ASX RELEASE

Wisr commentary and highlights for quarter ending 31 December 2018 and Company Secretary Change

Sydney, Thursday 31 January 2019 - Wisr Limited (ACN 004 661 205) (ASX: WZR), Australia's first neo-lender, is pleased to report its business update and Appendix 4C for the three months ending 31 December 2018. Wisr is committed to delivering financial wellness to all Australians by providing a smarter, fairer and wiser collection of financial products and services to consumers, as the company grows its share of the $80 billion[1] local consumer credit market.

HIGHLIGHTS:

- **In the quarter ending 31 December 2018 new Wisr loan value was $16.98 million, up 43% compared to Q1FY19 (increasing from $11.90 million the previous financial quarter).**
- **Wisr originated more than $29 million in new loans during H1FY2019, up 437% on H1FY2018.**
- **Unaudited half-yearly (H1FY19) revenue was increased 56%, up to $1.2 million (H1FY18: $759k).**
- **WisrCredit platform continues to exceed customer acquisition expectations, with more than 16,000 customers on the platform since launch in October 2018.**
- **Anthony Nantes, CEO, Wisr was named 2018 Business Leader of the Year and the company was named as a finalist in the Fintech of the Year category at the 2018 Optus My Business Awards.**

COMMENTARY:

Wisr, Australia's first neo-lender (ASX: WZR), saw new loan origination value increase by 43% last quarter, as it continued its record start to the 2019 financial year.

In the quarter ending 31 December 2018 new Wisr loan originations totaled $16.98 million, compared to $11.90 million in Q1FY19.

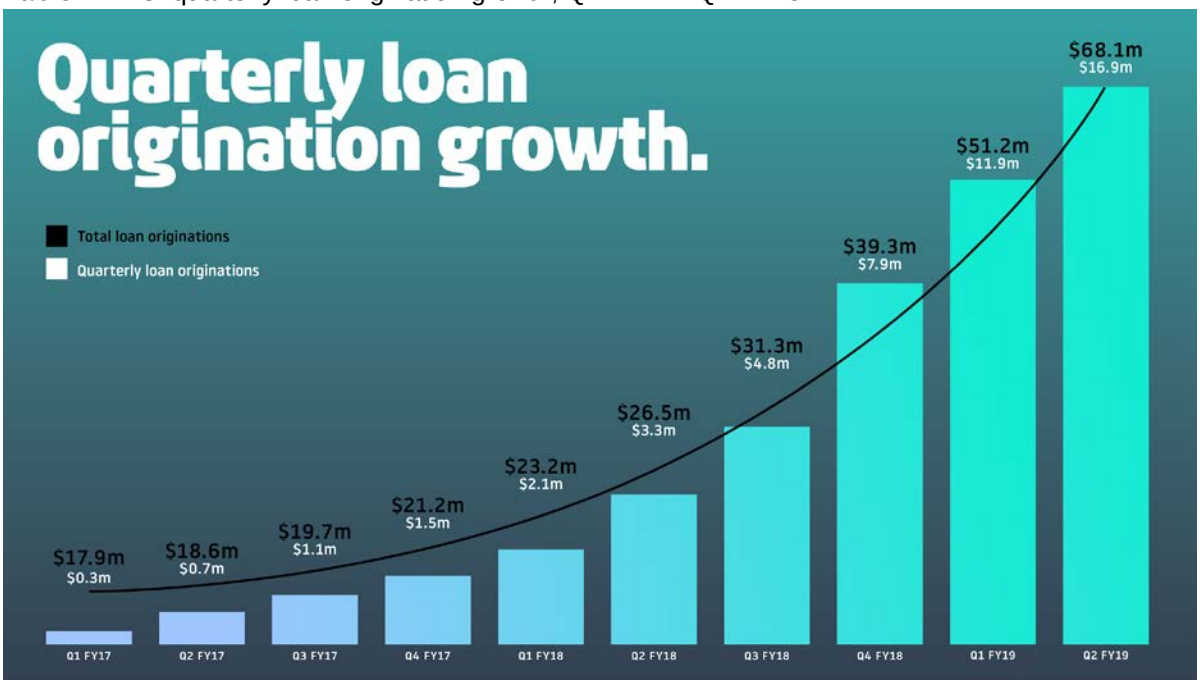
It was the biggest six-month increase in loan origination value since the company began operations in 2014 and subsequently listed on the ASX in 2015. Wisr originated more than $29 million in new loans in the first half of this financial year, up more than 437% on the same period last year.

