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 2022
Previous period:	For the half-year ended 31 December 2021

2. Results for announcement to the market

Key information				**$A'000**
Revenues from ordinary activities	Up	65%	to	43,241
Loss from ordinary activities after tax attributable to members	Down	4%	to	(6,576)
Loss for the year attributable to members	Up	113%	to	(5,453)

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	4.97	5.08

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

Not applicable.

5. Details of associates and joint venture entities

Not applicable.

6. Significant information

Refer to Review of Operations included within the attached Directors' Report below.

7. Attachments

The Interim Report of Wisr Limited for the half-year ended 31 December 2022 is attached.

8. Signed

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JOHN NANTES

DIRECTOR
SYDNEY

28 February 2023

WISR LIMITED

ABN: 80 004 661 205

INTERIM REPORT

For the half-year ended 31 December 2022

CONTENTS

DIRECTORS' REPORT

For the half-year ended 31 December 2022

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 2022.

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
Cathryn Lyall	Non-Executive Director
Kate Whitney	Non-Executive Director

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 65% to $43.2M (H1FY22: $26.2M)
- Total loan originations $1.5B as at 31 December 2022
- New loan originations up 13% to $302M (H1FY22: $268M)
- Total portfolio 90+ Day arrears of 1.07% as at 31 December 2022 (H1FY22 0.81%)
- Wisr's loan book (WH1, WH2, Freedom21, Freedom22 and on-balance sheet) is $916M as at 31 December 2022, an increase of 62% (H1FY22 $565M)
- An additional $25M[1] debt facility secured to strengthen the balance sheet
- H1FY23 Cash EBTDA was $(1.3)M, a 66% improvement on H1FY22 $(3.8)M; Q2FY23 delivered positive Cash EBTDA of $0.5M

[1] $20M drawn initially, with a further $5M available subject to certain milestones which were achieved in February 2023.

- The Company is well capitalised with a $58.0M cash balance ($24.5M unrestricted cash); in addition, there were $2.4M liquid loan assets available for sale as at 31 December 2022 (H1FY22: $75.3M cash, $26.3M unrestricted cash and $18.4M liquid loan assets)
- 28% increase in the Wisr Financial Wellness Platform, with over 704,000 profiles as at 31 December 2022 (552,000 as at 31 December 2021)
- Launch of the Company's new technology product, Wisr Today, in Q2FY23 with over 19K downloads
- Climbed five places to #7 in the 2022 AFR Fast 100 Awards (#12 2021)
- Won two awards in the 2022 Pause Awards for Diversity and Workplace Culture (Diverse Co. and Work Sweet Work)
- Placed #8 as a first-time entrant of the Smart50 Fastest Growing Company Awards

FOCUS ON PROFITABLE GROWTH

In early FY23, Wisr took prudent steps in light of macroeconomic conditions to reduce operating costs to deliver profitability[2] within 12 months while maintaining a robust cash-balance sheet.

The material cost reductions and strategic decisions made by management in Q1FY23 have had an immediate material impact, with the Company delivering a positive operating cash flow and Cash EBTDA quarter (Q2FY23) while delivering 65% revenue growth for H1FY23 (H1FY23 $43.2M vs H1FY22 $26.2M).

In addition, the Company has achieved significant milestones that have shored up its position as it continues to navigate an uncertain short-term environment. Wisr has strengthened its balance sheet with an additional $25M debt facility, $20M was drawn initially, with a further $5M available subject to certain milestones being achieved (achieved post-reporting date). The facility is drawn at the head company (Wisr Limited) level, and the scheduled maturity date is 1 July 2025. Wisr used part of the proceeds to repay its existing $6.5M debt facility, which matures in May 2023.

Wisr has rolled forward Wisr Warehouse (WH1) and Wisr Secured Vehicle Warehouse (WH2) for another 12 months and received credit approval from another Big Four bank for a third warehouse facility. This new facility will further diversify Wisr's funding sources, enhance growth through funding capacity and add further balance sheet robustness. The market will be updated on further developments as they become available. The Company is on track to meet its guidance to the market of an additional warehouse facility being operational in FY23.

