



COMPANY UPDATE

# Q3FY22

26 April 2022





# WISR HAS A UNIQUE AND DIFFERENTIATED STRATEGY

Our tech, data, analytics and high-performance culture are genuine competitive advantages.

DIGITAL  
LENDING  
PLATFORM

WISR'S UNIQUE  
COMPETITIVE  
ADVANTAGE

FINANCIAL  
WELLNESS  
PLATFORM

**Loan Origination in Q3FY22 was a record \$158M (up 63% pcp), delivering:**

- **Over \$1B loans written (\$1.036B)** since inception (**4.5 years**)
- **23** consecutive quarters of new loan origination growth
- Q3FY22 Revenue of **\$15.5M** (up **106%** pcp)
- Second positive operating cash-flow quarter (Q3FY22)
- Loan originations exit run rate of **\$632M** per annum

**Significant room for growth is evident in the current business:**

- With more room to win in competitive channels
- Our ability to further optimise risk for more growth and profitability

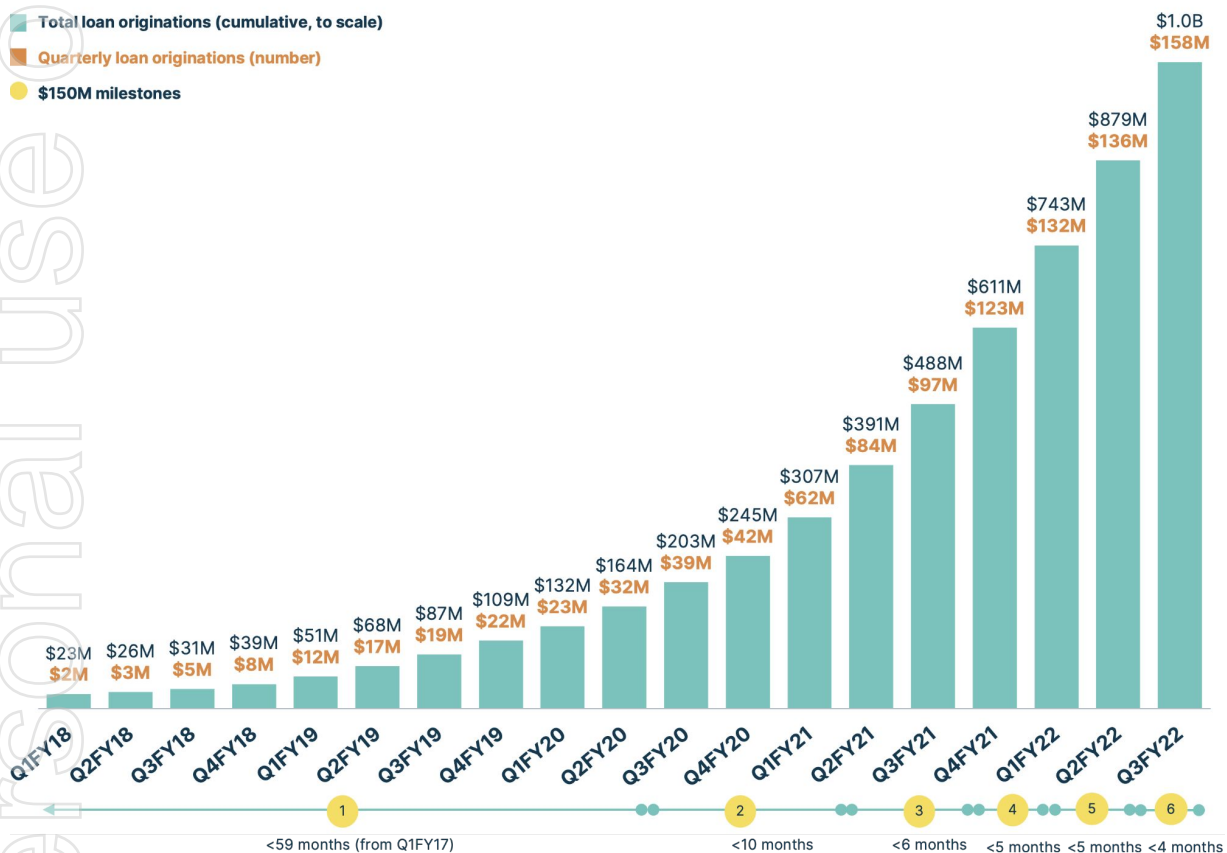
**The success of the Financial Wellness Platform can be leveraged, in-line with our existing budget for this strategy:**

- The data is highly valuable
- It is delivering tangible benefits for customers that engage with it
- It is already providing a significant ROI for us and setting us up for larger opportunities
- Demonstrated effectiveness of the Wizr Financial Wellness Platform as our most cost effective channel

