



ASX RELEASE:

Wisr commentary and highlights for quarter ending 30 June 2019

FY19 Loan originations up 281% compared to FY18, with total loan originations now in excess of \$108 million

Sydney, 31 July 2019 - Wisr Limited (ACN 004 661 205) (ASX: WZR) (Wisr or the Company), Australia's first neo-lender is pleased to present its report for the three months ending 30 June 2019. Wisr achieved its 11th consecutive quarter of growth across key metrics as it continues to deliver on its neo-lender business strategy.

HIGHLIGHTS:

Loan Book Growth

- Total loan origination FY19 of \$68.9M up 281% on FY18 (\$18.1M)
- H2FY19 originations of over \$40M, a 215% increase on H2FY18 and, 38% increase on H1FY19 (\$28.9M)
- 17% quarter on quarter increase in loan origination (Q3FY19 - Q4FY19), a 176% increase when compared to the same period last year (Q4FY18)

Q4FY19 Strategic Highlights

- Wisr debt funding model evolving, with three significant opportunities to create hybrid funding model well advanced, which will improve Wisr margins.
- Multi-year mutually exclusive agreement signed with Smartgroup (ASX:SIG) to partner on distribution of Wisr's Financial Wellness Ecosystem.
- Clear progress on previously announced strategy of B2B2C distribution of Wisr's Financial Wellness Ecosystem with opportunities across private health insurance, superannuation, salary packaging and employee benefits.
- Wisr App hits over 25,000 downloads in its first quarter.
- WisrCredit platform continues to grow with over 35,000 active users.
- Wisr takes out *Most Innovative Challenger* award at Australian Banking Innovation Awards and wins of *Excellence In Consumer Lending* at the 2019 Finnies awards.

Unaudited FY19 Financials

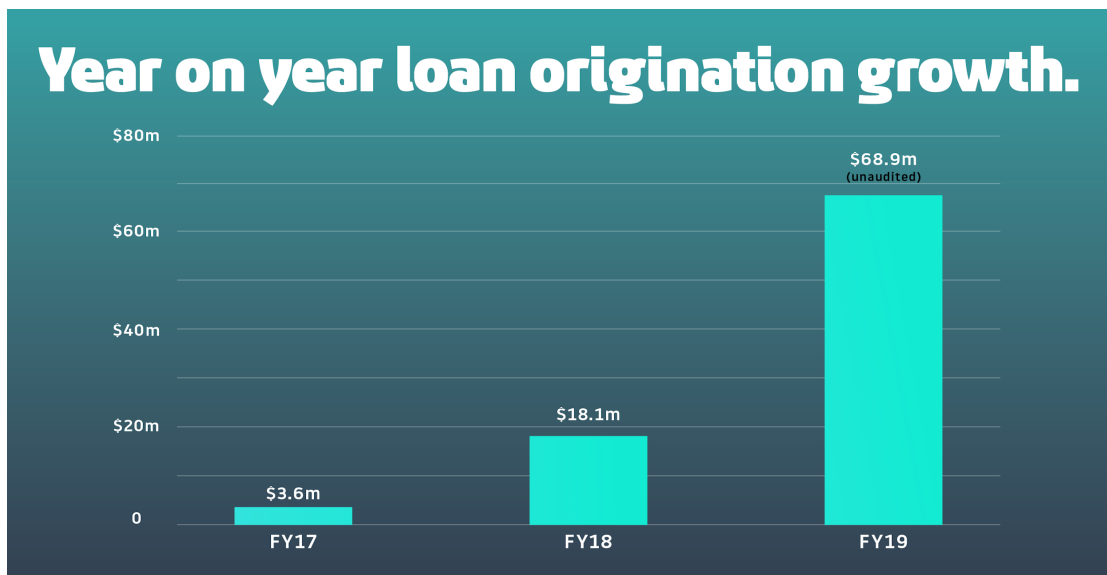
- Unaudited annual (FY19) revenue increased 82%, to \$2.9 million (FY18: \$1.6 million).
- Loss before tax of \$7.3 million, an 18% increase on FY18, in line with investment into the highly differentiated Wisr business strategy.