Wisr also received credit approval from a Big Four bank for an intraday credit facility (at a 0% interest rate) to further alleviate balance sheet pressure and remains committed to strong cost control in the near term.

Loan originations

As at 31 December 2022, Wisr reached $1.5B in total loan originations since inception, and H1FY23 delivered $302M in new loan originations, a 13% increase on H1FY21 ($268M).

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

Review of operations (cont.)

LOAN BOOK, RISK AND FINANCIAL POSITION

As at 31 December 2022, WH1, WH2, Freedom21, Freedom22 and on-balance sheet had a combined loan book balance of $916M, an increase of 62% (H1FY22 $565M).

Wisr continued to write prime quality credit during H1FY23. Total portfolio arrears were well within risk appetite, with 90+ Day arrears of 1.07% as at 31 December 2022 (H1FY22 0.81%).

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 2022 is $23.2M (2.52%), a slight increase from 2.42% as at 30 June 2022. The total loan impairment expense for H1FY23 was $9.7M, representing a 1.05% charge compared to portfolio balances as at 31 December 2022.

The Company is well capitalised with a $58.0M cash balance ($24.5M unrestricted cash) in addition, there were $2.4M liquid loan assets available for sale as at 31 December 2022.

EBTDA AND EXPENSES

In H1FY22, Wisr continues its path to profitability, with the Company reporting an overall Cash EBTDA of $(1.3)M, a 66% improvement on H1FY22 $(3.8)M. Wisr's revenue growth also delivered a positive Cash EBTDA of $0.5M for Q2FY23 (Q1FY23: $(1.8)M).

The operational leverage in the business is evidenced by 65% operating revenue growth compared to a 14% decrease in operating expenses ("Opex") (H1FY23 Opex $17.9M vs H1FY22 Opex $20.8M). A significant cost reduction process in Q1FY23 drove this.

WISR FINANCIAL WELLNESS PLATFORM

Wisr is well on track to reach its goal of 1M customer profiles. The Wisr Financial Wellness Platform grew by 28%, with over 704,000 profiles as at 31 December 2022 (552,000 as at 31 December 2021).

The Wisr Financial Wellness Platform suite of products was bolstered by the launch of the Company's new technology product, Wisr Today, a psychology-led money coaching app that helps users build smarter habits and improve holistic financial health.

Wisr Today has been developed with clinical psychology advisors and behaviour science consultants, including organisational psychologist and founder of behavioural science consultancy Inventium, Dr Amantha Imber. The Wisr Today app applies research-proven, science-based interventions, such as Cognitive Behavioural Therapy (CBT) and Acceptance and Commitment Therapy (ACT), to inform behaviour change. Wisr Finance Pty Ltd[3] holds a financial services licence (AFSL 458572) to provide general financial product advice via the Wisr Today app.

Since its launch, there have been over 19K downloads, and the app is available Australia-wide via Google Play and the Apple App Store with one-year, six-month and one-month subscriptions creating a brand-new revenue stream for the Company.

[3] A 100% subsidiary of Wisr Limited

GOVERNANCE

Wisr faces a broad range of risks reflecting its business operations as a non-bank neo-lender.

The Board is responsible for setting risk appetite and approving and reviewing the risk management strategy and framework; this includes the 14-point Enterprise Risk Management Register. The Board also ensures senior management has identified key risks, that those risks are managed and controlled appropriately and endorses the Risk Management plan, which is set out to manage all risks to remain in risk appetite.

Management is then responsible for implementing the Board approved risk management strategy and risk management plan.

External auditors provide independent assurance to the Board on the adequacy and effectiveness of management controls for risk.

Wisr has the following Committees in place to foster innovation and continuous improvement in efficiencies across all business operations:

- Quarterly Board Audit and Risk Committee, Chaired by Non-Executive Director, Matt Brown
- Risk Management Committee, Chaired by Chief Risk and Data Officer, Joanne Edwards
- Credit Committee, Chaired by Chief Risk and Data Officer, Joanne Edwards

To further protect the security of the business, and in preparation for joining the Open Banking environment, in H1FY23 Wisr increased its scope of privacy protections and cyber security framework.