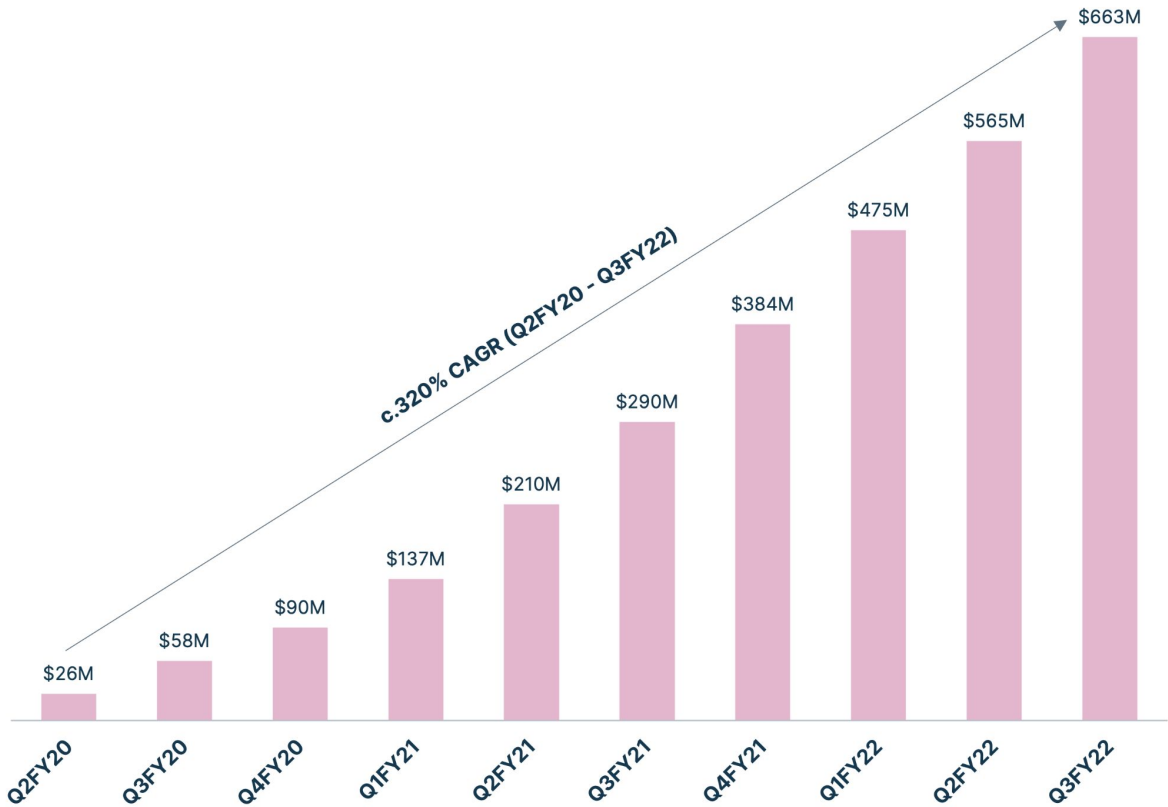


# WISR'S LENDING PLATFORM IS DELIVERING STRONG RESULTS

Wisr loan origination growth



Wisr loan book growth^



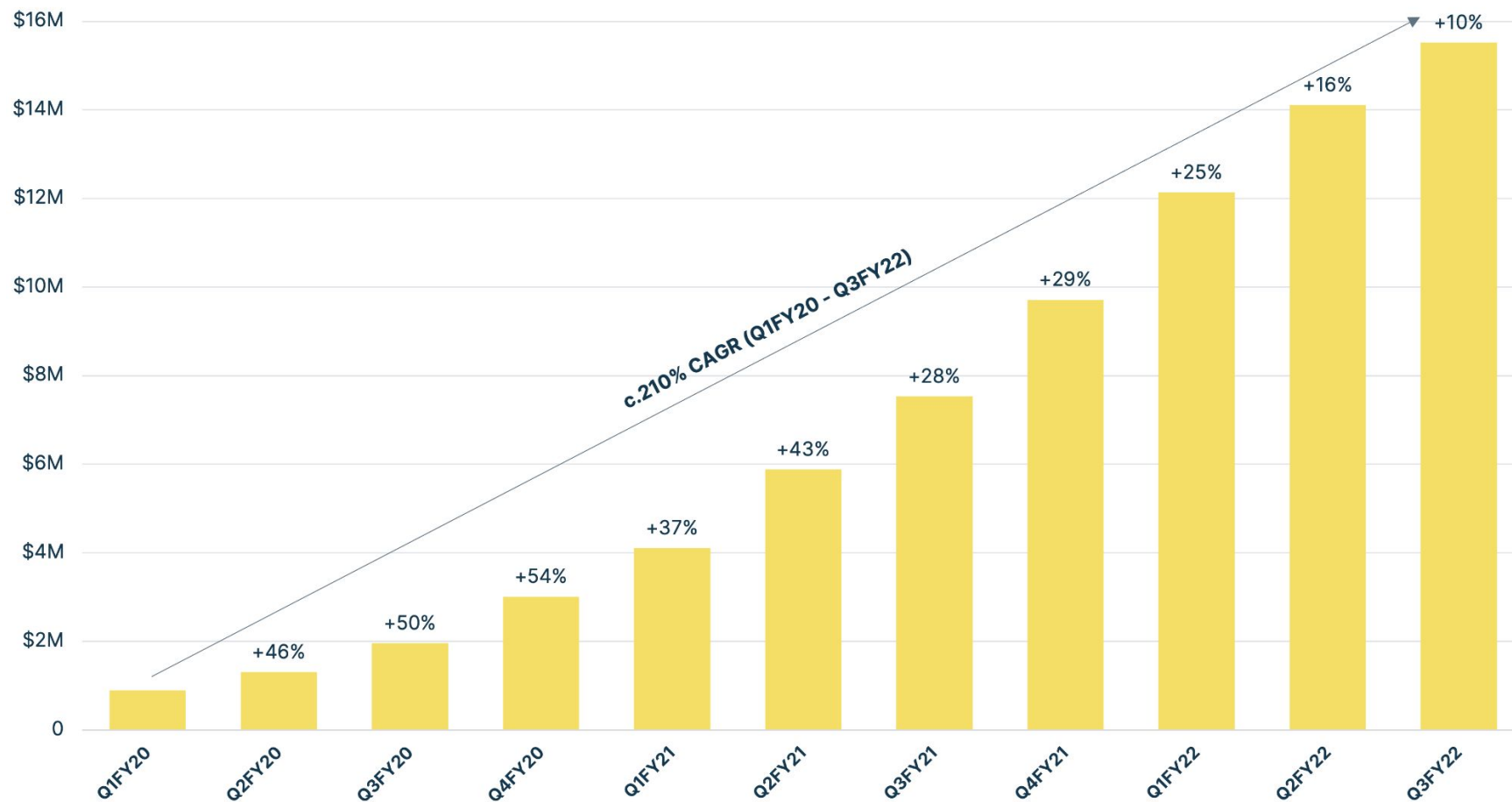
^Loan Book includes all loans in WH1, WH2, Freedom Trust and balance sheet, excludes off-balance sheet of \$28M as at 31 March 2022



# STRONG REVENUE GROWTH

Revenue growth is up 106% in  
Q3FY22 (\$15.5M) vs Q3FY21  
(\$7.5M)

Wiser quarterly revenue growth

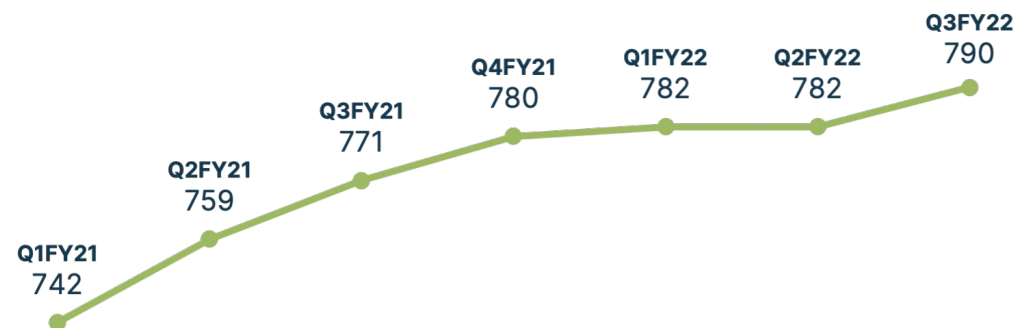




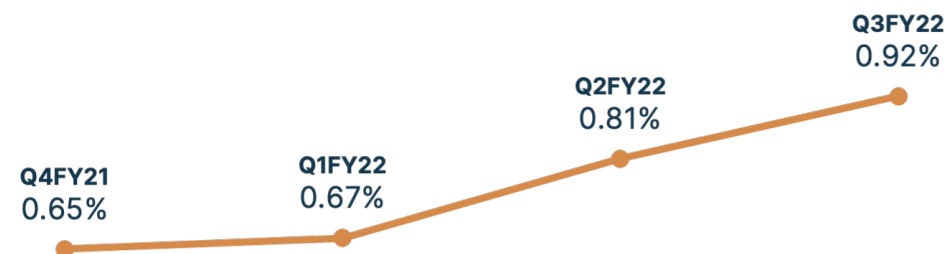
# OUR GROWTH IS BUILT ON CONTINUED HIGH CREDIT QUALITY

Strong credit quality achieved over 23 consecutive quarters of growth, with consistent on-balance sheet 90+ day arrears and noticeable improvements to average credit scores.