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[1] ABS, Australian Lending Finance, November 2018, http://www.abs.gov.au/AUSSTATS/abs@.nsf/DetailsPage/5671.0November

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Table 1: Wisr quarterly loan origination growth, Q1 FY17 - Q2 FY19



Anthony Nantes, Chief Executive Officer, Wisr said “this is an outstanding result delivered by a high calibre team. Wisr continues to redefine what is possible in consumer finance, as we build a company of real size and meaning in Australia, leading the way for consumers at a time when the market is expecting more from those operating in this sector. By offering creditworthy customers more personalised and innovative financial products backed by cutting edge technology, we’ve been able to rapidly grow at a time when many other lending incumbents have struggled,” Nantes said.

“We believe Wisr is one of the fastest growing companies of its kind anywhere in the world. Our vision of creating a smarter and fairer approach to lending has been shared by thousands of Australians and provides a solid platform for future business growth.”

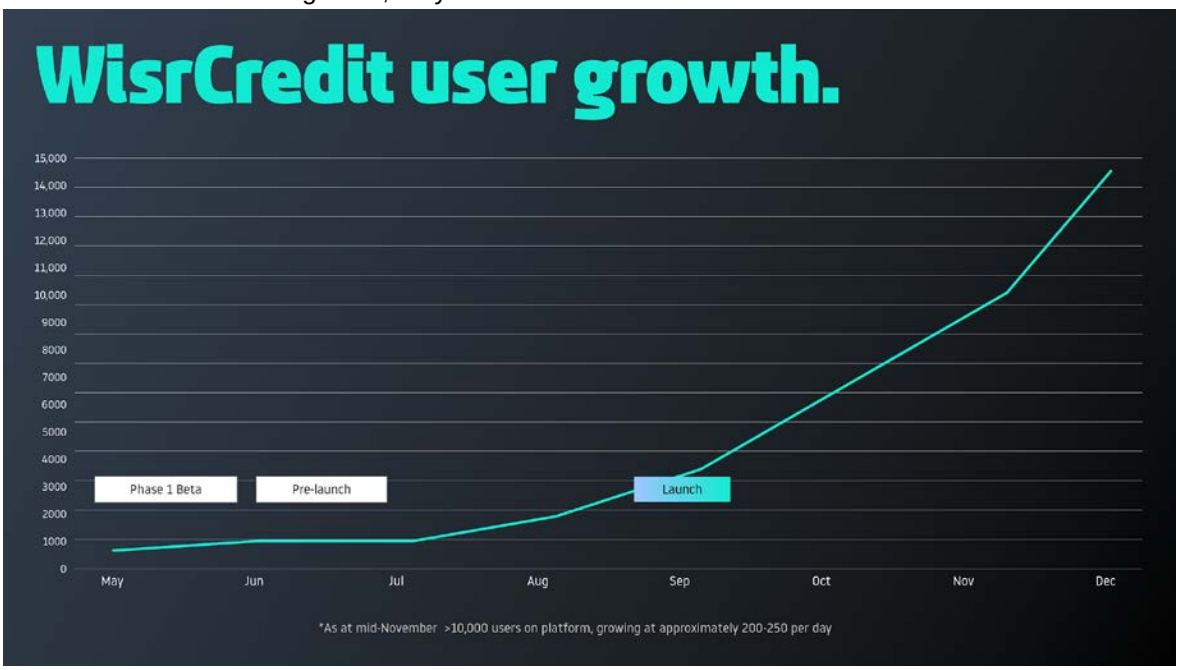
The Wisr loan growth follows a recent study by the University of Cambridge, which found Australian alternative online lenders increased consumer lending by 62% last year, up to US$256[2] million. By comparison, Wisr recorded 409% year-on-year loan growth last financial year.

In recent months Wisr has seen significant customer acquisition through its digital channels, which saw settled loan application value increase by 62% on last quarter. The addition of new digital services such as WisrCredit significantly bolstered the total number of total Wisr customers, with more than 16,000 users now on the platform.