Chief Product Officer, Ben Berger, leads the protection of customer information and information assets, and the Risk Management Committee oversees its management.

OUTLOOK – H2FY23 AND BEYOND

Wisr is a growth Company and will remain a growth Company for the next decade or more. However, recognising current market conditions, prudent fiscal management is required to deliver both profitability[4] in the short-term and sustainable long-term profitability.

To maintain a strong balance sheet and deliver a highly profitable business, Wisr has prudently and proactively adjusted the business strategy and cost base to position the Company for long-term sustainable growth.

Initiatives already delivered and will be continued in H2FY23, accelerating the path to profitability:

Focus on near-term profitability

- Significant reduction in short-term growth aspirations in lending in response to the macro environment, switching from high to moderate growth, will positively impact Cash EBTDA (as evidenced by Q2FY23 result)

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

- Wisr has materially increased front book loan origination yield to protect net interest margin given the rising cost of funds

Cost management

- A material reduction in headcount and external spend

Strategic adjustments

- Pausing all new credit product expansion, innovation and go-to-market expenditure
- Exited any continued support for Arbor investment in the EU market, and any short-term growth ambitions for geographical expansion
- Material overall reduction in investment in the Wisr Financial Wellness Platform to further drive push to profitability

Now that the Company has delivered a profitable quarter (Q2FY23), the focus is on sustainable long-term profitability. The Company has the resources and capability to safeguard the business and a strategy and platform that is setting Wisr up to be a company of significant size and scale with a genuine competitive advantage in the years to come.

EVENTS SINCE THE END OF THE FINANCIAL HALF-YEAR

In February 2023:

- The Group met the required milestones for the drawdown of an additional $5 million available under the $25 million corporate debt facility, with $20m drawn to date; and
- The Group settled the $200 million Wisr Independence Trust 2023-1, the first asset-backed securities deal for the secured vehicle loan product.

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 page 11.

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 2023

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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 2022, 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 2023

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the half-year ended 31 December 2022

	Note	31 Dec 2022 $	31 Dec 2021 $
REVENUE	2	43,240,749	26,242,816
Other income		-	31
EXPENSES			
Employee benefits expense		(10,529,674)	(8,514,230)
Marketing expense		(1,399,442)	(8,243,219)
Customer processing costs		(2,638,457)	(1,436,037)
Property expenses		(31,124)	(34,362)
Other expenses		(3,445,550)	(2,617,093)
Finance costs		(21,080,770)	(7,501,018)
Depreciation and amortisation expense		(445,703)	(405,573)
Provision for expected credit loss expense	4	(9,694,964)	(3,705,684)
Share based payment expense	11	(551,031)	(622,670)
Loss before income tax		**(6,575,966)**	**(6,837,039)**
Income tax expense		**-**	**-**
Loss after income tax for the period		**(6,575,966)**	**(6,837,039)**
Loss for the year is attributable to: Owners of Wisr Limited		**(6,575,966)**	**(6,837,039)**
Earnings per share for loss attributable to the owners of Wisr Limited		**Cents**	**Cents**
Basic earnings per share		(0.48)	(0.51)
Diluted earnings per share		(0.48)	(0.51)
Other comprehensive loss			
Gain arising from changes in fair value of cash flow hedging instruments entered into	10	1,122,767	4,279,356
Other comprehensive loss for the period, net of tax		1,122,767	4,279,356
Total comprehensive loss for the period		(5,453,199)	(2,557,683)
Total comprehensive loss for the period is attributable to: Owners of Wisr Limited		**(5,453,199)**	**(2,557,683)**

