HALF-YEAR REPORT

1. Company details

Name of entity:	Wisr Limited
ABN:	80 004 661 205
Reporting period:	For the half-year ended 31 December 2021
Previous period:	For the half-year ended 31 December 2020

2. Results for announcement to the market

Key information				**$A'000**
Revenues from ordinary activities	Up	163%	to	26,243
Loss from ordinary activities after tax attributable to members	Down	27%	to	(6,837)
Loss for the year attributable to members	Down	73%	to	(2,558)

Dividends paid and proposed

There were no dividends declared or paid in the reporting period.

Explanation of key information and dividends

An explanation of the above figures is contained in the Review of operations included within the attached directors' report. The Directors have determined not to pay dividends at this time.

3. Net tangible assets

	Reporting period Cents	**Previous period Cents**
Net tangible asset per ordinary security	5.08	2.44

4. Control gained over / loss of entities having material effect

On 25 August 2021, Wisr Finance Pty Ltd, 100% owned subsidiary of Wisr Limited, registered Wisr Warehouse Trust No 2, a 100% owned subsidiary of Wisr Finance Pty Ltd.

5. Details of associates and joint venture entities

Not applicable.

6. Significant information

Refer to 'Commentary on results for the period' below.

7. Attachments

The Interim Report of Wisr Limited for the half-year ended 31 December 2021 is attached.

8. Signed

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JOHN NANTES

DIRECTOR
SYDNEY

28 February 2022

WISR LIMITED

ABN: 80 004 661 205

INTERIM REPORT

For the half-year ended 31 December 2021

CONTENTS

DIRECTORS' REPORT

For the half-year ended 31 December 2021

The directors present their report, together with the financial statements, on the consolidated entity (referred to hereafter as the 'consolidated entity' or the 'Group' or 'Wisr') consisting of Wisr Limited (referred to hereafter as the 'Company' or 'parent entity') and the entities it controlled at the end of, or during, the half-year ended 31 December 2021.

DIRECTORS

The following persons were directors of the Company during the whole of the financial half-year and up to the date of this report, unless otherwise stated:

Name	Position
John Nantes	Executive Chairman
Craig Swanger	Non-Executive Director
Matthew Brown	Non-Executive Director (from 13 Sep 2021)
Cathryn Lyall	Non-Executive Director (from 1 Jan 2022)
Christopher Whitehead	Non-Executive Director (retired 24 Nov 2021)

PRINCIPAL ACTIVITIES

During the financial half-year, the Group's primary activity was writing personal loans and secured vehicle loans for 3, 5 and 7-year maturities to Australian consumers, and funding these loans through the warehouse funding structures.

REVIEW OF OPERATIONS

Key Group highlights include:

- Operating revenue up 163% to $26.2M (H1FY21: $10.0M)
- Total loan originations $879M as at 31 December 2021 with 22 consecutive quarters of growth
- Total new loan originations up 84% to $268M (H1FY21: $146M)
- Total portfolio arrears were consistently low with 90+ Day arrears of 0.81% as at 31 December 2021 (H1FY21 0.79%)
- Wisr's wholly-owned loan book (WH1, WH2, Freedom Trust and balance sheet) is $565M as at 31 December 2021, an increase of 169% (H1FY21 $210M)
- 60% increase in the Wisr Financial Wellness Platform, with over 551,000 profiles as at 31 December 2021 (345,475 as at 31 December 2020)

Review of operations (cont.)

- The Company is well capitalised with a $75.3M cash balance ($26.3M unrestricted cash); in addition, there were $18.4M liquid loan assets available for sale as at 31 December 2021 (H1FY21: $27.4M cash, $19.5M unrestricted cash and $1.6M liquid loan assets)
- The $225M WH2 went live on 11 October 2021, and the existing secured vehicle loan book of circa $127M was transferred from WH1
- The tier-one global fund manager IFM Investors ("IFM") replaced AOFM as the mezzanine funder in the WH1. IFM will sit alongside the existing mezzanine funder MA Financial Group
- Highly successful national brand campaign launch around Olympic Games Tokyo (August 2021) exceeded expectations and delivered a 30% uplift in response rate
- Climbed 66 places to #12 in the 2021 AFR Fast Starters Awards (#78 2020)
- Wisr increased its Business Net Promoter Score (NPS) to +78, up from +77 (H1FY21)
- Employee Engagement was +87, 20 points higher than other Australian financial service companies (source: Culture Amp 2021)

BUSINESS MODEL DELIVERING STRONG RESULTS

As at 31 December 2021, Wisr reached $879M in total loan originations since inception, with H1FY22 delivering $268M in new loan originations, an 84% increase on H1FY21 ($146M). This growth delivered the Company's maiden positive operating cash flow and Cash EBTDA quarter (Q2FY22) on the back of 163% revenue growth for H1FY22 (H1FY21 revenue $10.0M).

Wisr's treasury capability, market-leading unit economics, and prime loan book were validated further by the introduction of one of Australia's largest institutional credit investors, IFM, as a mezzanine investor in the WH1, replacing the AOFM.

The $225M WH2 went live on 11 October 2021, supported by National Australia Bank ("NAB") as senior funder and Revolution Asset Management as mezzanine funder. As part of the deal, the existing secured vehicle loan book of circa $127M was transferred, creating circa $127M of additional capacity in the WH1 to fund future growth in the personal loan book. As at 31 December 2021, the WH2 loan book had a balance of $161M.

As at 31 December 2021, WH1, WH2, Freedom Trust and balance sheet had a combined loan book balance of $565M, an increase of 169% (H1FY21 $210M), as the Company scales towards the short-term target of a wholly-owned $1B loan book this calendar year (2022).

RISK AND ARREARS

Wisr continued to write prime quality credit during H1FY22. Total portfolio arrears were consistently low with 90+ Day arrears of 0.81% as at 31 December 2021 (H1FY21 0.79%). In February 2022, Wisr implemented the proprietary credit score Wisr Score; built from Wisr data and risk profiles to further optimise the Company's risk-return profile and take more market share.

Providing a more accurate view of a customer's financial standing, compared to the traditional bureau score, Wisr Score improves credit decision automation for faster turnaround times and optimises risk-return.

Review of operations (cont.)

LOAN BOOK AND FINANCIAL POSITION

The Company is well capitalised with a $75.3M cash balance ($26.3M unrestricted cash) in addition, there were $18.4M liquid loan assets available for sale as at 31 December 2021.

At 31 December 2021 the Group had a wholly-owned loan book of $565M consisting of:

- $543M WH1, Freedom Trust and WH2
- Balance sheet $22M
- $34M off-balance sheet is excluded from the $565M loan book

AASB 9 requires a forecast of lifetime expected credit losses that uses a three-staged approach based on the credit profile of the receivable. The Group calculates Expected Credit Loss ("ECL") using three main components, the exposure at default, the probability of default and the loss given default.