[2] 3rd Asia Pacific Region Alternative Finance Industry Report, December 2018: https://www.jbs.cam.ac.uk/fileadmin/user_upload/research/centres/alternative-finance/downloads/2018-3rd-asia-pacific-alternative-finance-industry-report.pdf

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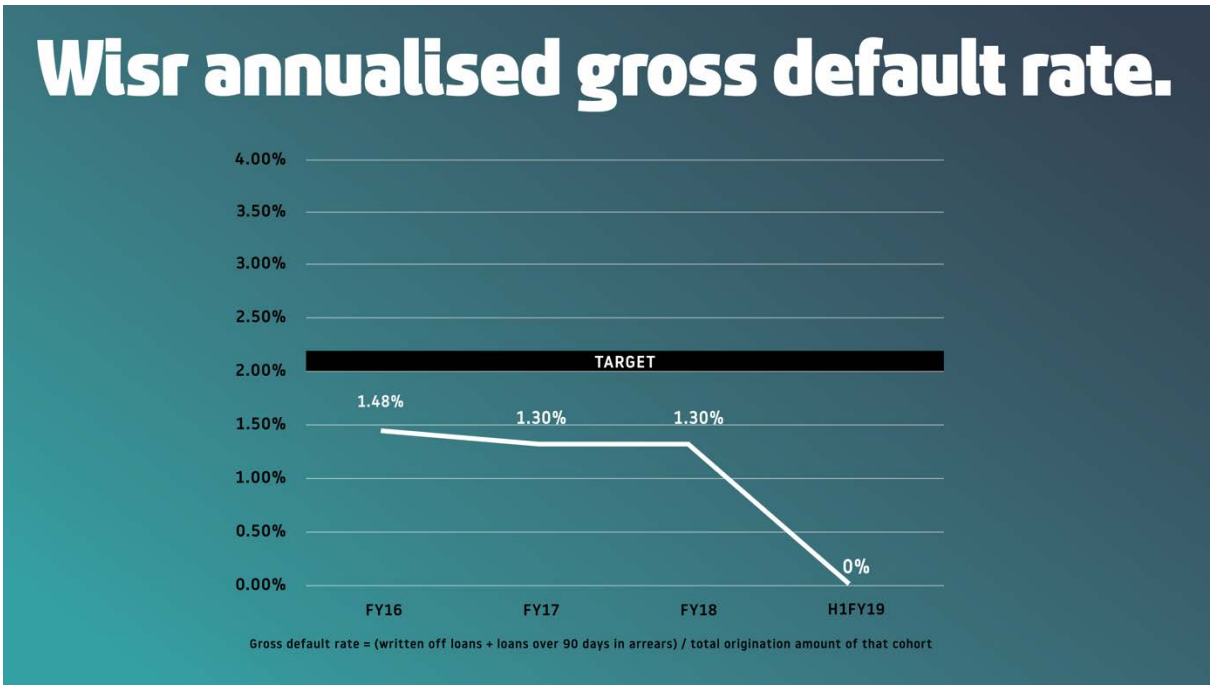
Table 2: WisrCredit user growth, May - December 2018



Wisr also continued to deliver consistently strong credit quality, exceeding its targets for arrears and book performance, and attracted more prime customers to the company, with Wisr customers having higher income and credit scores than the national average. Wisr has remained consistently below the target Annualised Gross Default Rate[3] of 2% since FY16.

Table 3: Wisr Annualised Gross Default Rate FY16 - H1 FY19

[3] Quarterly Gross Default Rate = (Written Off loans + loans over 90 days in arrears) / Total Origination Amount of Cohort. This is then annualised based on the number of days to 31 December 2018 since the start of each cohort (quarter). An average of the four quarters for each financial year is then taken to obtain the annualised figure.



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FINANCIAL HIGHLIGHTS:

4C commentary H1FY19:

- Cash on hand at the end of H1FY19 was $3.8 million, not including liquid loans on balance sheet as at 31 December 2018. Some of these have since been sold and will increase the reported cash balance.

Wisr will release its financial information for H1FY19 to the market in February 2019. While the financial information is still being finalised and subject to audit review, Wisr expects to deliver:

- Operating revenue of $1.2 million, a 56% increase on H1FY18;
- Loan origination of $29 million in the half, a 437% increase on H1FY18;
- Whilst delivering a 437% increase in loan origination compared to H1FY18, the company decreased marketing spend by 58% (compared to H1FY18) thanks to new services such as WisrCredit, improved customer targeting, and other marketing efficiencies;
- The increase in revenue is non-linear with loan growth, due to higher interest revenue from loan assets held on balance sheet in H1FY18 prior to the introduction of wholesale funding in October 2017; and
- Loss before tax of $3.8 million, an 22% increase on H1FY18, reflecting higher employment costs as Wisr rolls-out its growth strategy and new products.