COMMENTARY:

Wizr's total loan origination during FY19 was \$68.9M up 281% on FY18 (\$18.1M). New loan origination value increased by 17% in the quarter ending 30 June 2019, providing a strong finish to a record financial year for the Company. In the quarter ending 30 June 2019, new Wizr loan originations totalled \$21.9 million, compared to \$18.8 million in March quarter FY19.

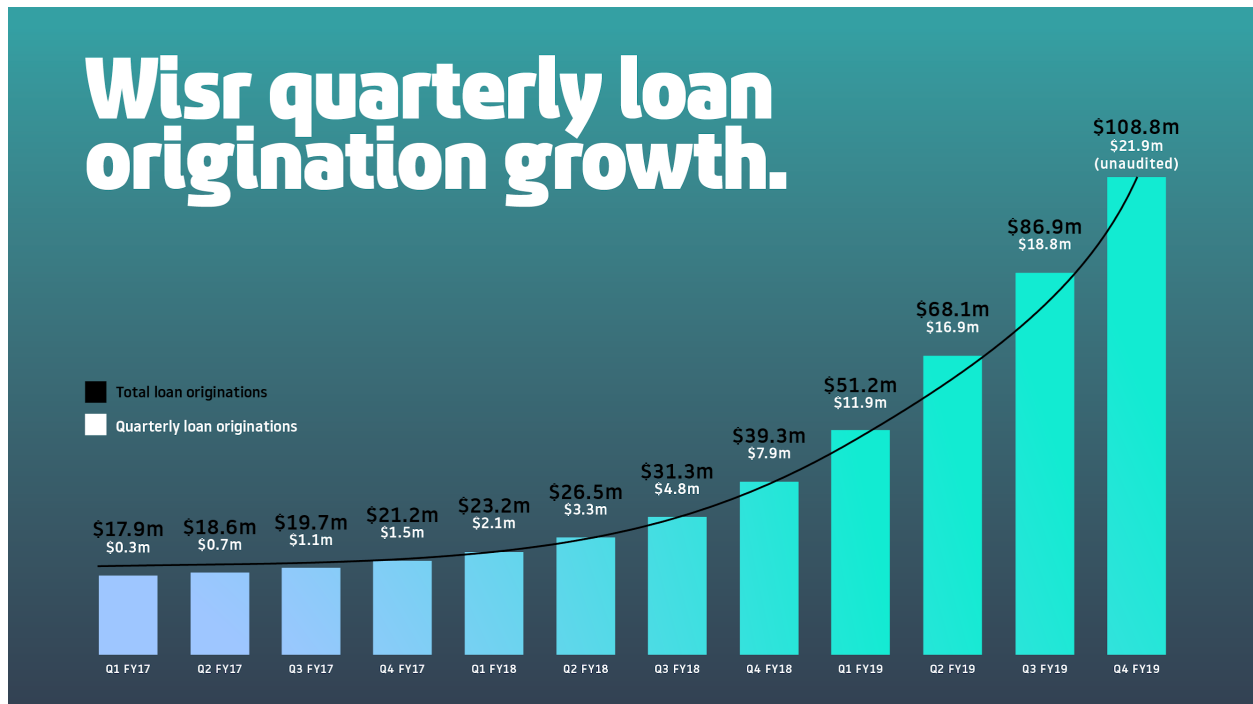
Wizr originated more than \$40 million in new loans in the second half of FY19, up more than 220% on the same period last year.



Anthony Nantes, Chief Executive Officer, Wizr said: “This quarter continues a run of record-breaking numbers for Wizr. Our results during the 2019 financial year, led by 281% growth in our loan originations, show how Wizr is delivering exceptional value for Australians. We are committed to building the consumer lending company of the future, something genuinely unique in this space, not merely extending on what’s already available in the market today.”