Wisor Loan Customer Average Credit Score



On-balance sheet portfolio 90+ day arrears^



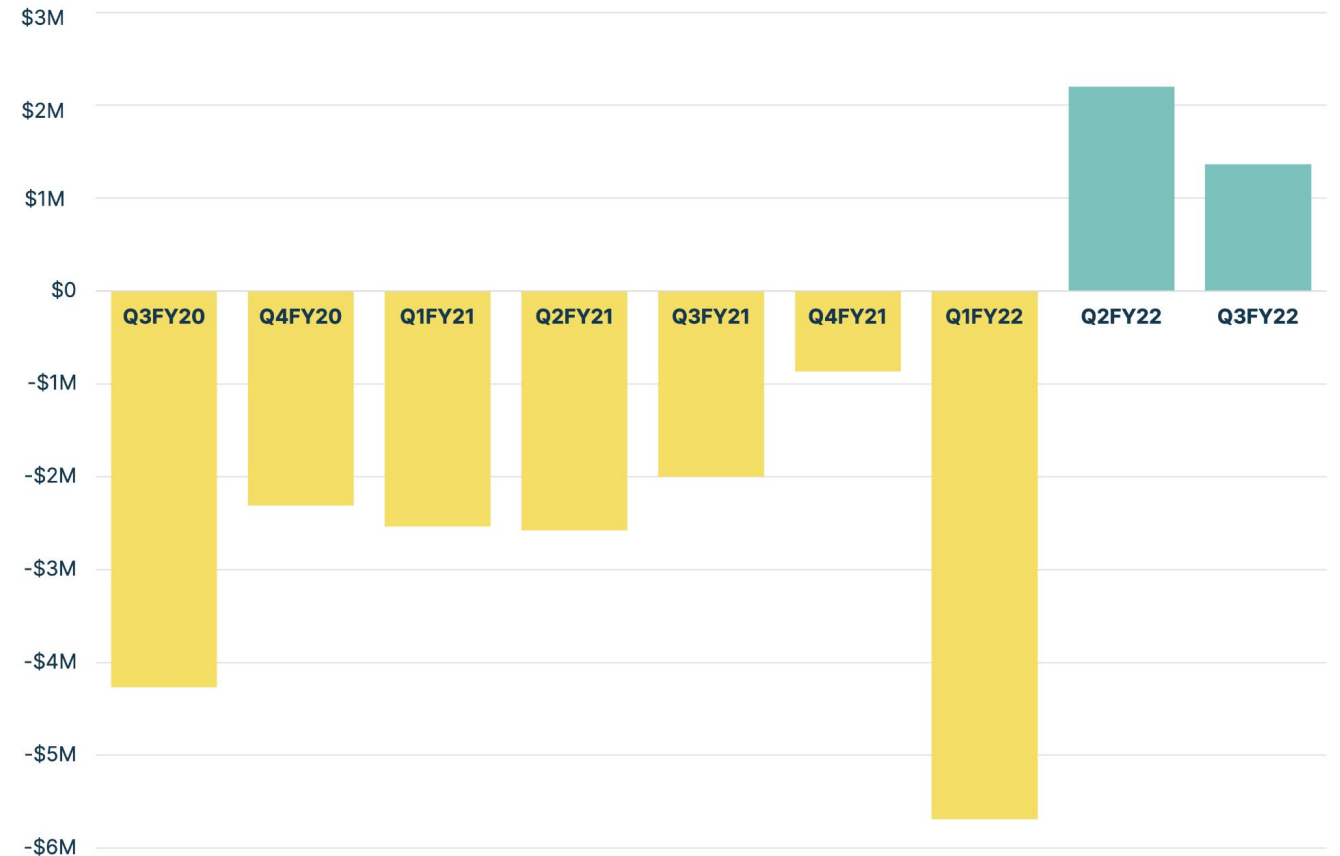
^Q4FY21, Q1FY22 and Q2FY22 have been reclassified to on-balance sheet portfolio arrears, previously reported figures included off-balance sheet.



# REVENUE GROWTH DELIVERING POSITIVE OPERATING CASH FLOW

With two funding facilities in operation, strong loan book growth and accelerating revenue, Wisr delivered its second positive operating cash-flow result for Q3FY22.

## Positive operating cash flow





# Q3FY22 UPDATE

With 23 consecutive quarters of growth, we have delivered:

**\$158M** in new loan originations

↑ **63%**

on pcg

(Q3FY21 \$97M)

Total loan originations  
**\$1.036B**

↑ **112%**

on pcg

(Q3FY21 \$488M)

**\$15.5M** in Operating revenue

↑ **106%**

on pcg

(Q3FY21 \$7.5M)

Wisor loan book  
**\$663M**

↑ **129%**

on pcg

(Q3FY21 \$290M)

On-balance sheet  
90+ day arrears

**0.92%**

as at 31 Mar 2022

(0.81% as at  
31 Dec 2021)

2<sup>nd</sup> consecutive  
positive operating  
cash-flow quarter

**\$1.4M**

for Q3FY22

(Q2FY22 \$2.2M)

IFM replaced AOFG  
as **Wisor Warehouse  
(WH1)** mezzanine  
investor

Effective Jan 2022

**601K** Wisor Financial  
Wellness Platform  
profiles

↑ **50%**

on pcg

(Q3FY21 402K)

Wisor well  
capitalised with  
cash balance of

**\$58.5M**

Includes \$23.3M  
unrestricted cash; in  
addition, there were \$19.5M  
liquid loan assets available  
for sale as at 31 March 2022

| CASH EBTDA      | Q3FY22          | Q2FY22        | Q1FY22          |
|-----------------|-----------------|---------------|-----------------|
| Revenue         | \$15.5M         | \$14.1M       | \$12.1M         |
| Opex            | \$(9.1)M        | \$(7.5)M      | \$(13.3)M       |
| Loan write-offs | \$(2.4)M^       | \$(1.1)M      | \$(1.0)M        |
| Finance costs   | \$(4.9)M        | \$(4.2)M      | \$(3.3)M        |
| Cash EBTDA      | <b>\$(0.9)M</b> | <b>\$1.3M</b> | <b>\$(5.5)M</b> |

^ Excludes an additional \$0.5M predominantly relating to prior periods for new treatment of hardship loans i.e. write-offs



# STRONG CASH EBTDA IMPROVEMENT

- In H1FY22, the Company had a Cash EBTDA of \$(3.8)M, which is a 42% improvement on \$(6.5)M in H1FY21
  - Maiden positive Q2FY22 Cash EBTDA of \$0.4M
- The operational leverage in the business is evidenced through a **revenue increase of 163% compared to 54% for operating expenses**
  - Operating expenses also include the material one-off Olympic Games Tokyo campaign spend
- Net loan write-offs increased due to loan origination and loan book growth, however, represented **0.30% of loan book as at 31 December 2021**
- Finance costs have increased in line with loan origination and loan book growth

## Actuals

|                       | H1FY22<br>\$M | H1FY21<br>\$M | Variance   |
|-----------------------|---------------|---------------|------------|
| Revenue               | 26.2          | 10.0          | 163%       |
| Operating expenses    | (20.8)        | (13.5)        | 54%        |
| Loan write-offs (net) | (1.7)         | (0.6)         | 178%       |
| Finance costs         | (7.5)         | (2.4)         | 208%       |
| <b>Cash EBTDA</b>     | <b>(3.8)</b>  | <b>(6.5)</b>  | <b>42%</b> |