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 2022

	Note	31 Dec 2022 $	30 Jun 2022 $
ASSETS			
Cash and cash equivalents	3	57,995,033	71,489,070
Trade and other receivables		1,101,804	1,065,176
Loan receivables	4	897,941,162	764,838,727
Property, plant and equipment		399,083	487,866
Other assets		2,104,025	1,562,249
Right of use assets	6	691,831	1,037,746
Derivative financial instruments	8	26,603,637	24,856,717
Intangible assets	5	5,607,052	2,736,735
Total assets		**992,443,627**	**868,074,286**
LIABILITIES			
Trade and other payables		2,811,268	5,435,693
Provision for employee benefits		1,327,668	1,307,554
Lease liability	6	835,168	1,203,052
Borrowings	7	914,526,058	782,282,354
Total liabilities		**919,500,162**	**790,228,653**
Net assets		**72,943,465**	**77,845,633**
EQUITY			
Issued capital	9	144,477,325	144,477,325
Reserves	10	29,580,500	27,906,702
Accumulated losses	10	(101,114,360)	(94,538,394)
Total equity		**72,943,465**	**77,845,633**

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 2022

	Issued capital $	Reserves $	Accumulated losses $	Total equity $
Balance at 1 Jul 2021	143,678,390	3,250,454	(74,672,545)	72,256,299
Loss after income tax expense for the half-year	-	-	(6,837,039)	(6,837,039)
Other comprehensive loss for the half-year, net of tax	-	4,279,356	-	4,279,356
Total comprehensive loss for the half-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 payment expense (Note 11)	-	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**
Balance at 1 Jul 2022	144,477,325	27,906,702	(94,538,394)	77,845,633
Loss after income tax expense for the period	-	-	(6,575,966)	(6,575,966)
Other comprehensive gain for the period, net of tax	-	1,122,767	-	1,122,767
Total comprehensive loss for the period	-	1,122,767	(6,575,966)	(5,453,199)
Transactions with owners in their capacity as owners:				
Share based payments (Note 11)	-	551,031	-	551,031
Balance at 31 Dec 2022	**144,477,325**	**29,580,500**	**(101,114,360)**	**72,943,465**

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 2022

	Note	31 Dec 2022 $	31 Dec 2021 $
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts from customers		41,899,393	24,831,564
Payments to suppliers and employees		(21,788,174)	(21,883,806)
		20,111,219	2,947,758
Interest received on investments and cash		102,042	6,858
Management fees received		177,643	378,920
Interest and other finance costs paid		(19,887,101)	(7,101,848)
Proceeds from R&D tax incentive		-	280,164
Net cash from / (used in) operating activities		**503,803**	**(3,488,148)**
CASH FLOWS FROM INVESTING ACTIVITIES			
Payments for plant and equipment		(38,112)	(129,408)
Payments for investments		-	(1,168,695)
Transfer for term deposit		-	(561,629)
Payments for technology assets	5	(2,851,342)	(930,695)
Net movement in customer loans		(140,604,155)	(180,414,175)
Net cash used in investing activities		**(143,493,609)**	**(183,204,602)**
CASH FLOWS FROM FINANCING ACTIVITIES			
Costs of raising capital paid		-	(148,183)
Repayment of borrowings – secured notes		(6,500,000)	-
Proceeds from issuance of borrowings		137,652,609	170,608,644
Transaction costs related to borrowings		(1,288,956)	(570,670)
Payments for right of use asset		(367,884)	(329,511)
Net cash provided by financing activities		**129,495,769**	**169,560,280**
Net decrease in cash and cash equivalents		(13,494,037)	(17,132,470)
Cash and cash equivalents at the beginning of the financial year		71,489,070	92,409,558
Cash and cash equivalents at the end of the financial half-year		**57,995,033**	**75,277,088**

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 2022

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 2022 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 2022 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 2023.