The total provision held as at 31 December 2021 is $11.5M (2.03% of loan book). This improved from 2.46% as at 30 June 2021. The net loan write-offs for H1FY22 was $1.7M, representing 0.30% of loan book as at 31 December 2021.

EBTDA AND EXPENSES

In H1FY22, Wisr continued its path to profitability, with the Company reporting an overall Cash EBTDA of $(3.8)M, a 42% improvement on H1FY21 $(6.5)M. The operational leverage in the business is evidenced through 163% operating revenue growth compared to 54% for operating expenses ("opex") (H1FY22 opex $20.8M vs H1FY21 opex $13.5M).

The revenue growth and continued scaling of the business also delivered a maiden positive Cash EBTDA of $0.4M for Q2FY22 (Q1FY22: $(5.5)M).

Material expense items during the H1FY22 period included:

- An increase in employee benefits and marketing expense was driven by scaling of the Group including through growth investment into the Wisr Financial Wellness Platform and one-off brand and Olympics Games Tokyo spend
- Other expenses include Public Company costs, accounting, legal fees, insurance and administration items
- Provision for expected credit loss expense (non-cash) of $3.7M. Net loan write-offs for H1FY21 were $1.7M, representing 0.30% of the total loan book balance (as at 31 December 2021)
- Share-based payment expense (non-cash) of $0.6M

WISR FINANCIAL WELLNESS PLATFORM

In H1FY22 Wisr continued to deliver on the Company's proprietary channel, the Wisr Financial Wellness Platform. On the path to 1M customer profiles, there was a 60% increase with over 551,000 profiles as at 31 December 2021 (345,475 as at 31 December 2020). Wisr App has now paid down over $3.1M in customer high-interest debt.

In August 2021, sponsorship of the Olympic Games Tokyo coverage offered the ideal platform to introduce Wisr to a national audience for the first time.

Positioned alongside iconic global and domestic brands, Wisr reached over 16.5M Australians as the broadcast and digital sponsor with Seven West Media. The 30% uplift in response rate helped to achieve the 500,000-profile milestone one quarter ahead of internal expectations.

According to Seven West Media, in week 32 of the OzTAM survey year, Seven Network recorded the biggest prime time commercial share (62.7%) for any network in total people and 25 years old to 54 years old since OzTAM ratings started in 2001. In that same week, the Olympic Games Tokyo claimed 24 of the top 25 programs and Australians watched more than 4.74 billion minutes on 7plus, making it the biggest digital event in Australian history. Wisr's positioning alongside these incredible engagement metrics has positioned the company for sustained growth over the coming years and according to Forward Scout, 63% of Australians in the market for a personal loan in the next 6 months recall the Wisr campaign.

GOVERNANCE AND SENIOR MANAGEMENT

Christopher Whitehead, retired from the Wisr Board after six years of service to the Company, effective 24 November 2021. Matthew Brown was elected to the position of Non-Executive Director and John Nantes was re-elected to the position of Chairman. Following Christopher Whitehead's retirement, former Deutsche Bank UK Director Cathryn Lyall was appointed to the position of Non-Executive Director, effective 1 January 2022.

Following a market benchmarking exercise and business performance review, the CEO's base remuneration has been increased in line with market practice to $550,000 exclusive of superannuation, with effect from 1 December 2021. He will remain entitled to participate in the Company's long and short-term incentive schemes.

After four years of exceptional service, Chief Operating Officer (COO) Mathew Lu left Wisr on sabbatical to spend time with his young family. The Company appointed former NDIA Deputy CEO, Oliver Bladek, to COO, effective 31 January 2022. Oliver has an 18+ year track record of designing and delivering growth transformations to improve business performance and culture.

SUMMARY OF H1FY22 AND FUTURE OUTLOOK:

In H1FY22, the Company delivered 22 consecutive quarters of loan growth and a maiden positive operating cash-flow and Cash EBTDA quarter for Q2FY22. Despite the ongoing lockdown conditions, a new milestone of $50M per month in new loan originations was reached in November 2021. The $26.2M in revenue for the half-year, a 163% increase compared to the same period last year, demonstrated the underlying strength in the Company's unit economics and scalability of the lending platform.

The Company's growth was recognised by the 2021 AFR Fast Starters Awards, placing #12 compared to #78 in 2020 and Business NPS increased to +78 from +77 in H1FY21.

The new $225M WH2 came into effect in Q2FY22 and backed by two of Australia's most prominent funding partners, NAB and Revolution, supporting the growth opportunity in the auto finance market. The Company's treasury capability, market-leading unit economics, and prime loan book have been validated further by the introduction of one of Australia's largest institutional fund managers, IFM, as a mezzanine investor in WH1.

With the Wisr funding platform in operation and ready to drive significant, sustained growth, Wisr is in an incredibly strong position to push through the Company's short-term target of a wholly-owned $1B loan book this calendar year (2022).

Wisr's proprietary Financial Wellness Platform continues to resonate strongly with the consumer sentiment shift seen throughout the pandemic as more Australians put their financial wellbeing front of mind, opening up a number of potential revenue models over the coming years.

The Company continues to innovate Wisr's high-performance culture to attract and retain Australia's top talent and maintain competitive advantage; delivering a +87 Employee Engagement score for H1FY22; 20 points higher than other Australian financial service companies (source: Culture Amp 2021).

As lock-down restrictions start to lift in H2FY22 and consumer demand naturally rises in the personal loan categories that had been impacted by COVID-19, the Company is set up for continued accelerated revenue growth and scale, path-to-profitability and operating leverage into H2 and beyond.

Key executive priorities for 2022 include:

Loan origination growth

- Continue to safely grow significant market share of personal loans and secured vehicle loans
- Lead the market in operational and customer experience excellence

Loan book growth

- Achieve the short-term target of a $1B loan book and continue growth past this milestone
- Establishment of additional financing facilities and inaugural Secured Vehicle Loan ABS transaction and second Personal Loan ABS transaction to be delivered

Technology investment and feature enhancement

- Further investment in technology stack to take advantage of changes in the consumer finance space and create market-leading innovation and opportunities while delivering operational leverage at scale
- Deliver 1M customers in the proprietary platform to further drive market-leading economics and competitive advantage in the consumer finance space

Further growth opportunities

- New non-lending based financial wellness aligned technology product to be launched, creating new revenue streams and new market opportunities to strengthen Wisr's unique position in the consumer finance market
- Options for potential further investment in EU market via Arbor

EVENTS SINCE THE END OF THE FINANCIAL HALF-YEAR

In January 2022, IFM replaced the AOFM as mezzanine funder in WH1.