## H1FY22 results excluding Q1FY22 marketing spend

|                       | H1FY22<br>\$M | H1FY21<br>\$M | Variance    |
|-----------------------|---------------|---------------|-------------|
| Revenue               | 26.2          | 10.0          | 163%        |
| Operating expenses    | (15.0)        | (13.5)        | 11%         |
| Loan write-offs (net) | (1.7)         | (0.6)         | 178%        |
| Finance costs         | (7.5)         | (2.4)         | 208%        |
| <b>Cash EBTDA</b>     | <b>2.0</b>    | <b>(6.5)</b>  | <b>131%</b> |

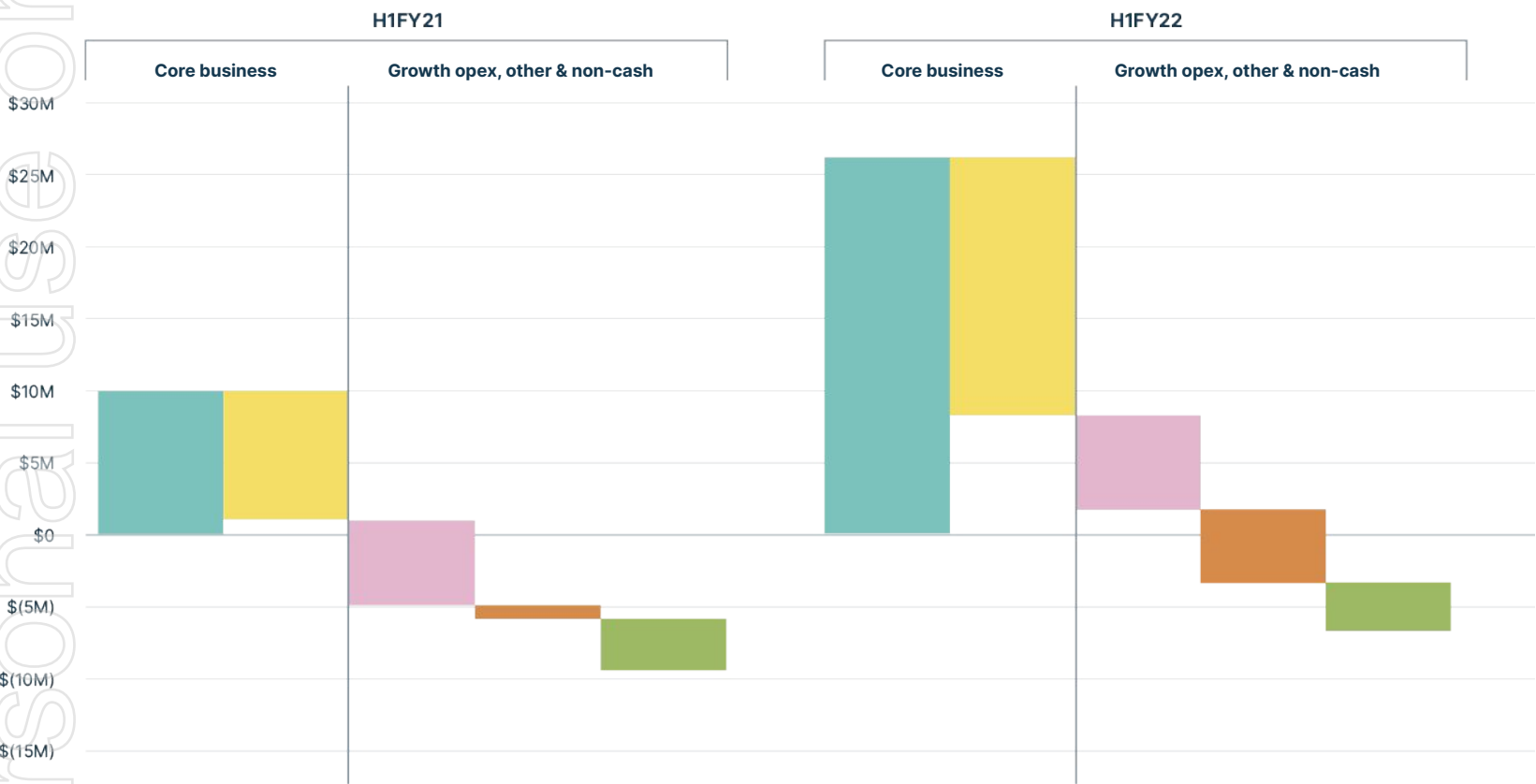




# OPERATIONAL LEVERAGE EXPANSION

## H1FY22 P&L Waterfall

The operational leverage of the core Wizr lending platform continues to expand while the Company continues to invest in the Financial Wellness Platform, further innovation and the build and launch of more products. Despite this growth investment, the Company posted a positive operating cash-flow and Cash EBTDA for Q2FY22 and a second positive operating cash-flow result for Q3Y22.