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 2022 $	**31 Dec 2021 $**
Interest income on financial assets		
Interest income on financial assets		
Effective interest income on financial assets	42,789,904	25,609,280
Other revenue from financial assets	134,532	163,424
Interest on cash	102,042	6,858
Total income from financial assets	**43,026,478**	**25,779,562**
Revenue from contracts with customers		
Management fees	214,271	463,254
Total revenue from contracts with customers	**214,271**	**463,254**
Total revenue	**43,240,749**	**26,242,816**

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 2022 $	**30 Jun 2022 $**
Cash at bank	24,527,536	23,339,472
Restricted cash	33,467,497	48,149,598
Total	**57,995,033**	**71,489,070**

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- 98% Stage 1
- Book 2 – Wisr Freedom Trust 2021-1 – 96% Stage 1
- Book 3 – Wisr Warehouse Trust No. 2 – 98% Stage 1
- Book 4 – Wisr Freedom Trust 2022-1 – 98% Stage 1
- Book 5 – Wisr Finance – 78% Stage 1. This book includes seasoned, mostly 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, Wisr Freedom Trust 2021-1 and Wisr Freedom Trust 2022-1.

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:

- Since February 2022 the Group implemented a proprietary scoring model for cut-off setting and pricing. Since this time, we have seen a reduction in early arrears rates, as this cohort becomes a greater proportion of the total book we expect improvement in arrears performance overtime;
- 37% of the total portfolio is Secured Vehicle Loans (“SVL”), compared to 28% in Dec 21. SVL loans have higher average credit scores, a lower probability of default and loss given default. Hence this change in mix is driving stronger arrears performance on early vintages compared to the historical, which is not yet reflected in the model which was built on predominantly Personal Loans (“PL”) performance;
- Investment in arrears management processes (e.g. Collections), systems, and people, is expected to improve arrears and ECL performance overtime;
- Regarding economic factors within consumer finance lending, both underemployment and unemployment are correlated with arrears, while RBA interest rate increases and inflation have less of a direct correlation to arrears performance. Therefore, given the low unemployment rate which is expected to remain throughout FY23 no economic adjustments have been applied to the ECL position; and
- Industry expectations (e.g. Risk Managers Round Table) have a similar arrears outlook, which is that the unemployment rate will remain low for the next 6 months, however we will continue to closely monitor the impact of inflationary pressure and can adjust risk policy settings expeditiously if required.

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

Note 4. Loan receivables (cont.)

	CONSOLIDATED	
	31 Dec 2022 $	**30 Jun 2022 $**
Gross loan receivables	921,120,336	783,778,935
Less provision for expected credit loss	(23,179,174)	(18,940,208)
	897,941,162	**764,838,727**

The following tables summarise the gross carrying value of loan receivables and the provision for expected credit loss by stage:

	CONSOLIDATED	
	31 Dec 2022 $	**30 Jun 2022 $**
Gross loan receivables		
12-month (Stage 1)	898,534,644	765,300,635
Lifetime (Stage 2 & 3)	22,585,692	18,478,300
Total gross carrying amount	**921,120,336**	**783,778,935**
Less provision for expected credit loss		
12 month expected credit loss	11,404,257	9,303,174
Lifetime expected credit loss	11,774,917	9,637,034
Total provision for expected credit loss	**23,179,174**	**18,940,208**
Net balance sheet carrying value	**897,941,162**	**764,838,727**
Expected credit loss per gross loan receivables	**%**	**%**
12-month (Stage 1)	1.27	1.22
Lifetime (Stage 2 & 3)	52.13	52.15
Total expected credit loss per total gross loan receivables	**2.52**	**2.42**
Reconciliation of total provision for expected credit loss	**$**	**$**
Balance at 1 July	18,940,208	9,440,024
Expected credit loss expense recognised during the year to profit or loss	9,694,964	16,352,472
Receivables written-off during the year	(6,390,378)	(8,017,523)
Recoveries during the year	934,380	1,165,235
Balance at 31 December	**23,179,174**	**18,940,208**

NOTE 5. INTANGIBLE ASSETS

	CONSOLIDATED	
	31 Dec 2022 **$**	**30 Jun 2022** **$**
Technology assets:		
Cost	609,239	609,239
Accumulated amortisation	(470,160)	(408,736)
Net carrying amount	**139,079**	**200,503**
Technology assets under development:		
Cost	5,467,973	2,536,232
Accumulated amortisation	-	-
Net carrying amount	5,467,973	2,536,232
Total intangible assets	**5,607,052**	**2,736,735**

Technology assets are recognised at cost of acquisition. They have a finite life and are carried at cost less any accumulated amortisation and 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 2022: no impairment).