SIGNIFICANT CHANGES IN STATE OF AFFAIRS

There were no significant changes in the state of affairs of the Group during the financial half-year other than those discussed in the Review of operations.

OPERATING SEGMENT

The Group has one operating segment under AASB 8 Operating Segments. This reflects the way the business is monitored and resources are allocated. The Group's revenues and activities are predominately domiciled in Australia.

AUDITOR'S INDEPENDENCE DECLARATION

A copy of the auditor's independence declaration as required under section 307C of the Corporations Act 2001 is set out on the following page.

This report is made in accordance with a resolution of directors, pursuant to section 306(3)(a) of the Corporations Act 2001.

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JOHN NANTES
DIRECTOR

Sydney
28 February 2022

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www.bdo.com.au

Level 11, 1 Margaret St
Sydney NSW 2000
Australia

DECLARATION OF INDEPENDENCE BY TIM AMAN TO THE DIRECTORS OF WISR LIMITED

As lead auditor for the review of Wisr Limited for the half-year ended 31 December 2021, I declare that, to the best of my knowledge and belief, there have been:

1. No contraventions of the auditor independence requirements of the *Corporations Act 2001* in relation to the review; and
2. No contraventions of any applicable code of professional conduct in relation to the review.

This declaration is in respect of Wisr Limited and the entities it controlled during the period.

Tim Aman
Director

BDO Audit Pty Ltd

Sydney, 28 February 2022

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the half-year ended 31 December 2021

	Note	31 Dec 2021 $	31 Dec 2020 $
REVENUE	2	26,242,816	9,987,719
Other income		31	50,000
EXPENSES			
Employee benefits expense		(8,514,230)	(6,689,072)
Marketing expense		(8,243,219)	(3,155,620)
Customer processing costs		(1,436,037)	(1,651,727)
Property expenses		(34,362)	(143,357)
Other expenses		(2,617,093)	(1,908,608)
Finance costs		(7,501,018)	(2,437,140)
Depreciation and amortisation expense		(405,573)	(108,703)
Provision for expected credit loss expense	4	(3,705,684)	(2,669,274)
Share based payment expense	12	(622,670)	(637,442)
Loss before income tax		**(6,837,039)**	**(9,363,224)**
Income tax expense		-	-
Loss after income tax for the year		**(6,837,039)**	**(9,363,224)**
Loss for the year is attributable to: Owners of Wisr Limited		**(6,837,039)**	**(9,363,224)**
Earnings per share for loss attributable to the owners of Wisr Limited		**Cents**	**Cents**
Basic earnings per share		(0.51)	(0.86)
Diluted earnings per share		(0.51)	(0.86)
Other comprehensive loss			
Gain (loss) arising from changes in fair value of cash flow hedging instruments entered into	11	4,279,356	(158,792)
Other comprehensive loss for the year, net of tax		4,279,356	(158,792)
Total comprehensive loss for the year		(2,557,683)	(9,522,016)
Total comprehensive loss for the year is attributable to: Owners of Wisr Limited		**(2,557,683)**	**(9,522,016)**

The above consolidated statement of profit or loss and other comprehensive income should be read in conjunction with the accompanying notes.

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 31 December 2021

	Note	31 Dec 2021 $	30 Jun 2021 $
ASSETS			
Cash and cash equivalents	3	75,277,088	92,409,558
Trade and other receivables		1,012,835	1,208,633
Loan receivables	4	553,582,069	374,651,379
Property, plant and equipment		356,775	263,471
Other assets		1,603,268	521,759
Investments	5	1,168,695	-
Right of use assets	7	1,383,662	1,729,578
Derivative financial instruments	9	4,797,453	264,050
Intangible assets	6	1,378,627	384,544
Total assets		**640,560,472**	**471,432,972**
LIABILITIES			
Trade and other payables		4,734,124	3,945,333
Provision for employee benefits		1,082,406	872,215
Lease liability	7	1,557,136	1,886,648
Borrowings	8	562,863,539	392,472,477
Total liabilities		**570,237,205**	**399,176,673**
Net assets		**70,323,267**	**72,256,299**
EQUITY			
Issued capital	10	144,477,325	143,678,390
Reserves	11	7,316,468	3,250,454
Accumulated losses	11	(81,470,526)	(74,672,545)
Total equity		**70,323,267**	**72,256,299**

The above consolidated statement of financial position should be read in conjunction with the accompanying notes.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the half-year ended 31 December 2021

	Issued capital $	Reserves $	Accumulated losses $	Total equity $
Balance at 1 Jul 2020	89,827,317	3,181,186	(57,037,262)	35,971,241
Loss after income tax expense for the half-year	-	-	(9,363,224)	(9,363,224)
Other comprehensive loss for the half-year, net of tax	-	(158,792)	-	(158,792)
Total comprehensive loss for the half-year	-	(158,792)	(9,363,224)	(9,522,016)
Transactions with owners in their capacity as owners:				
Issue of share capital	-	-	-	-
Costs of raising capital	-	-	-	-
Share based payment expense (Note 12)	-	637,442	-	637,442
Transfer of share based reserve to issued capital on exercise of options	1,835,713	(1,835,713)	-	-
Issue of shares as a result of exercise of options for consideration	134,481	(34,390)	-	100,091
Issue of shares for services rendered	30,000	(30,000)		-
Transfer of share-based payment reserve	-	(2,842)	2,842	-
Balance at 31 Dec 2020	**91,827,511**	**1,756,891**	**(66,401,639)**	**27,182,763**
Balance at 1 Jul 2021	143,678,390	3,250,454	(74,672,545)	72,256,299
Loss after income tax expense for the year	-	-	(6,837,039)	(6,837,039)
Other comprehensive gain for the year, net of tax	-	4,279,356	-	4,279,356
Total comprehensive loss for the year	-	4,279,356	(6,837,039)	(2,557,683)
Transactions with owners in their capacity as owners:				
Costs of raising capital	(64,062)	-	-	(64,062)
Share based payments (Note 12)	-	688,713	-	688,713
Transfer of share-based reserve to issued capital on exercise of options	818,997	(818,997)	-	-
Issue of shares for services rendered	44,000	(44,000)	-	-
Transfer of share-based payment reserve	-	(39,058)	39,058	-
Balance at 31 Dec 2021	**144,477,325**	**7,316,468**	**(81,470,526)**	**70,323,267**

The above consolidated statement of changes in equity should be read in conjunction with the accompanying notes.

