

ASX RELEASE

WZR Delivers \$21.2M Revenue, Up 75% on PCP

Q1FY23 results set the Company on path to deliver profitability¹

Sydney, 25 October 2022 - Wizr Limited (ASX: WZR) (ACN 004 661 205) ("Wizr", or the "Company") is pleased to provide the Quarterly Activities Report for the quarter ending 30 September 2022 (Q1FY23).

In Q1FY23, in light of current macroeconomic conditions, Wizr made material reductions in operating costs, lifted yield through product price increases to customers and moderated growth plans to set a path to profitability within 12 months whilst maintaining a robust balance sheet. A series of cost reductions were enacted throughout the quarter, while the benefits will largely be realised in the coming quarters and estimated to result in a 15% reduction in Q2FY23 operating expenses versus Q4FY22.

Q1FY23 Highlights:

- Prime loan book (warehouse, securitised and balance sheet) now at **\$885M**, an increase of 86% on pcip (Q1FY22 \$475M), with arrears at **0.89%** (Q4FY22 0.98%) and average credit score of **790**
- Quarterly Revenue up to **\$21.2M²**, a 75% increase on Q1FY22 (\$12.1M) and a 20% increase on Q4FY22 (\$17.6M)
- Q1FY23 loan originations of **\$186M**, a 41% increase on Q1FY22 (\$132M) and a slight increase on Q4FY22 (\$186M)
- **\$1.4B** in total loan originations as at 30 September 2022
- Well capitalised with a cash balance of **\$74.8M**, including unrestricted cash and cash equivalents of **\$18.6M** as at 30 September 2022
- Wizr Financial Wellness Platform passed **682K profiles (35% growth on pcip)**, with 35K+ profiles added in Q1FY23.

WISR QUARTERLY REVENUE GROWTH



¹ Profitability is on a run-rate Cash EBTDA basis and is subject to broader market conditions, including any significant volatility events, the level of global inflation and interest rates, and the impact of any geopolitical events

² Revenue unaudited

CEO COMMENTARY:

Mr Anthony Nantes, Chief Executive Officer, WISR, said, "As we continue to lift our pricing to protect our NIM, demand for our lending products has delivered \$186M in new loan originations for the quarter, a 41% increase on pcq. Our arrears have decreased from 0.98% to 0.89%, a great indicator of the true quality of our loan book and its ability to perform through a cycle, and we've grown operating revenue by 75% on pcq, demonstrating the high quality of our credit assets and credit decisions."

"Making prudent material reductions in operating costs, pivoting to a moderate growth trajectory and continuing to protect our margins has put us on the path to deliver profitability in the short term while protecting the business from any sustained economic downturn. We also know that prime loan books, like WISR's, have traditionally performed well through credit cycles; combined with the framework already in place to manage credit quality through the cycle, WISR is in the strongest position to navigate market conditions whilst delivering a continued growth trajectory." finished Mr Nantes.

WISR LOAN ORIGATION GROWTH



Funding, Capital and Credit

- Strongly capitalised with \$18.6M in unrestricted cash and cash equivalents as at 30 September 2022
- WISR's wholly-owned loan book (warehouse, securitised and balance sheet) is now \$885M, an increase of 86% on pcq
- On-balance sheet portfolio 90+ Day arrears 0.89% as at 30 September 2022 and average credit score of 790
- Framework to manage credit quality through the cycle, including the bespoke WISR Score, early warning account data indicators and collection process investment, making an impact

WISR LOAN BOOK GROWTH^



^Loan Book includes all loans in WH1, WH2, Freedom Trust 2021-1, Freedom Trust 2022-1 and balance sheet, excludes off-balance sheet of \$18.3M as at 30 September 2022

