$24.3M in operating revenue, a 15% increase on Q1FY23 (\$21.2M) and a 1% decrease on Q4FY23 (\$24.6M).

EBTDA of \$(0.8)M for Q1FY24 consisting of:

- An increase in portfolio revenue margin (+0.2%) driven by higher yield on new loan origination notwithstanding a 5% decrease in the quarterly loan book balance for the period;
- Opex decrease of 4% driven by deliberate moderation of loan origination volume and further cost saving initiatives realised;
- Net loan write-offs of \$5.5M, with the increase driven by a maturing loan book; and
- Finance costs including debt facility (head company) interest expense largely flat for the period once adjusted for non-cash hedge accounting.

EBTDA	Q1FY24	Q4FY23	Q3FY23	Q2FY23	Q1FY23
Revenue	\$24.3M	\$24.6M	\$24.1M	\$22.0M	\$21.2M
Opex	\$(6.4)M	\$(6.7)M*	\$(8.5)M	\$(7.5)M	\$(10.0)M^
Net loan write-offs	\$(5.5)M	\$(4.5)M	\$(4.5)M	\$(2.8)M	\$(2.8)M
Finance costs	\$(13.2)M	\$(12.5)M	\$(12.6)M	\$(11.1)M	\$(9.9)M
EBTDA	\$(0.8)M	\$0.9M	\$(1.5)M	\$0.5M	\$(1.5)M

*Excludes \$0.8M relating to one-off restructuring costs.
^Excludes \$0.4M relating to one-off restructuring costs.

Per item 1.10, net cash from operating activities increased on a normalised basis by 22%¹⁰ in Q1FY24 to \$5.4M (Q4FY23: \$4.4M normalised).

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

Performance Rights and Governance

At the end of the quarter, 12,097,212 performance rights issued to employees under the Company's long-term incentive plan, vested. None of these rights have yet been exercised.

¹⁰ 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).



As announced on 12 October, the Company's Chair, John Nantes, has signalled his intention not to seek re-election at the Company's AGM to be held on 27 November 2023 at 1 p.m. (AEDT). He will retire from the Board, with effect from the closing of the AGM. Following Mr Nantes' retirement, interim Chair Matthew Brown will assume the role of Chair.

The 2023 WGEA report has been lodged, and shareholders can access the report's public data by email request to investor@wisr.com.au.

Investor hub

The [Wisr Investor Hub](#) is a dedicated platform for investors to learn more about Wisr. It contains Wisr's Annual Reports, market updates and announcements, share price data and other information so shareholders can learn more about the company and stay informed. How to join the [Wisr Investor Hub](#):

- Sign up [here](#)
- Follow the prompts to sign up for an Investor Hub account
- Complete your account profile

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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:

Vanessa Chidrawi

Company Secretary

E: investor@wisr.com.au

W: <https://investorhub.wisr.com.au/>

About Wisr Limited

Wisr (ASX: WZR) is an Australian purpose-built consumer lender with a commitment to improving the financial health 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 and psychology-based money-coaching modules. 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

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")

 30th September 2023

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (3 months) \$A'000
1.	Cash flows from operating activities		
1.1	Receipts from customers	24,900	24,900
1.2	Management fee income	38	38
1.3	Payments for		
	(a) research and development	-	-
	(b) product manufacturing and operating costs	(1,436)	(1,436)
	(c) advertising and marketing	(93)	(93)
	(d) leased assets	-	-
	(e) staff costs	(4,564)	(4,564)
	(f) administration and corporate costs	(1,106)	(1,106)
1.4	Dividends received (see note 3)	-	-
1.5	Interest received	342	342
1.6	Interest and other costs of finance paid	(12,718)	(12,718)
1.7	Income taxes paid	-	-
1.8	Government grants and tax incentives	-	-
1.9	Other (provide details if material)	-	-
1.10	Net cash from / (used in) operating activities	5,363	5,363
2.	Cash flows from investing activities		
2.1	Payments to acquire or for:		
	(a) entities	-	-
	(b) businesses	-	-
	(c) property, plant and equipment	(5)	(5)
	(d) investments	-	-
	(e) intellectual property	-	-