CONSOLIDATED STATEMENT OF CASH FLOWS

For the half-year ended 31 December 2021

	Note	31 Dec 2021 $	31 Dec 2020 $
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts from customers		24,831,564	8,393,784
Payments to suppliers and employees		(21,883,806)	(12,461,644)
		2,947,758	(4,067,860)
Interest received on investments and cash		6,858	6,473
Management fees received		378,920	666,201
Interest and other finance costs paid		(7,101,848)	(2,098,529)
Proceeds from R&D tax incentive		280,164	380,874
Net cash used in operating activities		**(3,488,148)**	**(5,112,841)**
CASH FLOWS FROM INVESTING ACTIVITIES			
Payments for plant and equipment		(129,408)	-
Payments for investments		(1,168,695)	-
Transfer for term deposit		(561,629)	
Payments for technology assets	6	(930,695)	-
Net movement in customer loans		(180,414,175)	(120,246,570)
Net cash used in investing activities		**(183,204,602)**	**(120,246,570)**
CASH FLOWS FROM FINANCING ACTIVITIES			
Proceeds from exercise of share options		-	100,091
Costs of raising capital paid		(148,183)	-
Repayment of borrowings – secured notes		-	(1,675,000)
Proceeds from issuance of borrowings		170,608,644	116,850,000
Transaction costs related to borrowings		(570,670)	(478,146)
Payments for right of use asset		(329,511)	-
Net cash provided by financing activities		**169,560,280**	**114,796,945**
Net decrease in cash and cash equivalents		(17,132,470)	(10,562,466)
Cash and cash equivalents at the beginning of the financial year		92,409,558	37,973,266
Cash and cash equivalents at the end of the financial half-year		**75,277,088**	**27,410,800**

The above consolidated statement of cash flows should be read in conjunction with the accompanying notes.

NOTES TO THE FINANCIAL STATEMENTS

For the half-year ended 31 December 2021

The financial statements cover Wisr Limited as a consolidated entity, consisting of Wisr Limited and the entities it controlled at the end of, or during, the half-year. The financial statements are presented in Australian dollars, which is Wisr Limited's functional and presentation currency.

Wisr Limited is a listed public company limited by shares, incorporated and domiciled in Australia. Its registered office and principal place of business is Level 4, 55 Harrington Street, The Rocks NSW 2000.

A description of the nature of the consolidated entity's operations and its principal activities are included in the directors' report.

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

These financial statements for the interim half-year reporting period ended 31 December 2021 have been prepared in accordance with Australian Accounting Standard AASB 134 'Interim Financial Reporting' and the Corporations Act 2001, as appropriate for for-profit oriented entities. Compliance with AASB 134 ensures compliance with International Financial Reporting Standard IAS 34 'Interim Financial Reporting'.

These financial statements do not include all the notes of the type normally included in annual financial statements. Accordingly, these financial statements are to be read in conjunction with the annual report for the year ended 30 June 2021 and any public announcements made by the Company during the interim reporting period in accordance with the continuous disclosure requirements of the Corporations Act 2001.

The principal accounting policies adopted are consistent with those of the previous financial year and corresponding interim reporting period, unless otherwise stated below.

The statement of financial position is presented on a liquidity basis. Assets and liabilities are presented in decreasing order of liquidity and do not distinguish between current and non-current. All balances are expected to be recovered within 12 months except for intangible assets, right of use assets, property, plant and equipment, investments, and financial instruments, for which expected term is disclosed.

The financial statements were authorised for issue, in accordance with a resolution of directors, on 28 February 2022.

a. New and revised accounting standards and interpretations

The Group has adopted all of the new, revised or amending Accounting Standards and Interpretations issued by the Australian Accounting Standards Board (AASB) that are mandatory for the current reporting period. There was no material impact on the Group's interim financial statements on the adoption of these Standards and Interpretations.

Any new, revised or amending Accounting Standards or Interpretations that are not yet mandatory have not been early adopted.

NOTE 2. REVENUE

	CONSOLIDATED	
	31 Dec 2021 $	**31 Dec 2020 $**
Interest income on financial assets		
Interest income on financial assets		
Effective interest income on financial assets	25,609,280	9,093,895
Other revenue from financial assets	163,424	47,953
Interest on cash	6,858	6,473
Total income from financial assets	**25,779,562**	**9,148,321**
Revenue from contracts with customers		
Management fees	463,254	839,398
Total revenue from contracts with customers	**463,254**	**839,398**
Total revenue	**26,242,816**	**9,987,719**

DISAGGREGATION OF REVENUE

The above provides a breakdown of revenue by major revenue stream. The categories above depict how the nature, amount, timing and uncertainty of revenue and cash flows are affected by economic data. As disclosed in the directors' report, the Group has one operating segment.

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the entity and the revenue can be reliably measured. The following specific recognition criteria must also be met before revenue is recognised:

2.1 Interest income on financial assets

a. Interest income

Interest revenue is recognised as interest accrues using the effective interest method. This is a method of calculating the amortised cost of a financial asset and allocating the interest income over the relevant period using the effective interest rate, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to the net carrying amount of the financial asset.

b. Loan establishment fees

Loan establishment fees are deferred and recognised as an adjustment to the effective interest rate as these fees are an integral part of generating an involvement with the resulting financial instrument

2.2 Revenue from contracts with customers

Management fees

Management fees are earned through the contracts with funders (customers) which entitle the consolidated entity to fees as a result of satisfying the performance obligation, being the monthly management of the associated loan portfolio. Revenue is recognised on an over-time basis. The allocation of the transaction price is calculated as a percentage of the loan balance managed by the consolidated entity on a monthly basis, being the satisfaction of the performance obligation.

Revenue is recognised at an amount that reflects the consideration to which the consolidated entity is expected to be entitled in exchange for transferring services to a customer.

The consolidated entity invoice on a monthly basis which aligns to the recognition criteria noted above and as a result, there is no recognition of contract assets or liabilities required.

NOTE 3. CASH AND CASH EQUIVALENTS

	CONSOLIDATED	
	31 Dec 2021 $	**30 Jun 2021 $**
Cash at bank	26,299,762	64,756,642
Restricted cash	48,977,326	27,652,916
Total	**75,277,088**	**92,409,558**

Cash and cash equivalents include cash on hand, deposits held at call with banks, other short term highly liquid investments with original maturities of three months or less, bank overdrafts, and restricted cash.

Restricted cash is held by the Wisr Warehouse Trusts and is utilised for loan funding and not available to pay creditors of other entities within the Group.