“Our growth in loan origination is coupled with strong proof points of the long term strategies the Company has set as its agenda, with the Company demonstrating remarkably rapid progress across our innovative financial wellness suite. We have announced tens of thousands of new Wizr customers on our innovative products, and major partnerships beginning to launch. It’s clear that the Australian public has embraced our vision to deliver financial wellness as a purpose-led business.”

“Now 18 months into our neo-lender business strategy, we have made improvements across our core business metrics, exceeded our set business KPIs, and we are preparing to fully deploy our strategic channels to meet our ambitious growth agenda. We are proud of what the team has achieved this quarter and we look forward to delivering ongoing success in the coming years.”



The growth in originations has delivered consistently strong, but prudent and safe, growth of the loan book in line with management expectations.

WISR continued its balance of long term sustainable book growth delivered by market leading unit economics, operating excellence and conservative loss rates. A deliberate decision not to maximise loan book growth for short term volume at the expense of unit economics is evident.

The Company recognizes the opportunity is significant in the Australian market, but maintains the strategy that wins over the medium to long term is the most important, and is focused on building the strongest platform foundation in the market for long term sustainable, profitable success.

FINANCIAL HIGHLIGHTS:

4C commentary Q4FY19

- Cash on hand at the end of Q4FY19 was \$12 million, not including liquid loans on balance sheet as at 30 June 2019. Per the 4C, we note the difference of \$1.5 million between cash flow items “Net of lending and repayments” and “Proceeds from sale of loans”. While not cash on hand at 30 June 2019, the WISR operating model of initially originating loans on to balance sheet and shortly after selling them to third party funding

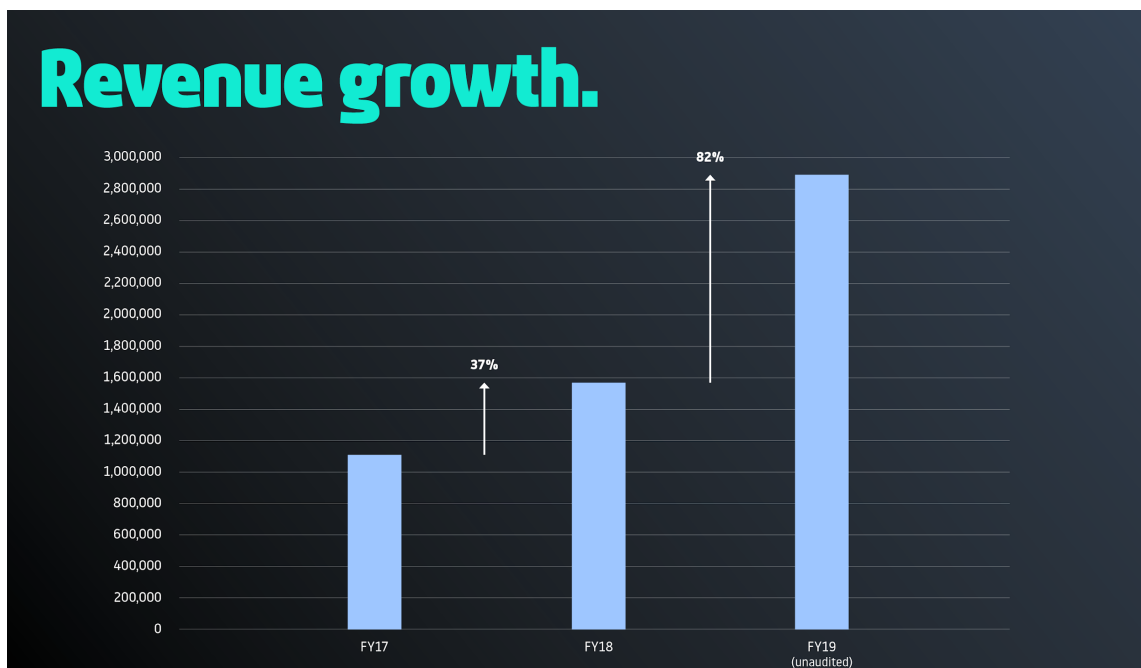


partners means that this is essentially a cash equivalent. The cash was realised via a loan sale on 2 July 2019 of \$1.8 million.