WISR 90+ DAY ARREARS^



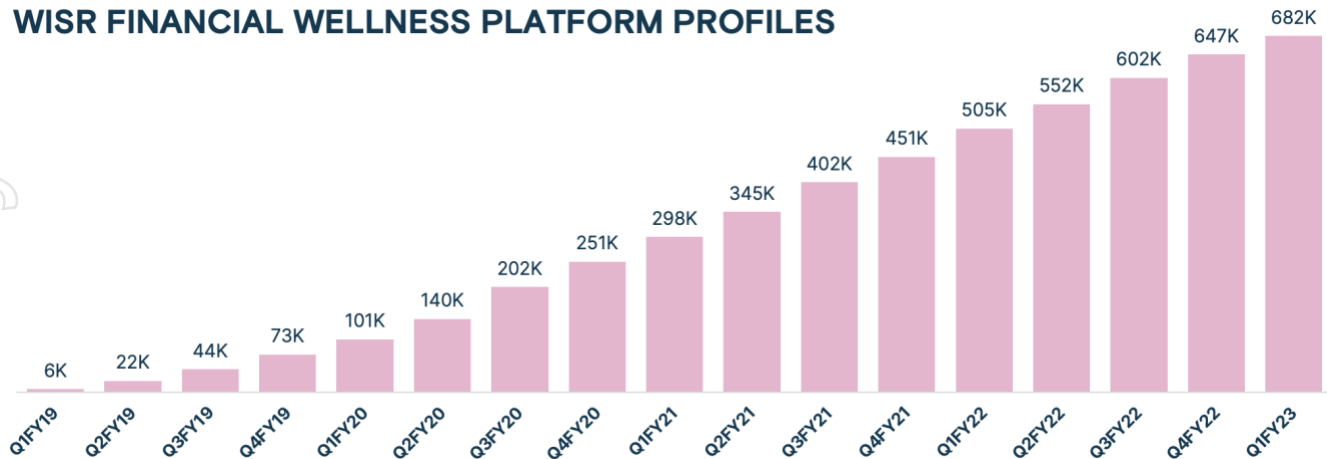
^On-balance sheet portfolio arrears, excludes off-balance sheet.

On-balance sheet 90+ day arrears at **0.89%** as at 30 September 2022 (Q4FY22 0.98%).

WISR's credit decisions and products are prime-skewed to bank-grade customers. Its prime loan book has the Company well prepared to navigate current market conditions, combined with the framework already in place to manage credit quality through the cycle, including controls such as:

- Early warning indicators
- Bespoke WISR Score, which provides a more accurate view of a customer's financial standing and optimises risk-adjusted return
- Increased use of digital data with automated rules around account conduct
- Credit policy changes with a greater hindsight review of historical arrears tightening credit in line with risk appetite
- Ongoing investment in our collection processes

WISR FINANCIAL WELLNESS PLATFORM PROFILES



The Wizr Financial Wellness Platform continued to grow, with more than 35K new profiles created in Q1FY23, taking the total to over 682K profiles at quarter-end. The Wizr App has now paid off \$4.2M in debt through round-ups and repayment boosters.

APPENDIX 4C QUARTERLY ACTIVITY REPORT COMMENTARY:

Wizr continues its path to profitability, with \$21.2M in operating revenue, an 75% increase on Q1FY22 (**\$12.1M**) and a 20% increase on Q4FY22 (**\$17.6M**).

Cash EBTDA of \$(1.5)M[^] for Q1FY23, a 33% improvement on Q4FY22 ((\$2.3)M) consisting of:

- 20% increase in revenue as higher new loan origination yields flow through.
- 9% decrease in opex given headcount reduction in September 2022 (excludes \$0.4M relating to the restructure). The full benefits of the restructuring and other initiatives are expected to flow through in Q2FY23 and beyond and are estimated to result in a 15% reduction in Q2FY23 operating expenses versus Q4FY22.
- 8% increase in gross loan write-offs, which is well within risk appetite and represents 1.3% of the average Q1FY23 loan book. The benefit of recoveries and debt sales is not included in this figure.
- 58% increase in finance costs is driven by increased loan book size and the material increase in funding costs for new loans during the quarter, along with excess capacity and corresponding cost for WH1, given the ABS transaction in June 2022.

Cash EBTDA	Q1FY23	Q4FY22	Q3FY22	Q2FY22
Revenue	\$21.2M	\$17.6M	\$15.5M	\$14.1M
Opex	\$(10.0)M [^]	\$(11.0)M	\$(9.1)M	\$(7.5)M
Loan write-offs (Gross)	\$(2.8)M	\$(2.6)M	\$(2.4)M	\$(1.1)M
Finance costs	\$(9.9)M	\$(6.3)M	\$(4.9)M	\$(4.2)M
Cash EBTDA	\$(1.5)M	\$(2.3)M	\$(0.9)M	\$1.3M

[^] Excludes \$0.4M relating to one-off restructuring costs



Per item 1.10, net cash from operating activities for Q1FY23 was \$(1.8)M (Q4FY22: \$(0.4)M), driven by higher finance costs along with the restructuring costs, the benefits of which will flow through in Q2FY23 and beyond.