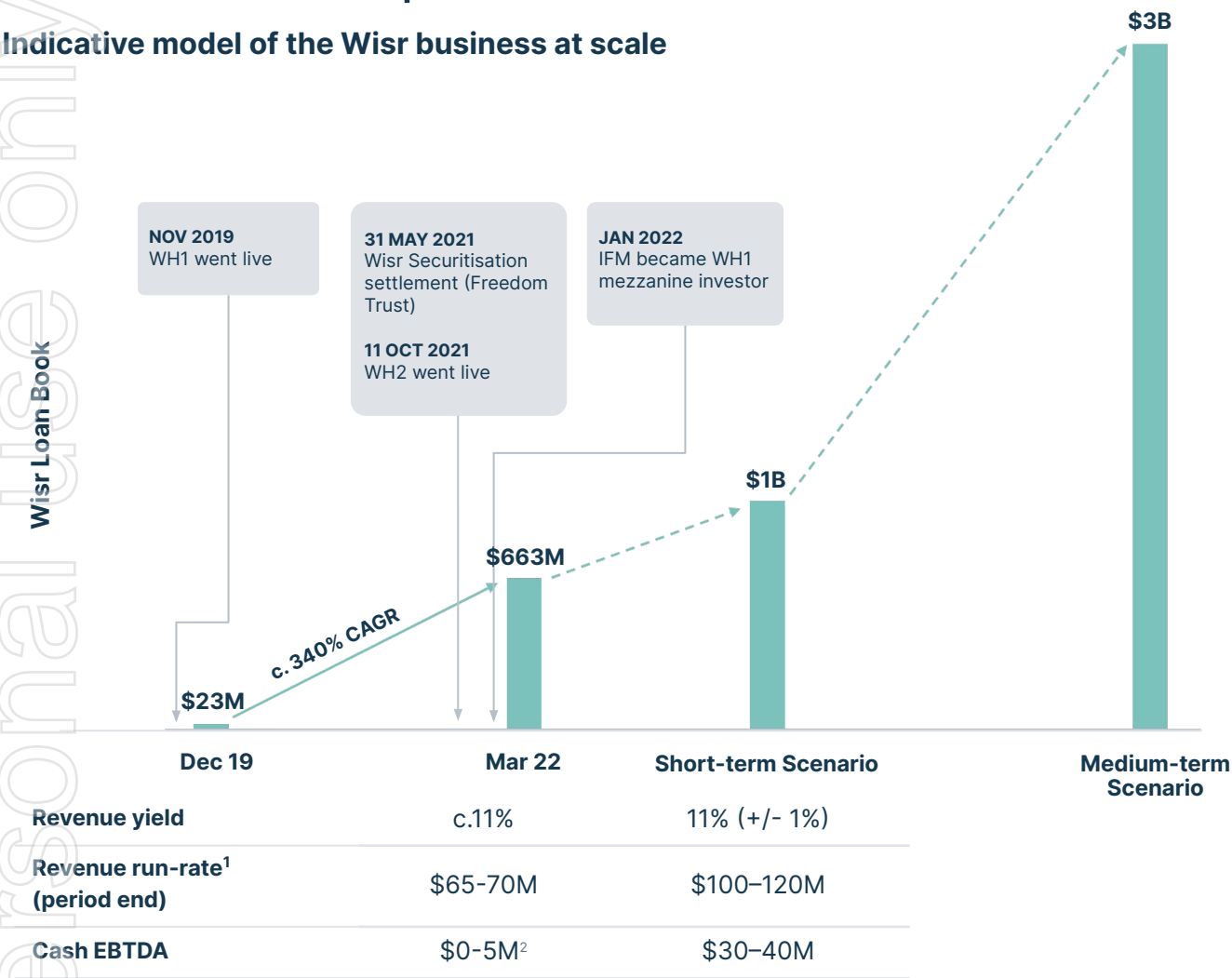


- Revenue**  
163% revenue growth in H1FY22 vs H1FY21 on the back of 22 consecutive quarters of loan origination growth
- Core opex**  
Opex related directly to the core personal and secured vehicle loan business
- Growth Opex**  
Predominantly consists of investment into the Wizr Financial Wellness Platform and preliminary investment into new product innovation
- Other**  
Includes one-off material Olympic Games Tokyo campaign spend, Public Company costs and other one-off items
- Non-cash**  
Includes ECL provision, share based payments and depreciation



# WISR IS FOCUSED ON ACHIEVING A LOAN BOOK WELL BEYOND \$1B

Indicative model of the WISR business at scale



|                     | \$1B       | \$3B       | % of Loan Book |
|---------------------|------------|------------|----------------|
| Revenue             | \$100-120M | \$300-360M | 10-12%         |
| Finance costs       | \$20-30M   | \$60-90M   | 2-3%           |
| Loan losses         | \$10-15M   | \$30-45M   | 1-1.5%         |
| Net Interest Margin | \$70-75M   | \$210-225M | 7-8%           |
| Opex                | \$35-45M   | \$80-90M   | 3-4%           |
| Cash EBTDA          | \$30-40M   | \$120-140M | 3-4%           |

<sup>1</sup>Annual extrapolation of monthly data. <sup>2</sup>Cash EBTDA excludes Q1FY22 marketing spend (including material one-off Olympic Games Tokyo campaign spend)  
Disclaimer: This is not a forecast. This analysis shows an indicative scenario of the economics of the WISR core business extrapolated to scale. Indicative economics are illustrative only and may vary due to a range of assumptions and variables.



# INDICATIVE QUARTERLY GROWTH TO GET TO \$1B LOAN BOOK<sup>^</sup>

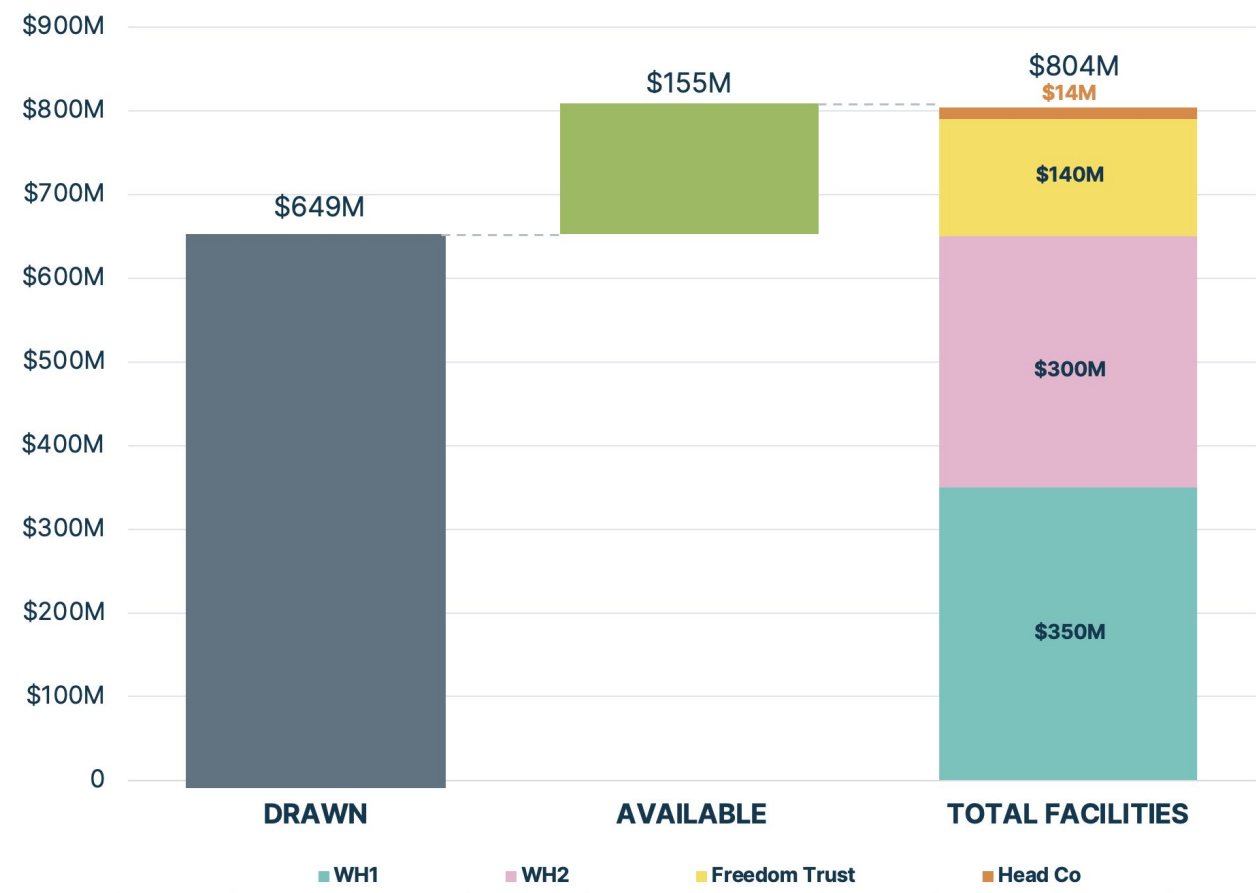
|                 | Mar-2022 | Jun-2022 | Sep-2022 | Dec-2022 | Mar-2023 | Jun-2023 |
|-----------------|----------|----------|----------|----------|----------|----------|
| 0% QonQ growth  | \$663M   | \$769M   | \$867M   | \$958M   | \$1,041M | \$1,118M |
| 5% QonQ growth  | \$663M   | \$777M   | \$891M   | \$1,004M | \$1,118M | \$1,232M |
| 10% QonQ growth | \$663M   | \$785M   | \$915M   | \$1,054M | \$1,203M | \$1,364M |
| 15% QonQ growth | \$663M   | \$793M   | \$940M   | \$1,107M | \$1,297M | \$1,514M |