The Company continues to invest in growth and innovation. During the reporting period, $2,931,741 was capitalised (via a combination of cash and non-cash items) relating to the development of:

- non-lending based financial wellness aligned technology product, Wisr Today; and
- new systems for scalability and improved efficiencies

with the expectation that future benefits will be derived.

NOTE 6. LEASES

The Group has a property lease which commenced in December 2020 with a 3 year and 1 month term. Extension is yet to be considered.

AASB 16 related amounts recognised in the statement of financial position:	31 Dec 2022 $	30 Jun 2022 $
Right of use assets		
Leased property	2,133,146	2,133,146
Accumulated depreciation	(1,441,315)	(1,095,400)
Net right of use asset	**691,831**	**1,037,746**
Lease liabilities		
Lease liabilities – expected to be settled within 12 months	835,168	770,716
Lease liabilities – not expected to be settled within 12 months	-	432,336
	835,168	**1,203,052**

AASB 16 related amounts recognised in the statement of profit or loss	31 Dec 2022 $	31 Dec 2021 $
Depreciation charge related to right of use assets	265,516	311,082
Interest expense on lease liabilities	24,631	47,286
Government levies	31,124	34,362
Short-term lease expense prior to entering into above lease arrangement	-	-
	321,271	**392,730**

6.1 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.

6.2 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.

6.3 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.

NOTE 7. BORROWINGS

	CONSOLIDATED	
	31 Dec 2022 $	**30 Jun 2022 $**
Debt facility	20,000,000	6,500,000
Wisr Warehouse funding	898,976,927	779,868,954
Less transaction costs	(4,450,869)	(4,086,600)
Total borrowings	**914,526,058**	**782,282,354**

7.1 Debt facility

As at 31 December 2022, the Group has drawn $20m of its $25m debt facility which has a high single digit margin over BBSW, and maturity in July 2025. Part of the proceeds were used to repay the $6.5m debt facility that was previously in place.

7.2 Wisr Warehouse funding

Wisr Warehouse funding are the facilities of Wisr Warehouse Trust No. 1, Wisr Freedom Trust 2021-1, Wisr Warehouse Trust No. 2 and Wisr Freedom Trust 2022-1. These facilities fund loan receivables for 3, 5 and 7 year maturities.

At 31 December 2022, Wisr Warehouse Trust No. 1 is a Personal Loan warehouse of $450m of which $286.3m has been utilised (30 June 2022: $143.2m). The facility has a cost of funds of circa 3.0% (on a drawn basis) over BBSW, maturity in October 2023 and is secured against the receivables it funds.

Wisr Freedom Trust 2021-1 Trust securitisation had a balance of $91.7m (amortising loan book) as at 31 December 2022 (30 June 2022: $122.3m) and day one weighted average margin of circa 1.5% over BBSW.

Wisr Warehouse No. 2 is a Secured Vehicle Warehouse of $400m of which $350.2m has been utilised (30 June 2022: $275.4m). The facility has a cost of funds of circa 3.0% (on a drawn basis) over BBSW, maturity in October 2023 and is secured against the receivables it funds.

Wisr Freedom Trust 2022-1 Trust securitisation had a balance of $184.7m (amortising loan book) as at 31 December 2022 (30 June 2022: $229m) and day one weighted average margin of circa 2.25% over BBSW.

The debt 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 8. DERIVATIVE FINANCIAL INSTRUMENTS

	CONSOLIDATED	
	31 Dec 2022 $	**30 Jun 2022 $**
Derivative financial instruments	26,603,637	24,856,717

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.

The following tables detail various information regarding interest rate swap contracts outstanding at the end of the reporting period.