NOTE 4. LOAN RECEIVABLES

A financial asset shall be measured at amortised cost if it is held within a business model whose objective is to hold assets in order to collect contractual cash flows which arise on specified dates and that are solely principal and interest. A debt investment shall be measured at fair value through other comprehensive income if it is held within a business model whose objective is to both hold assets in order to collect contractual cash flows which arise on specified dates that are solely principal and interest as well as selling the asset on the basis of its fair value. All other financial assets are classified and measured at fair value through profit or loss unless the entity makes an irrevocable election on initial recognition to present gains and losses on equity instruments (that are not held-for-trading or contingent consideration recognised in a business combination) in other comprehensive income ('OCI'). Despite these requirements, a financial asset may be irrevocably designated as measured at fair value through profit or loss to reduce the effect of, or eliminate, an accounting mismatch.

4.1 Impairment of financial assets

The Group recognises a loss allowance for ECL on financial assets which are either measured at amortised cost or fair value through other comprehensive income. The measurement of the loss allowance depends upon the Group’s assessment at the end of each reporting period as to whether the financial instrument's credit risk has increased significantly since initial recognition, based on reasonable and supportable information that is available, without undue cost or effort to obtain.

The Group has adopted a three-stage model for ECL provisioning:

Stage 1: 12 months ECL

Where there has not been a significant increase in exposure to credit risk since initial recognition, a 12-month ECL allowance is estimated. This represents a portion of the loan receivable lifetime ECL that is attributable to a default event that is possible within the next 12 months. Effective interest is calculated on the gross carrying amount of the loan receivable.

Stage 2: Lifetime ECL – not credit impaired

Where a loan receivable credit risk has increased significantly since initial recognition, but is not credit impaired, the loss allowance is based on the loan receivable lifetime ECL. For these loan receivables, the Group recognises as a collective provision a lifetime ECL (i.e. reflecting the remaining term of the loans receivable). Effective interest is calculated on the gross carrying amount of the financial instrument.

Stage 3: Lifetime ECL – credit impaired

Where there is objective evidence that the loan receivable has become credit impaired, the loss allowance is based on the loan receivable lifetime ECL. Effective interest is calculated on the net carrying amount of the financial instrument.

For financial assets measured at fair value through other comprehensive income, the loss allowance is recognised within other comprehensive income. In all other cases, the loss allowance is recognised in profit or loss.

4.2 Allowance for expected credit losses

The Group has historically adopted an off-balance sheet loan funding model which resulted in relatively low loan receivables on balance sheet. With the Wisr Warehouse Trusts going live from mid-November 2019, loan receivables on the balance sheet have increased significantly.

The ECL analysis was performed on four distinct loan receivable books:

- Book 1 – Wisr Warehouse Trust No. 1- Predominantly Stage 1
- Book 2 – Wisr Freedom Trust 2021-1 - Predominantly Stage 1
- Book 3 – Wisr Warehouse Trust No. 2 – Predominantly Stage 1
- Book 4 – Wisr Finance - Combination of Stages 1 to 3. This book includes seasoned, legacy loan receivables which didn't qualify for sale to funding partners.

Credit loss refers to the instance whereby a counterparty defaults on its contractual obligations resulting in financial loss to the group. Default is defined as loan receivables which are at least 90 days past due. A significant increase in credit risk is defined as loan receivables which are at least 30 days past due.

The Group calculates ECL using three main components, the exposure at default (EAD), the probability of default (PD) and the loss given default (LGD).

The EAD represents the total value the Group is exposed to when the loan receivable defaults. The 12-month ECL is calculated by multiplying the 12-month EAD, PD and LGD. Lifetime ECL is calculated using the lifetime PD instead.

The 12-month and lifetime PDs represent the probability of default occurring over the next 12 months and the remaining maturity of the loan receivable respectively. The LGD represents the unrecovered portion of the EAD taking into account any applicable recovery of the loan receivable.

The Group originates loan receivables of 3, 5, and 7 year maturities to Australian consumers. These loans are retained to maturity within the Wisr Warehouse Trust No. 1, Wisr Warehouse Trust No. 2 and Wisr Freedom Trust 2021-1.

The allowance for ECL assessment requires a degree of estimation and judgement. It is based on 12-month and lifetime ECL, grouped based on risk score determined at date of origination and days overdue, and makes assumptions to allocate an overall ECL for each group. These assumptions include the Group loan book performance history, existing economic and market conditions.

Scenario analysis and forward-looking macroeconomic assessments were not incorporated as a result of the following factors:

- The Group enacted tightened credit policy and reduced risk tolerance in response to the COVID-19 pandemic, majority of these changes have remained in place.
- The more recent pandemic impacts have not affected the 31 December 2021 position and new hardship assistance requests post 30 June 2021 have been negligible compared to FY20 impacts.

It was also noted that further scenario analysis and macroeconomic forecasting would result in undue cost and effort.

	CONSOLIDATED	
	31 Dec 2021	**30 Jun 2021**
	$	**$**
Gross loan receivables	565,052,458	384,091,403
Less provision for expected credit loss	(11,470,389)	(9,440,024)
	553,582,069	374,651,379

The following tables summarise gross carrying amount of loan receivables and provision for expected credit loss by stages:

	CONSOLIDATED	
	31 Dec 2021 $	**30 Jun 2021** $
Gross loan receivables		
12-month (Stage 1)	552,672,481	376,868,793
Lifetime (Stage 2 & 3)	12,379,977	7,222,610
Total gross carrying amount	**565,052,458**	**384,091,403**
Less provision for expected credit loss		
12 month expected credit loss	5,529,927	5,413,601
Lifetime expected credit loss	5,940,462	4,026,423
Total provision for expected credit loss	**11,470,389**	**9,440,024**
Net balance sheet carrying value	**553,582,069**	**374,651,379**
Expected credit loss per gross loan receivables	**%**	**%**
12-month (Stage 1)	1.00	1.44
Lifetime (Stage 2 & 3)	47.98	55.75
Total expected credit loss per total gross loan receivables	2.03	2.46
Reconciliation of total provision for expected credit loss	**$**	**$**
Balance at 1 July	9,440,024	3,731,932
Expected credit loss expense recognised during the year to profit or loss	3,705,684	7,934,680
Receivables written-off during the year	(2,147,431)	(2,377,963)
Recoveries during the year	472,112	151,375
Balance at 31 December	**11,470,389**	**9,440,024**

NOTE 5. INVESTMENTS

In March 2021, the Group announced execution of a term sheet for an investment in European fintech platform Arbor. On 5 August 2021, the Group completed its initial investment, consisting of EUR715,358 ($1,168,695) in exchange for a 12.5% ownership stake.

In addition to the 12.5%, Wisr has options in place to increase its ownership stake to 45% over three years subject to valuation thresholds and contingent upon certain milestones being achieved.