<sup>^</sup>Monthly repayment rate of 2.5%



# STRONG FUNDING PLATFORM

- WH1 has \$350.0M of committed funding and an undrawn capacity of \$56.0M
  - Increase to \$450.0M commitment well progressed along with ABS transaction
- Freedom Trust represents Wisor's inaugural ABS transaction
- WH2 has increased from \$225.0M to \$300.0M of committed funding and an undrawn capacity of \$91.9M
- The Head Co Loan commitment has reduced from \$21.5M to \$14.0M given the strong balance sheet position. \$6.5M was drawn upon inception
- Wisor expects to undertake further ABS transactions in 2022, creating additional funding capacity within WH1 and WH2
- The senior funder is National Bank Australia ("NAB"); IFM has replaced AOFM as a mezzanine funder in the WH1. In WH1, IFM sits alongside the existing mezzanine funder MA Financial Group





# WISR IS WELL PLACED IN AN EVOLVING INTEREST RATE ENVIRONMENT

Economists expect the RBA to raise interest rates at some stage after the Federal election. Illustrative modelling based on the Freedom Trust deal economics shows **WISR is well placed and has mitigants to respond to anticipated BBSW changes.**

## CURRENT SCENARIO

WISR lends to borrowers at fixed rates and borrows from funders at fixed rates plus 30 day Bank Bill Swap Rate (BBSW). BBSW is a widely used market-based rate that changes daily, often in line with the RBA Cash Rate.

WISR has a formal BBSW hedging program, as the diagram below shows. Should BBSW increase, hedging is in place to protect funders and WISR, i.e. there will be no impact on existing loans.

Hedging allows WISR to pay fixed monthly BBSW and for funders to receive floating BBSW on a principal amount linked to the projected loan book balance of the Freedom Trust (or equivalent).



## FUTURE SCENARIO

The illustrative modelling below using the Freedom Trust highlights the ability for WISR to absorb future BBSW increases and still earn a very healthy Net Interest Margin (NIM). Going forward, WISR has multiple levers to preserve an attractive NIM, including increasing interest rates on new loans and increasing gross yield based on WISR's credit risk appetite.

|                               | Current BBSW <sup>^</sup> | BBSW + 0.5% | BBSW + 1.0% |
|-------------------------------|---------------------------|-------------|-------------|
| WISR gross yield              | 11.7%                     | 11.7%       | 11.7%       |
| Less: Interest margin expense | 1.5%                      | 1.5%        | 1.5%        |
| Less: BBSW                    | 0.4%                      | 0.9%        | 1.4%        |
| Less: Loan book losses        | 1.5%                      | 1.5%        | 1.5%        |
| NIM                           | 8.3%                      | 7.8%        | 7.3%        |

Disclaimer: This is not a forecast. The data represents an indicative scenario of the economics of the Freedom Trust. Indicative economics are illustrative only and may vary due to a range of assumptions and variables  
<sup>^</sup>Based on assumptions at Freedom Trust inception.



## OPTIMISING CREDIT DECISIONING

# PROPRIETARY DATA ALGORITHM WISR SCORE LAUNCHED IN FEBRUARY 2022

With \$1B in loans now written, Wizr has significant customer data to optimise and internalise our lending engine and risk-return profile. Through the launch of our proprietary credit score platform and algorithm, the **Wizr Score**, we will be able to take more market share and make smarter, faster and more profitable decisions.

Utilising advanced data analytics, the Wizr Score will drive significantly better outcomes for Wizr in the coming years as it delivers: faster decisions, a more scalable business, a better customer experience, a **better risk-adjusted portfolio and a more profitable business**.



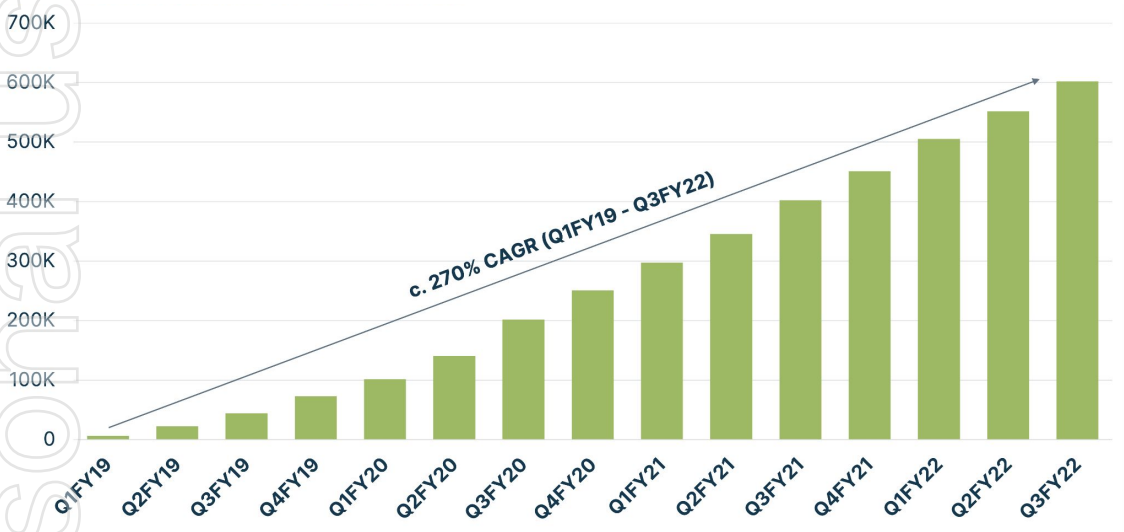


WISR FINANCIAL WELLNESS PLATFORM A STRONG GROWTH CHANNEL

# WISR'S UNIQUE PLATFORM FUELING FUTURE GROWTH

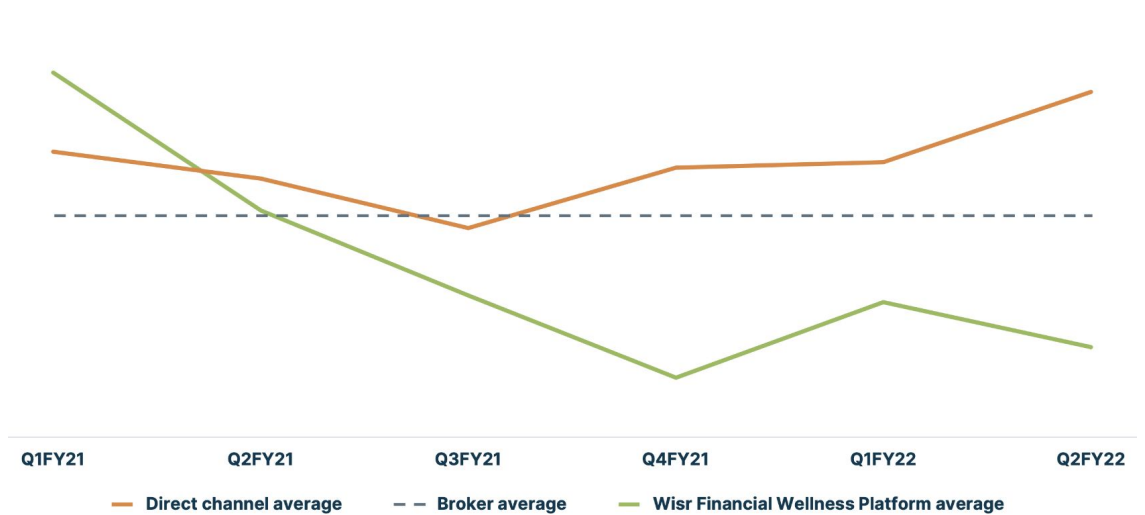
Strong customer growth achieved via the Financial Wellness Platform.