Consolidated statement of cash flows	Current quarter \$A'000	Year to date (3 months) \$A'000
(f) other non-current assets – technology assets	(580)	(580)
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	38,192	38,192
(b) Transfer for term deposit	-	-
(c) Other	-	-
2.6 Net cash from / (used in) investing activities	37,607	37,607

3. Cash flows from financing activities		
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	-	-
3.5 Proceeds from borrowings	(42,406)	(42,406)
3.6 Repayment of borrowings	-	-
3.7 Transaction costs related to loans and borrowings	(3)	(3)
3.8 Dividends paid	-	-
3.9 Other (provide details if material) Payments for right of use asset	(202)	(202)
3.10 Net cash from / (used in) financing activities	(42,611)	(42,611)

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (3 months) \$A'000
4.	Net increase / (decrease) in cash and cash equivalents for the period		
4.1	Cash and cash equivalents at beginning of period	53,577	53,577
4.2	Net cash from / (used in) operating activities (item 1.10 above)	5,363	5,363
4.3	Net cash from / (used in) investing activities (item 2.6 above)	37,607	37,607
4.4	Net cash from / (used in) financing activities (item 3.10 above)	(42,611)	(42,611)
4.5	Effect of movement in exchange rates on cash held	-	-
4.6	Cash and cash equivalents at end of period	53,936	53,936

5.	Reconciliation of cash and cash equivalents 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	20,253	21,704
5.2	Call deposits	-	-
5.3	Bank overdrafts	-	-
5.4	Other (restricted cash)	33,683	31,873
5.5	Cash and cash equivalents at end of quarter (should equal item 4.6 above)	53,936	53,577

6.	Payments to related parties of the entity and their associates	Current quarter \$A'000
6.1	Aggregate amount of payments to related parties and their associates included in item 1	174
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. Financing facilities	Total facility amount at quarter end \$A'000	Amount drawn at quarter end \$A'000
<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	1,061,707	911,456
7.2 Credit standby arrangements	5,000	-
7.3 Other (corporate card)	235	15
7.4 Total financing facilities	1,066,942	911,471
7.5 Unused financing facilities available at quarter end		155,471
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"> - Wisr Warehouse of \$450m with NAB as senior funder, a cost of funds of circa 3.0% (on a drawn basis) over BBSW, maturity in October 2023 and secured against the loan receivables it funds; - Wisr Freedom Trust 2021-1 securitisation with a current balance of \$57m (amortising loan book) and weighted average margin of circa 1.5% over BBSW; - Wisr Secured Vehicle Warehouse of \$250m with NAB as senior funder, a cost of funds of circa 3.0% (on a drawn basis) over BBSW, maturity in October 2023 and secured against the loan receivables it funds. - Wisr Freedom Trust 2022-1 securitisation with a current balance of \$130.8m (amortising loan book) and weighted average margin of circa 2.25% over BBSW; - Wisr Independence Trust 2023-1 securitisation with a current balance of \$148.9m (amortising loan book) and weighted average margin of circa 2.60% over one-month BBSW; and - Unsecured Head Co loan facility of \$25m, with \$25m drawn, a high single digit margin over BBSW, and maturity in July 2025. <p>The month following Q1FY24 both the Wisr Warehouse and Wisr Secured Vehicle Warehouse were renewed for the customary 12 month period.</p> <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 September 2023 was \$6.4m. Wisr continues to service this loan book but is not using the facility to fund loans at present.</p> <p>The facility in 7.2 is an intraday overdraft facility at 0% interest rate.</p>		

8. Estimated cash available for future operating activities	\$A'000
8.1 Net cash from / (used in) operating activities (item 1.10)	5,363
8.2 Cash and cash equivalents at quarter end (item 4.6)	53,936
8.3 Unused finance facilities available at quarter end (item 7.5)	155,471
8.4 Total available funding (item 8.2 + item 8.3)	209,407

8.5 Estimated quarters of funding available (item 8.4 divided by item 8.1)

N/A

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.

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: 30 October 2023

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.