Arbor is an EU based fintech with a financial wellness platform, utilising a digital wallet to offer savings, investment and lending features.

A fair value assessment was performed at 31 December 2021. Noting that the Arbor investment is performing in line with expectations, given the short tenure of the existing investment, private corporate structure and early stage of the business, no change to the current value was deemed necessary. The impact of forex movement was also considered and deemed immaterial.

NOTE 6. INTANGIBLE ASSETS

	CONSOLIDATED	
	31 Dec 2021 $	**30 Jun 2021 $**
Technology assets:		
Cost	1,640,810	609,240
Accumulated amortisation	(274,911)	(237,424)
Net carrying amount	**1,365,899**	**371,816**
Technology assets under development:		
Cost	12,728	12,728
Accumulated amortisation	-	-
Net carrying amount	12,728	12,728
Total intangible assets	**1,378,627**	**384,544**

Technology assets are recognised at cost of acquisition. They have a finite life and are carried at cost less any accumulated amortisation and any impairment losses. Technology assets are amortised over their useful lives ranging from 2 to 5 years on a straight-line basis.

Development costs are charged to the statement of profit of loss and other comprehensive income as incurred, or deferred where it is probable that sufficient future benefits will be derived so as to recover those deferred costs.

The recoverable amount of the group’s intangible assets have been tested for impairment via a value-in-use calculation using a discounted cash flow model, based on discounted projected cashflows derived by the cash generating unit over the useful life of the assets. The cash generating unit was identified as being related to the operating cashflows earned via the Wisr App, being derived via account maintenance fees and loan referral income and is related to the intangible assets noted above. No impairment has been identified (30 Jun 2021: no impairment).

The Company continues to invest in growth and innovation. During the reporting period, $1,031,570 was capitalised (via a combination of cash and non-cash items relating to the development of the product) given the expectation of future benefit to be derived. The capitalised cost relates to a non-lending based financial wellness aligned technology product.

NOTE 7. LEASES

The Group has a property lease which commenced in December 2020 with a 3 year and 1 month term.

AASB 16 related amounts recognised in the statement of financial position:	**31 Dec 2021 $**	**30 Jun 2021 $**
Right of use assets		
Leased property	2,133,146	2,133,146
Accumulated depreciation	(749,484)	(403,568)
Net right of use asset	**1,383,662**	**1,729,578**
Lease liabilities		
Lease liabilities – expected to be settled within 12 months	725,327	684,336
Lease liabilities – not expected to be settled within 12 months	831,809	1,202,312
	1,557,136	**1,886,648**

AASB 16 related amounts recognised in the statement of profit or loss	**31 Dec 2021 $**	**31 Dec 2020 $**
Depreciation charge related to right of use assets	311,324	57,652
Interest expense on lease liabilities	47,323	10,666
Government levies	34,388	-
Short-term lease expense prior to entering into above lease arrangement	-	143,357
	393,035	**211,675**

7.1 Right-of-use assets

A right-of-use asset is recognised at the commencement date of a lease. The right-of-use asset is measured at cost, which comprises the initial amount of the lease liability, adjusted for, as applicable, any lease payments made at or before the commencement date net of any lease incentives received, any initial direct costs incurred, and, except where included in the cost of inventories, an estimate of costs expected to be incurred for dismantling and removing the underlying asset, and restoring the site or asset.

Right-of-use assets are depreciated on a straight-line basis over the unexpired period of the lease or the estimated useful life of the asset, whichever is the shorter. Where the consolidated entity expects to obtain ownership of the leased asset at the end of the lease term, the depreciation is over its estimated useful life. Right-of use assets are subject to impairment or adjusted for any remeasurement of lease liabilities.

The consolidated entity has elected not to recognise a right-of-use asset and corresponding lease liability for short-term leases with terms of 12 months or less and leases of low-value assets. Lease payments on these assets are expensed to profit or loss as incurred.

7.2 Lease liabilities

A lease liability is recognised at the commencement date of a lease. The lease liability is initially recognised at the present value of the lease payments to be made over the term of the lease, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the consolidated entity's incremental borrowing rate. Lease payments comprise of fixed payments less any lease incentives receivable, variable lease payments that depend on an index or a rate, amounts expected to be paid under residual value guarantees, exercise price of a purchase option when the exercise of the option is reasonably certain to occur, and any anticipated termination penalties. The variable lease payments that do not depend on an index or a rate are expensed in the period in which they are incurred.

Lease liabilities are measured at amortised cost using the effective interest method. The carrying amounts are remeasured if there is a change in the following: future lease payments arising from a change in an index or a rate used; residual guarantee; lease term; certainty of a purchase option and termination penalties. When a lease liability is remeasured, an adjustment is made to the corresponding right-of use asset, or to profit or loss if the carrying amount of the right-of-use asset is fully written down.

7.3 Critical accounting judgements, estimates and assumptions

a. Lease term

The lease term is a significant component in the measurement of both the right-of-use asset and lease liability. Judgement is exercised in determining whether there is reasonable certainty that an option to extend the lease or purchase the underlying asset will be exercised, or an option to terminate the lease will not be exercised, when ascertaining the periods to be included in the lease term. In determining the lease term, all facts and circumstances that create an economical incentive to exercise an extension option, or not to exercise a termination option, are considered at the lease commencement date. Factors considered may include the importance of the asset to the Group's operations; comparison of terms and conditions to prevailing market rates; incurrence of significant penalties; existence of significant leasehold improvements; and the costs and disruption to replace the asset. The Group reassesses whether it is reasonably certain to exercise an extension option, or not exercise a termination option, if there is a significant event or significant change in circumstances.

b. Lease make good provision

A provision has been made for the present value of anticipated costs for future restoration of leased premises. The provision includes future cost estimates associated with closure of the premises. The calculation of this provision requires assumptions such as application of closure dates and cost estimates. The provision recognised for each site is periodically reviewed and updated based on the facts and circumstances available at the time. Changes to the estimated future costs for sites are recognised in the statement of financial position by adjusting the asset and the provision. Reductions in the provision that exceed the carrying amount of the asset will be recognised in profit or loss.

c. Incremental borrowing rate

An incremental borrowing rate of 6% is used as an estimate of the market borrowing rate.

d. Allowance for expected credit losses

The allowance for expected credit losses assessment requires a degree of estimation and judgement. It is based on the lifetime expected credit loss, grouped based on days overdue, and makes assumptions to allocate an overall expected credit loss rate for each group. These assumptions include historical arrears, loss given default, and debt recovery rates.