WISR Financial Wellness Platform profiles



As at 31 December 2021, the Financial Wellness Platform was 68% more cost effective as a loan acquisition channel compared to direct and broker channel averages.

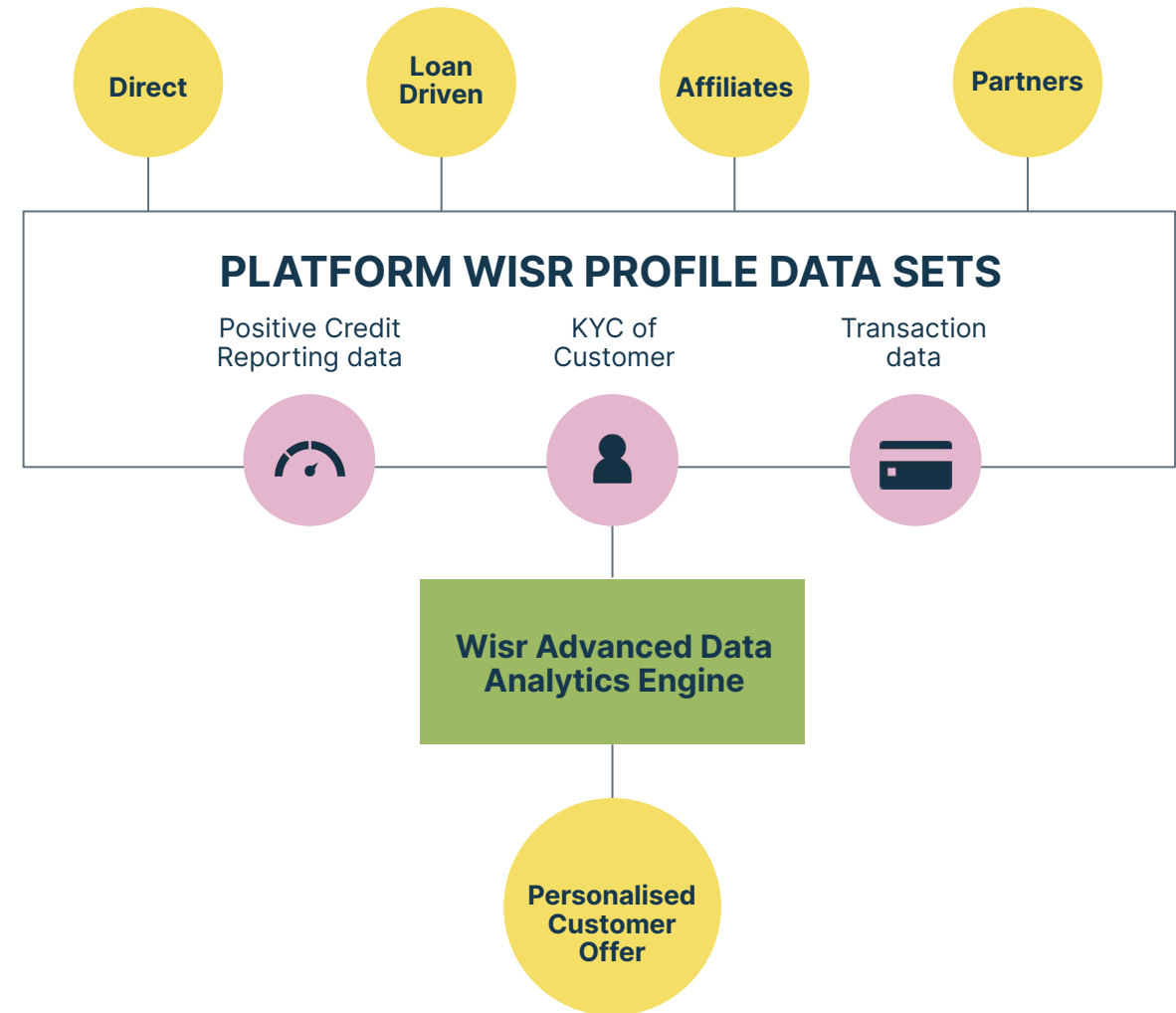
Customer acquisition cost by channel group





# THE FINANCIAL WELLNESS PLATFORM DRIVES HIGHLY TARGETED AND PERSONALISED LENDING OFFERS

With a clear path to over a million profiles, this platform is a powerful asset providing differentiation, competitive advantage, and scalability through reduction in lending customer acquisition costs.