- There was a cash operating loss of circa \$2.8M in Q4FY19.
- Following an Extraordinary General Meeting on 10 May 2019, the second tranche of a circa \$15 million capital raise was settled. Tranche 2 comprised of 93,173,320 fully paid ordinary shares.

FY19 Results

Wizr will release its financial information for FY19 to the market in August 2019. While the financial information is still being finalised and subject to audit review, Wizr expects to deliver:



- Operating revenue of \$2.9 million, an 82% increase on FY18.
- Total loan origination FY19 of \$68.9M up 281% on FY18 (\$18.1M).
- H2FY19 loan originations of over \$40M, a 220% increase on H2FY18 and, 38% increase on H1FY19 (\$28.9M).
- The increase in revenue is non-linear with loan growth, due to higher interest revenue from loan assets held on balance sheet in FY18 prior to the introduction of wholesale funding in October 2017.
- Whilst delivering a 220% increase in loan origination compared to H2FY18, the Company's loan-specific marketing spend was broadly flat which speaks to the ongoing efficiency of the Wizr ecosystem.
- Loss before tax of \$7.3 million, an 18% increase on FY18 in line with investment into the highly differentiated Wizr business strategy.

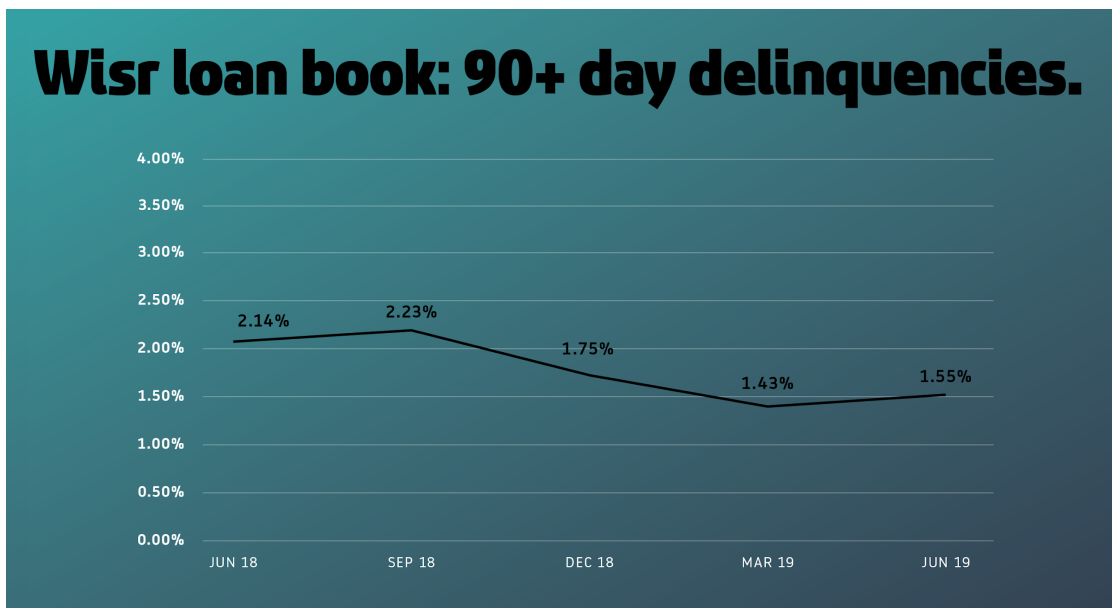


Note that the loss does not include fees related to the capital raising and some non-cash P&L items including Long-Term Incentives and other share-based payments.

The increase in cost base reflects higher employment and costs associated with the rollout of the Wizr ecosystem model, and a focus on delivering market leading unit economics to make the Wizr business truly scalable.

Strong unit economics were maintained in FY19, evidenced by the H2FY19 marketing spend vs H2FY18 being relatively flat, whilst delivering 220% loan book growth.