NOTE 8. BORROWINGS

	CONSOLIDATED	
	31 Dec 2021 $	30 Jun 2021 $
Unsecured facility	6,500,000	6,500,000
Wisr Warehouse funding	559,517,166	388,841,736
Less transaction costs	(3,153,627)	(2,869,259)
Total borrowings	**562,863,539**	**392,472,477**

8.1 Unsecured facility

As at 31 December 2021, the Group has drawn $6.5m of its $21.5m unsecured loan facility with a 9.5% p.a. coupon and maturity in May 2023.

8.2 Wisr Warehouse funding

Wisr Warehouse funding are the facilities of Wisr Warehouse Trust No. 1, Wisr Freedom Trust 2021-1 and Wisr Warehouse Trust No. 2. These facilities fund loan receivables for 3, 5 and 7 year maturities.

At 31 December 2021, Wisr Warehouse Trust No. 1 had $350m (30 Jun 2021: $361.5m) in committed financing, $221.2m (30 June 2021: $174.6m) of which has been utilised. The facility is secured against the underlying pool of loan receivables with no credit recourse back to the consolidated entity. Wisr Warehouse Trust No. 1 consists of four classes of notes with Wisr the holder of the Class 4 note. The availability period of the facility is until November 2022. The all in cost of funds for the Wisr Warehouse Trust No. 1 is circa 3.5% per annum.

Wisr Freedom Trust 2021-1 Trust represents the inaugural securitisation for the Group with a balance of $159.7m (amortising loan book) as at 31 December 2021 (30 June 2021: $204.7m) and day one weighted average margin of circa 1.5% + 1 month BBSW.

Wisr Warehouse No. 2 is a Secured Vehicle Warehouse of $225m of which $161.3m has been utilised. The facility has a drawn cost of funds of circa 2.3% over BBSW, maturity in October 2022 and is secured against the receivables it funds.

The Unsecured facility and Wisr Warehouse borrowings are initially recognised at the fair value of the consideration received, net of transaction costs. It is subsequently measured at amortised cost using the effective interest method.

NOTE 9. DERIVATIVE FINANCIAL INSTRUMENTS

	CONSOLIDATED	
	31 Dec 2021 $	30 Jun 2021 $
Derivative financial instruments	4,797,453	264,050

The Group enters into derivative financial instruments (interest rate swaps) to manage its exposure to interest rate risk.

Derivatives are recognised initially at fair value at the date a derivative contract is entered into and are subsequently remeasured to their fair value at each reporting date. The resulting gain or loss is recognised in profit or loss immediately unless the derivative is designated and effective as a hedging instrument, in which event the timing of the recognition in profit or loss depends on the nature of the hedge relationship.

A derivative with a positive fair value is recognised as a financial asset whereas a derivative with a negative fair value is recognised as a financial liability. Derivatives are not offset in the financial statements unless the Group has both legal right and intention to offset. Other derivatives are presented as current assets or current liabilities.

Interest swap contracts are categorised as Level 2 financial instruments as they are valued using observable forward interest rates.

NOTE 10. ISSUED CAPITAL

10.1 Issued and paid up capital

	CONSOLIDATED	
	31 Dec 2021 $	**30 Jun 2021** $
Ordinary shares fully paid	150,025,772	149,162,775
Costs of raising capital	(5,548,447)	(5,484,385)
	144,477,325	**143,678,390**

Ordinary shares participate in dividends and the proceeds on winding up the Company. At shareholder meetings, each ordinary share is entitled to one vote when a poll is called. Otherwise, each shareholder has one vote on show of hands.

Ordinary shares are classified as equity and recognised at the fair value of the consideration received by the Group. No subsequent fair valuation is performed. Incremental costs directly attributable to the issue of new shares or options are deducted from the value of issued capital.

10.2 Reconciliation of issued and paid-up capital

	31 Dec 2021		31 Dec 2020	
	Number of shares	**$**	**Number of shares**	**$**
Opening balance as at 1 July	1,316,431,944	143,678,390	1,059,391,937	92,151,571
Issue of shares from raising capital	-	-	-	-
Costs of raising capital	-	(64,062)	-	-
Issue of shares to CEO on vesting of performance rights	10,010,000	206,672	8,150,000	735,650
Issue of shares to CFO on vesting of performance rights/for long-term incentives	7,633,334	162,113	8,937,412	506,476
Issue of shares to directors on vesting of performance rights	6,080,000	125,531	5,050,000	455,832
Issue of shares to staff on vesting of long-term incentives	15,339,600	324,681	12,901,001	137,755
Issue of shares on exercise of options	-	-	1,013,637	134,481
Issue of shares for service	709,851	44,000	888,303	30,000
Closing Balance as at 31 Dec	**1,356,204,729**	**144,477,325**	**1,096,332,290**	**94,151,765**

NOTE 11. EQUITY – RESERVES AND ACCUMULATED LOSSES

11.1 Employee equity benefits reserve

The employee equity benefits reserve records items recognised as expenses on valuation of employee performance rights and accrual of employee short-term and long-term incentives.

11.2 Other share based payments reserve

The other share based payments reserve records funding expenses accrued and are expected to be paid in the form of shares.

11.3 Cash flow hedge reserve

The reserve is used to recognise the effective portion of the gain or loss of cash flow hedge instruments that is determined to be an effective hedge.

	Employee equity benefits reserve $	Other share based payments reserve $	Cash flow hedge reserve $	Total $
Movement in reserves:				
At 1 July 2020	2,953,958	430,070	(202,842)	3,181,186
Share based payments expense	627,283	10,159	-	637,442
Transfer from reserve to accumulated losses	(2,842)	-	-	(2,842)
Transfer from reserve on exercise of options	(1,835,713)	-	-	(1,835,713)
Issue of shares as a result of exercise of options for consideration	-	(34,390)	-	(34,390)
Issue of shares for services rendered	-	(30,000)	-	(30,000)
Loss arising on changes in fair value of hedging instruments entered into for cash flow hedges	-	-	(284,210)	(284,210)
Cumulative loss arising on changes in fair value of hedging instruments reclassified to profit or loss	-	-	125,418	125,418
At 31 December 2020	**1,742,686**	**375,839**	**(361,634)**	**1,756,891**
At 1 July 2021	2,282,189	375,159	593,106	3,250,454
Share based payments	684,855	3,858	-	688,713
Transfer from reserve to accumulated losses	(39,058)	-	-	(39,058)
Transfer from reserve on exercise of options	(818,997)	-	-	(818,997)
Issue of shares for services rendered	-	(44,000)	-	(44,000)
Gain arising on changes in fair value of hedging instruments entered into for cash flow hedges	-	-	3,291,833	3,291,833
Cumulative loss arising on changes in fair value of hedging instruments reclassified to profit or loss	-	-	987,523	987,523
At 31 December 2021	**2,108,989**	**335,017**	**4,872,462**	**7,316,468**

Note 11. Equity – reserves and accumulated losses (cont.)