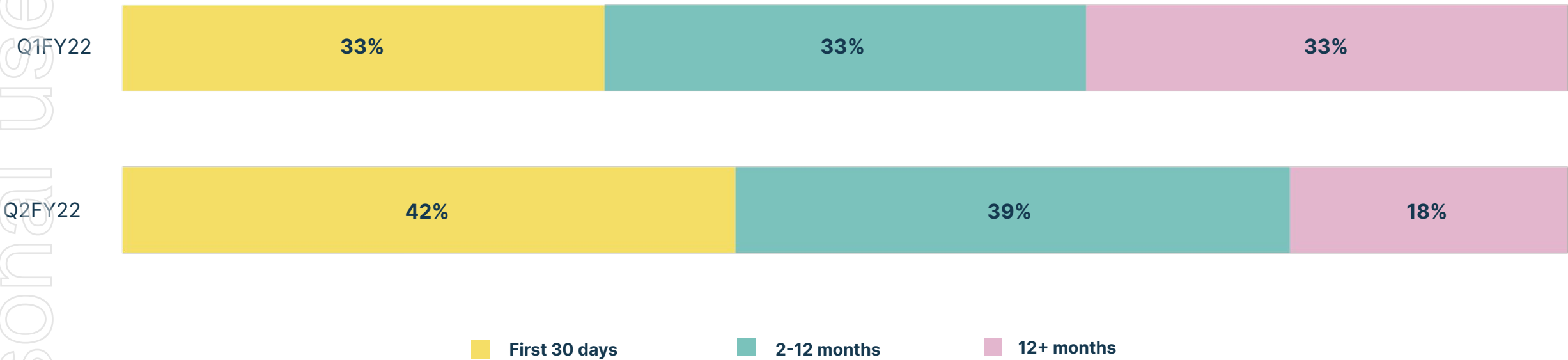




# THE FINANCIAL WELLNESS PLATFORM IS A VALUABLE ASSET FOR LOAN CONVERSION

Conversion into loans happens throughout the user lifecycle

Average time to convert to a loan



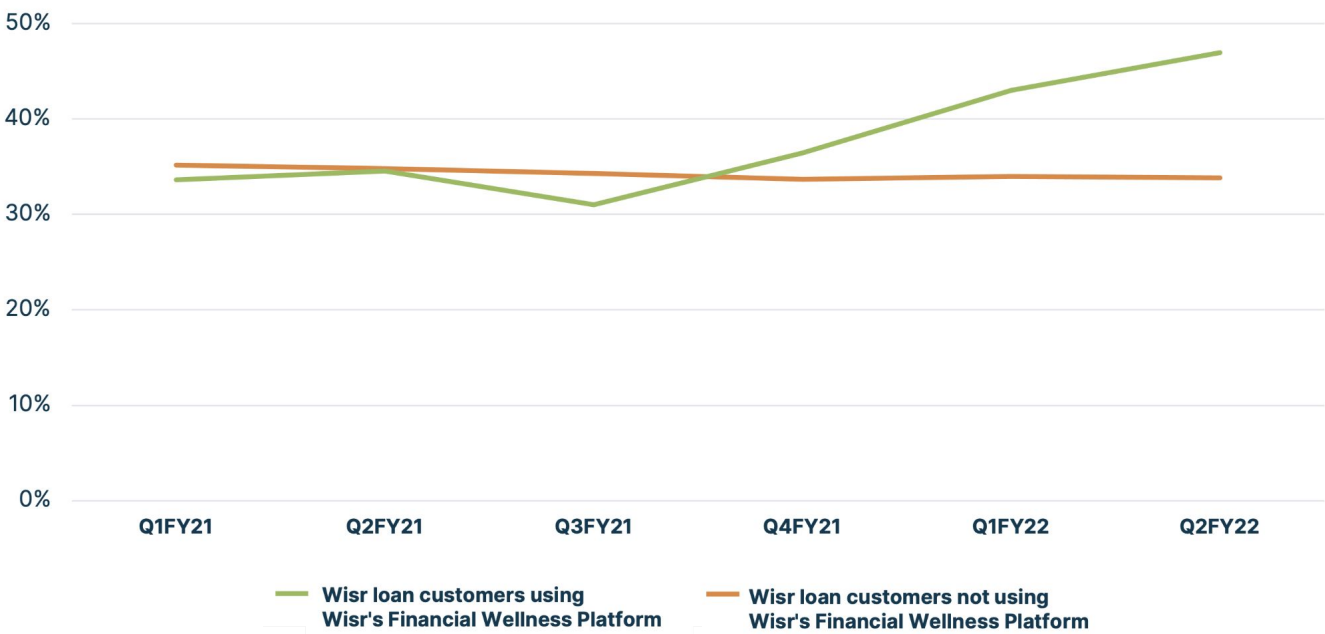


PROVING THE WISR MODEL DIFFERENCE

# OUR FINANCIAL WELLNESS PLATFORM ALSO PROVIDES GENUINE BENEFITS FOR OUR LOAN CUSTOMERS

When Wisr loan customers engage with Wisr’s Financial Wellness Platform, as at 31 December 2021, 47% make regular prepayments, paying off their loans sooner, compared to 34% of non-users. This outcome provides a unique competitive advantage in the market when attracting customers to Wisr over its competitors. Wisr is the only personal loan provider in Australia with this offering.

% of open Wisr loan accounts with prepayments



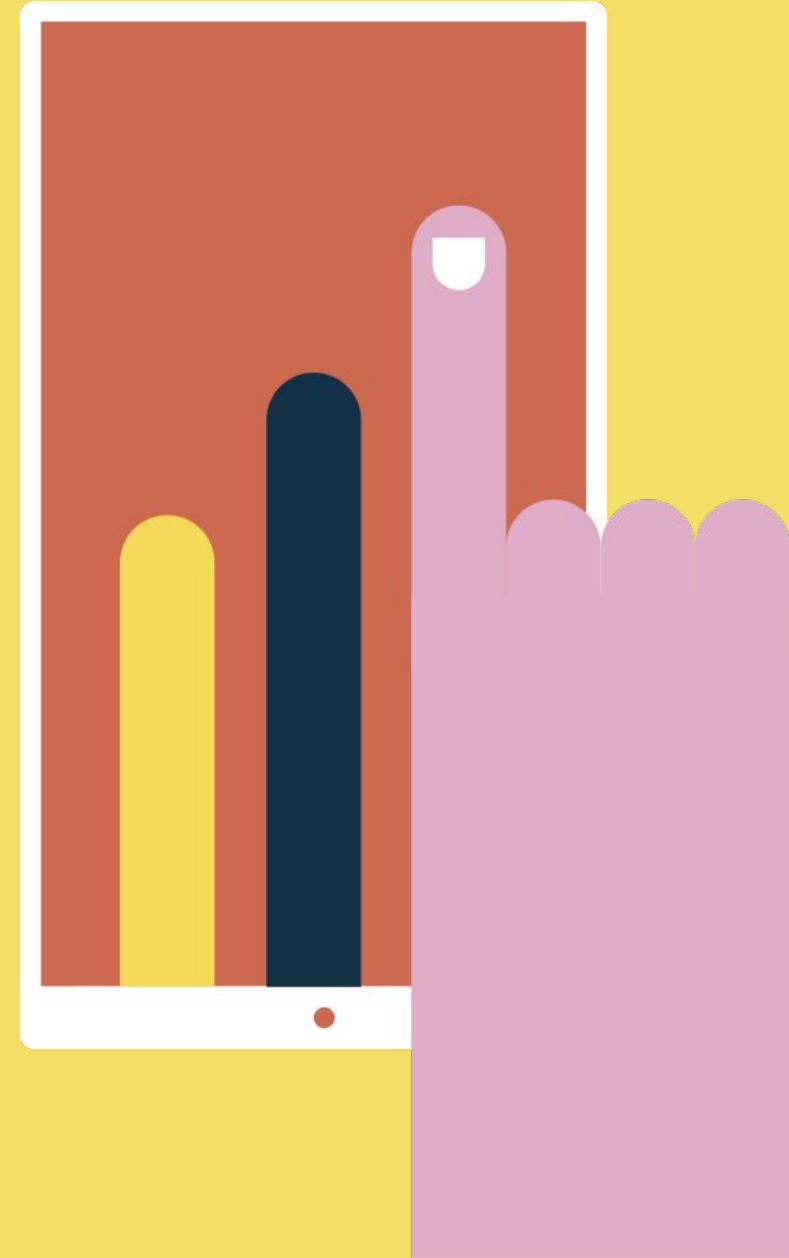


AND WE WON'T STOP

# WE WILL CONTINUE TO INNOVATE

**Significantly more features are on the way on the Wiser Financial Wellness Platform, making use of the unique positioning and data we have:**

- Innovative new features on the platform
- More use of the data sets we have for optimisation for customers and Wiser
- A broader set of solutions beyond debt management
- Exploring new commercialisation models and revenue streams from the platform





# WISR HAS NEVER BEEN IN A STRONGER POSITION

## **STRONG AND SAFE GROWTH**

\$663M Loan Book heading to \$1B, Q3FY22 revenue up 106% on the back of 23 consecutive quarters of loan growth

## **QUALITY LOAN BOOK**

On-balance sheet arrears less than 1% (0.92%), decrease in provisioning over time, Big 4 backed, global and tier one credit fund investors, the introduction of IFM as funding partner

## **POSITIVE OPERATING CASH-FLOW**

Continued improvement in operational leverage generated the second consecutive positive operating cash-flow quarter (Q3FY22)

## **WELL CAPITALISED FOR \$1B LOAN BOOK AND BEYOND**

\$58.5M cash balance; includes \$23.3M unrestricted cash; in addition, there were \$19.5M liquid loan assets as at 31 March 2022

## **UNIQUE STRATEGY**

Over 601K Australians in proprietary Financial Wellness Platform, reduces customer acquisition cost, drives loan conversion, improves customer financial wellbeing and opens up new revenue models

THANK  
YOU



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