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

WISR will present the Company's Q1FY23 results at the **Goldman Sachs Annual Emerging Technology Conference** this week.

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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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Company Secretary
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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.wizr.com.au

Appendix 4C

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

Name of entity

Wisir Limited

ABN

80 004 661 205

Quarter ended ("current quarter")

30 September 2022

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	20,365	20,365
1.2	Management fee income	99	99
1.3	Payments for		
	(a) research and development	-	-
	(b) product manufacturing and operating costs	(3,605)	(3,605)
	(c) advertising and marketing	(1,504)	(1,504)
	(d) leased assets	-	-
	(e) staff costs	(7,074)	(7,074)
	(f) administration and corporate costs	(1,143)	(1,143)
1.4	Dividends received (see note 3)	-	-
1.5	Interest received	34	34
1.6	Interest and other costs of finance paid	(9,002)	(9,002)
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	(1,831)	(1,831)
2.	Cash flows from investing activities		
2.1	Payments to acquire or for:		
	(a) entities	-	-
	(b) businesses	-	-
	(c) property, plant and equipment	(34)	(34)
	(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	(813)	(813)
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	(107,171)	(107,171)
	(b) Transfer for term deposit	-	-
2.6	Net cash from / (used in) investing activities	(108,019)	(108,019)

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	113,872	113,872
3.6	Repayment of borrowings	-	-
3.7	Transaction costs related to loans and borrowings	(497)	(497)
3.8	Dividends paid	-	-
3.9	Other (provide details if material)	(181)	(181)
	Payments for right of use asset		
3.10	Net cash from / (used in) financing activities	113,194	113,194

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	71,489	71,489
4.2	Net cash from / (used in) operating activities (item 1.10 above)	(1,831)	(1,831)
4.3	Net cash from / (used in) investing activities (item 2.6 above)	(108,019)	(108,019)
4.4	Net cash from / (used in) financing activities (item 3.10 above)	113,194	113,194
4.5	Effect of movement in exchange rates on cash held	-	-
4.6	Cash and cash equivalents at end of period	74,834	74,834

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	15,079	23,339
5.2	Call deposits	-	-
5.3	Bank overdrafts	-	-
5.4	Other (restricted cash)	59,755	48,150
5.5	Cash and cash equivalents at end of quarter (should equal item 4.6 above)	74,834	71,489

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	139
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 <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>	Total facility amount at quarter end \$A'000	Amount drawn at quarter end \$A'000
7.1 Loan facilities	1,168,410	886,803
7.2 Credit standby arrangements	-	-
7.3 Other (corporate card)	235	4
7.4 Total financing facilities	1,168,645	886,807
7.5 Unused financing facilities available at quarter end		281,838
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 3.5%, senior maturity in November 2022 (in the process of extending) and secured against the loan receivables it funds. - Wisr Freedom Trust 2021-1 securitisation with a current balance of \$105.8m (amortising loan book) and day one weighted average margin of circa 1.5% + 1 month BBSW. - Wisr Secured Vehicle Warehouse of \$400m with NAB as senior funder, Revolution as mezzanine funder, a drawn cost of funds of circa 2.7% over BBSW, maturity in October 2023 and secured against the receivables it funds. - Wisr Freedom Trust 2022-1 securitisation with a current balance of \$206.1m (amortising loan book) with a weighted average margin of 2.23% over 1 month BBSW. - Unsecured Head Co loan facility of \$6.5m, with \$6.5m drawn, 9.5% pa coupon and maturity in May 2023. <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 2022 was circa \$18.3m. Wisr continues to service this loan book but is not using the facility to fund loans at present.</p>		

8. Estimated cash available for future operating activities	\$A'000
8.1 Net cash from / (used in) operating activities (item 1.10)	(1,831)
8.2 Cash and cash equivalents at quarter end (item 4.6)	74,834
8.3 Unused finance facilities available at quarter end (item 7.5)	281,838
8.4 Total available funding (item 8.2 + item 8.3)	356,672
8.5 Estimated quarters of funding available (item 8.4 divided by item 8.1)	195
<p><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></p> <p>Wisr notes Item 8.3 above is utilised for loan funding as opposed to operating expenses</p>	

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: 25 October 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.