Wizr continued to deliver consistently strong credit quality with 90+ day arrears at 30 June 2019 of 1.55% across its entire loan book (i.e. total 90+ days arrears divided by the total outstanding loan book balance). Wizr has changed its reporting of arrears in order to be consistent with the method used by major Australian consumer finance providers and thereby provide easier comparison to the market. Although Wizr has minimal exposure to its loan book given its current predominantly capital light/off balance sheet funding model, credit quality is deemed an important metric. Wizr continues to deliver exceptionally strong credit performance across the \$108M of loans written up to 30 June 2019, in line with or better than expectations.



Debt Facilities

Wizr continues the evolution of its loan funding model in a capital efficient manner during the quarter. Today, Wizr utilises a predominantly capital light funding model through off balance sheet funding structures which has allowed the business to scale from a capital allocation perspective. That means, capital has been used to fund company growth and deliver on the neo-lender ecosystem strategy as opposed to loan funding. This approach has been successful and allowed Wizr to be a true platform play in the market.



Wisr is currently in advanced discussions with three new funding partners and is pleased with the strong interest shown by Tier 1 funders to provide debt capital to Wisr's fast growing loan book. The Company's objectives in pursuing the new funding opportunities are; increasing debt capacity to fund our rapid growth, diversification of funding partners and therefore risk; improved overall margins for Wisr, and improvement in specific loan unit economics. The structures of the new facilities are diverse and will see Wisr benefit from a hybrid funding model while maintaining its capital light attributes. Wisr will update the market on the specifics of these new deals at the appropriate time.

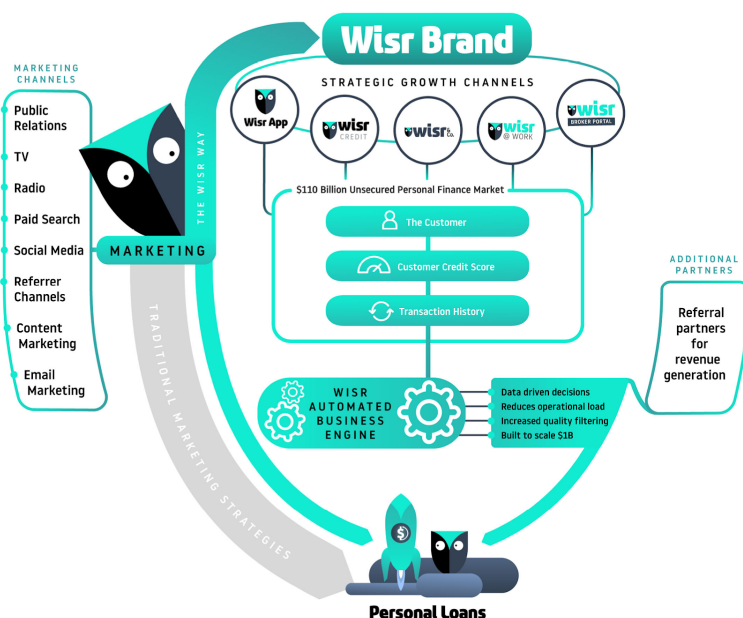
BUSINESS HIGHLIGHTS:

Financial Wellness Ecosystem

Following the successful capital raise of circa \$15 million in April 2019, the Company continued to invest in its proprietary technology platform and accelerate the roll-out of tools in its Financial Wellness Ecosystem including WisrCredit, Wisr App, Wisr@Work, and Wisr&Co.

Anthony Nantes said, "Wisr continues to build out a unique ecosystem of smarter, fairer products and services to provide exceptional customer experiences and a business model that is scalable and built to deliver long term sustainable profitability.

In the last quarter, we achieved a number of milestones across the entire ecosystem which set the foundation for continued growth in the new financial year."



Wisr Financial Wellness Ecosystem



Wizr&Co. and Wizr@Work, the Company's B2B distribution strategy, continued significant penetration across major non-finance sectors in the past quarter including private health insurance, superannuation, salary packaging and employee benefits.