	CONSOLIDATED	
	31 Dec 2021 $	31 Dec 2020 $
Accumulated losses:		
Opening balance	(74,672,545)	(57,041,257)
Total loss after income tax for the year	(6,837,039)	(9,363,224)
Transfer from reserve to retained earnings	39,058	2,842
Total	**(81,470,526)**	**(66,401,639)**

NOTE 12. SHARE BASED PAYMENTS

The share-based payments of $688,713 (2020: $637,442) consists of:

- Board/KMP LTIs of $126,701 (2020: $120,863) accrued up to 31 December 2021;
- Staff LTIs of $492,111 (2020: $506,420) accrued up to 31 December 2021 and relate to FY19 – FY22; and
- Recruitment expense of $3,858 (2020: $10,159)
- Staff LTIs of $66,042 which have been capitalised as part of intangible assets.

The fair value of the Board/KMP performance rights and staff LTI scheme has been calculated in accordance with AASB 2 Share-based Payment using a Hoadley Barrier model which included the below inputs.

FY22 Staff LTI scheme:

Assumptions - Grant date 1 July 2021, Volatility 40%, Spot price $0.26.

Tranche	Expiry date	Barrier price	Fair value
1	31 Jul 23	$0.298	$0.1333
2	31 Jul 24	$0.298	$0.1442

FY22 LTI scheme for director, Mr Matthew Brown:

Assumptions - Grant date 24 November 2021, Volatility 40%, Spot price $0.27.

Tranche	Rights granted	Expiry date	Barrier price	Fair value
1	360,000	30 Nov 24	$0.306	$0.2458
2	452,000	30 Nov 24	$0.353	$0.0815
3	544,000	30 Nov 24	$0.405	$0.0471
4	581,000	30 Nov 24	$0.798	$0.0561

Performance rights:

	31 Dec 2021		31 Dec 2020	
	Number of performance rights	Exercise price	Number of performance rights	Exercise price
Balance at 1 July	70,307,676	Nil	92,717,541	Nil
• Granted	16,199,665	Nil	12,791,431	Nil
• Forfeited	(1,710,000)	Nil	(96,282)	Nil
• Exercised	(35,729,600)	Nil	(30,001,001)	Nil
Balance at 31 Dec	**49,067,741**		**75,411,689**	

Note 12. Share based payments (cont.)

The Group provides benefits to employees in the form of share-based payment transactions, whereby employees render services in exchange for shares or performance rights (equity-settled transactions).

The cost of the transactions with employees is measured by reference to the fair value at the date at which they are granted. The fair value is determined by using a binomial model. In valuing equity-settled transactions, no account is taken of any performance conditions, other than conditions linked to the price of the shares of the Company (market conditions). The cost of equity-settled transactions is recognised as an expense, together with a corresponding increase in equity, over the period in which the performance conditions are fulfilled, ending on the date on which the relevant employees become fully entitled to exercise the rights (vesting date).

The cumulative expense recognised for equity-settled transactions at each reporting date until vesting date reflects (i) the extent to which the vesting period has expired and (ii) the number of rights that, in the opinion of the Directors of the Company, will ultimately vest. This opinion is formed based on the best available information at balance date. No adjustment is made for the likelihood of market performance conditions being met as the effect of these conditions is included in the determination of fair value at grant date. Where the terms of an equity-settled option are modified, at a minimum an expense is recognised as if the terms had not been modified. In addition, an expense is recognised for any increase in the value of the transaction as a result of the modification, as measured at the date of the modification.

NOTE 13. CONTINGENT LIABILITIES

There were no material contingent liabilities reportable during the period (2020: nil)

NOTE 14. EVENTS AFTER THE REPORTING PERIOD

In January 2022, IFM Investors replaced the AOFM as mezzanine funder in Wisr Warehouse Trust No. 1.

DIRECTORS' DECLARATION

The directors of the Company declare that, in the opinion of the directors:

a. the attached financial statements and notes thereto are in accordance with the *Corporations Act 2001*, including:
   i. giving a true and fair view of the financial position and performance of the consolidated entity; and
   ii. complying with Australian Accounting Standards, including the interpretations, and the *Corporations Regulations 2001*;

b. the financial statements and notes thereto also comply with International Financial Reporting Standards, as disclosed in Note 1;

c. the directors have been given the declarations required by s.295A of the *Corporations Act 2001*; and

d. there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable;

Signed in accordance with a resolution of the directors made pursuant to s.295(5) of the *Corporations Act 2001*.

....

JOHN NANTES
DIRECTOR

Sydney
28 February 2022

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INDEPENDENT AUDITOR'S REVIEW REPORT

To the members of Wisr Limited

Report on the Half-Year Financial Report

Conclusion

We have reviewed the half-year financial report of Wisr Limited (the Company) and its subsidiaries (the Group), which comprises the consolidated statement of financial position as at 31 December 2021, the consolidated statement of profit or loss and other comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the half-year ended on that date, a summary of significant accounting policies and other explanatory information, and the directors' declaration.

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the accompanying half-year financial report of the Group does not comply with the *Corporations Act 2001* including:

(i) Giving a true and fair view of the Group's financial position as at 31 December 2021 and of its financial performance for the half-year ended on that date; and

(ii) Complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.

Basis for conclusion

We conducted our review in accordance with ASRE 2410 *Review of a Financial Report Performed by the Independent Auditor of the Entity*. Our responsibilities are further described in the *Auditor's Responsibilities for the Review of the Financial Report* section of our report. We are independent of the Company in accordance with the auditor independence requirements of the *Corporations Act 2001* and the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants (including Independence Standards)* (the Code) that are relevant to the audit of the annual financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

We confirm that the independence declaration required by the *Corporations Act 2001* which has been given to the directors of the Company, would be the same terms if given to the directors as at the time of this auditor's review report.

Responsibility of the directors for the financial report

The directors of the Company are responsible for the preparation of the half-year financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* and for such internal control as the directors determine is necessary to enable the preparation of the half-year financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

Auditor's responsibility for the review of the financial report

Our responsibility is to express a conclusion on the half-year financial report based on our review. ASRE 2410 requires us to conclude whether we have become aware of any matter that makes us believe that the half-year financial report is not in accordance with the *Corporations Act 2001* including giving a true and fair view of the Group's financial position as at 31 December 2021 and its financial performance for the half-year ended on that date and complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.

A review of a half-year financial report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

BDO Audit Pty Ltd

BDO

Tim Aman
Director

Sydney, 28 February 2022