Amount and timing of future cash flows	**Nominal Amount of the Hedging Instrument**		
Cash flow hedges	**Within 1 year**	**1 -5 years**	**Total**
Interest rate risk - Interest rate swaps (hedging forecast AUD floating interest)			
Average contracted fixed rate		**2.23605%**	**2.23605%**
Notional Amount as at 31 Dec 2022		**900,240,838**	**900,240,838**

Liquidity Risk	**Within 1 year**	**1 -5 years**	**Total**
Derivatives at fair value - Interest rate swaps – cash flow hedges	12,234,309	16,210,061	28,444,370

NOTE 9. ISSUED CAPITAL

9.1 Issued and paid up capital

	CONSOLIDATED	
	31 Dec 2022 $	**30 Jun 2022 $**
Ordinary shares fully paid	150,025,772	150,025,772
Costs of raising capital	(5,548,447)	(5,548,447)
	144,477,325	**144,477,325**

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.

9.2 Reconciliation of issued and paid-up capital

	31 Dec 2022		31 Dec 2021	
	Number of shares	$	Number of shares	$
Opening balance as at 1 July	1,356,204,729	144,477,325	1,316,431,944	143,678,390
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
Issue of shares to CFO on vesting of performance rights/for long-term incentives	-	-	7,633,334	162,113
Issue of shares to directors on vesting of performance rights	-	-	6,080,000	125,531
Issue of shares to staff on vesting of long-term incentives	-	-	15,339,600	324,681
Issue of shares on exercise of options	-	-	-	-
Issue of shares for service	-	-	709,851	44,000
Closing Balance as at 31 Dec	**1,356,204,729**	**144,477,325**	**1,356,204,729**	**144,477,325**

NOTE 10. EQUITY – RESERVES AND ACCUMULATED LOSSES

10.1 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.

10.2 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.

10.3 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.

Note 10. Equity – reserves and accumulated losses (cont.)

	Employee equity benefits reserve $	Other share based payments reserve $	Cash flow hedge reserve $	Total $
Movement in reserves:				
At 1 July 2021	2,282,189	375,159	593,106	3,250,454
Share based payments expense	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 gain 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**
At 1 July 2022	2,670,992	342,184	24,893,526	27,906,702
Share based payments	551,031	-	-	551,031
Gain arising on changes in fair value of hedging instruments entered into for cash flow hedges	-	-	4,015,237	4,015,237
Cumulative loss arising on changes in fair value of hedging instruments reclassified to profit or loss	-	-	(2,892,470)	(2,892,470)
At 31 December 2022	**3,222,023**	**342,184**	**26,016,293**	**29,580,500**

	CONSOLIDATED	
	31 Dec 2022 $	**31 Dec 2021 $**
Accumulated losses:		
Opening balance	(94,538,394)	(74,672,545)
Total loss after income tax for the year	(6,575,966)	(6,837,039)
Transfer from reserve to retained earnings	-	39,058
Total	**(101,114,360)**	**(81,470,526)**

NOTE 11. SHARE BASED PAYMENTS

The share-based payments of $551,031 (2021: $688,713) consists of:

- Board/KMP LTIs of $21,592 (2021: $126,701) accrued up to 31 December 2022; and
- Staff LTIs of $529,439 (2021: $492,111) accrued up to 31 December 2022 and relate to FY20 – FY22.

For the prior half year period there were also:

- Recruitment expense of $3,858; and
- Staff LTIs of $66,042 which were 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.

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 12. CONTINGENT LIABILITIES

There were no material contingent liabilities reportable during the period (2021: nil)

NOTE 13. EVENTS AFTER THE REPORTING PERIOD

In February 2023:

- The Group met the required milestones for the drawdown of an additional $5 million available under the $25 million corporate debt facility, with $20m drawn to date; and
- The Group settled the $200 million Wisr Independence Trust 2023-1, the first asset-backed securities deal for the secured vehicle loan product.

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 2023

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Australia

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 profit or loss and other comprehensive income the consolidated statement of financial position as at 31 December2022, the consolidated statement of changes in equity and the consolidated statement of cash flows for thehalf-year ended on that date, a summary of significant accounting policies and other explanatoryinformation, 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 2022 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 2022 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 2023