In July, Wizr announced a three-year mutually exclusive agreement with salary packaging and employee benefits company, Smartgroup Corporation Limited (ASX:SIQ), to partner on the distribution of Wizr's Financial Wellness Ecosystem.

Smartgroup has approximately 4,000 employer clients (with well over 1 million employees) and more than 340,000 salary packaging customers and has been consistently recognized as one of the most innovative and customer service-oriented companies in Australia

Anthony Nantes, the Company's Chief Executive Officer, said "We are pleased to announce such an important partnership arrangement that has the potential to significantly increase the reach of the financial wellness offering that Wizr currently delivers to market and is a fantastic proof point for the Wizr@Work program we have previously announced to market. Smartgroup is an innovative company that genuinely puts the betterment of its employer clients and its customers at the forefront of what it does. It is this aligned ethos that we think makes us fantastic partners, and together we will be able to deliver a truly unique range of solutions to market"

Deven Billimoria, Managing Director and Chief Executive Officer, Smartgroup said "Wizr has a compelling new offering that we are interested in introducing to our clients and customers. We've been impressed by their enthusiastic and proactive approach and look forward to working with them over the coming years."

The Company is also in late-stage launch planning with HCF, Australia's largest not for profit health insurance provider, and a major retail superannuation fund. Further information on these partnerships and others will be announced as details are finalised.

Wizr App

Wizr App - a smartphone tool which links a user's everyday transaction account, rounding-up purchases to the nearest dollar and automatically paying the funds off a nominated debt - was launched in H2FY19.

To date, over 25,000 Australians have downloaded the app. In the past four months, the app has ranked as high as the top ten financial apps in the Australian App Store.

Wizr was a finalist for *Best Banking App* at the 2019 Australian Banking Innovation Awards. It is also a finalist for *Personal Finance App of the Year*, which will be announced in August at the 2019 Finder Awards.

WISR Credit

Credit score comparison service WISR Credit also continued to see audience growth, with more than 35,000 active users now on the platform - doubling the user base across the last six months.

Net Promoter Score

Net Promoter Score (NPS), which measures customer, broker and partner satisfaction, were at the highest levels historically at +74 for Q4FY19. Across the business, NPS is at +64 for FY19, with the broker channel achieving an NPS of +71. This continues to be considered best-in-class when compared across the banking and finance industry.

NPS has improved consistently quarter on quarter throughout FY19 in line with the release of new financial wellness solutions including WISR Credit (Q2), WISR App (Q3) and WISR@Work and WISR&Co.

Industry recognition



WISR closed out FY19 as one of the most recognised fintechs in Australia, achieving 16 nominations and four award wins. In Q4FY19, WISR took home the *Most Innovative Challenger Award* at the 2019 Australian Banking Innovation Awards. The awards are Australia's leading



banking awards ceremony and recognise excellence and innovation in the finance industry including the neo banking and lending sectors.

Gerald Fergusson the Managing Director – APAC for RFi Group said, “RFi Group developed the Australian Banking innovation summit and Awards to better reflect the changing market dynamic we operate in and to help recognise and celebrate the spirit of innovation within the industry in Australia.

“As winners of the *Most Innovative Challenger Award* – Wizr, showed a real commitment through their submissions to driving financial wellness for all Australians. The quality and level of submissions for all awards, but for this one, in particular, were of an extremely high level and we congratulate Wizr on being judged the winning submission,” Mr Fergusson said.

Wizr also won *Excellence in Consumer Lending* at the 2019 Fannies awards and was a finalist for *Fintech of the Year*. The Fannies acknowledge collaboration and innovation across the growing fintech industry, and recognise Wizr as representative of this theme.

Additional wins include the 2018 *Optus Business Leader of the Year* and *Best Lending Innovation* at the Australian Lending Awards 2019.

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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 WizrApp 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 investor enquiries, email investor@wizr.com.au

For more information visit: www.wizr.com.au