  Note that the loss figure is before considering a new staff Long Term Incentive Plan for FY19 and potential capitalisation of certain technology assets.

Table 4: Wisr Loan Value, Marketing Expenses and Revenue, 1H FY18 v 1H FY19



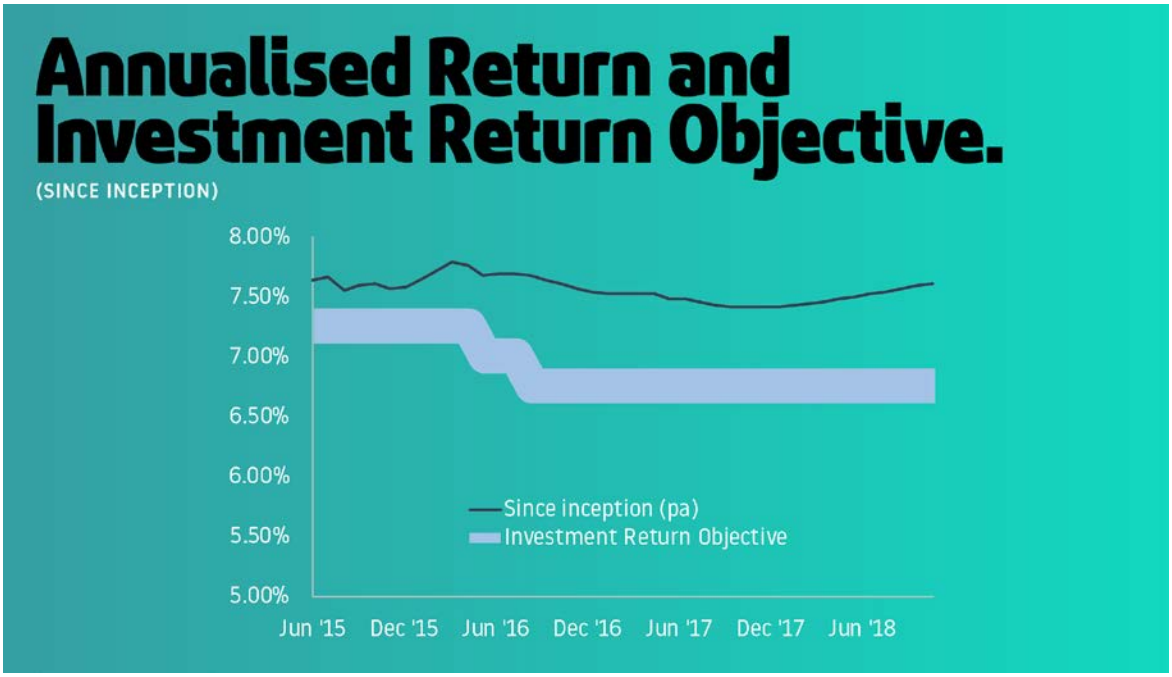
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RETAIL FUND UPDATE:

The Retail Fund[4] delivered a net return of 8.24% for the 12 months ended 31 December 2018 and 7.64% p.a. since inception on 13 May 2015, consistently exceeding the target return of the RBA Cash Rate plus 5-5.5%.

[4] The DirectMoney Personal Loan Fund ARSN 602 325 628 (the "Retail Fund"), issued by One Managed Investment Funds Limited ACN 117 400 987 AFSL 297042 as Responsible Entity of the Retail Fund. Wisr Investment Management Pty Ltd is the investment manager of the Retail Fund.

Table 5: Retail Fund Annualised Return, June 2015 - December 2018



COMPANY SECRETARY CHANGE:

Wisr also advises the resignation of Ms Leanne Ralph of BoardRoom Pty Ltd and the appointment of Ms Vanessa Chidrawi as Company Secretary, effective immediately.

The Board would like to thank Ms Ralph for her service to the Company and welcomes Ms Chidrawi.

For more information on Wisr please visit www.wisr.com.au

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For further information please contact

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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 personal loans, the country's only credit comparison service with Wisrcredit.com.au, apps, content and other products that use technology to provide better outcomes for borrowers, investors and everyday Australians.