

H1 FY24 RESULTS PRESENTATION



14 November 2023

7Wise



Harsh Sinha
Chief Technology Officer and
Interim CEO

WELCOME

MONEY WITHOUT BORDERS



We're building the best way to move and manage the world's money. Min fees. Max ease. Full speed.

£2t+

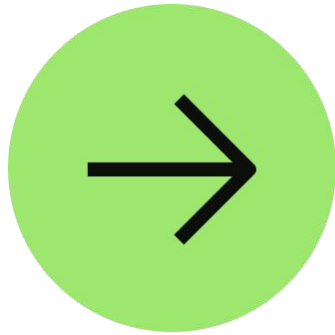
**moved cross currency
annually by people**

£9t+

**moved cross currency
annually by SMBs**

What customers are saying

**Sending money
across borders**



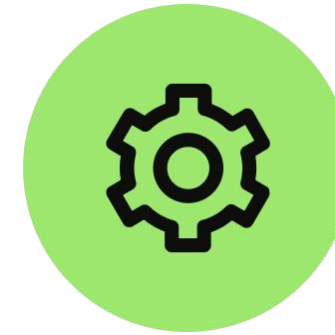
**Traditionally slow,
expensive and hard
to do**

**International
banking**



**International bank
accounts don't really
exist**

**Underlying
technology**



**Infrastructure has
not evolved in
decades**

What we're doing about it

**We've made
transfers easy, fast
and low cost**

**We're building the
Wise Account**

**We're creating the
network the world's
money needs**

5%

**Personal
market share**

<1%

**SMB
market share**

But we're growing fast and increasingly profitable

**Active
customers**

Volume

Income

**Adj.
EBITDA**

7.2m

£57bn

£656m

£241m

***Last 3
years***

2.3x

2.4x

3.4x

4.6x

What makes Wise a generational company?

**A massive
problem for people
and businesses**



Large addressable
market

**We have
evangelical
customers**



Word of mouth
led growth

**We're building the
network for the
world's money**



International
bank accounts do
not really exist

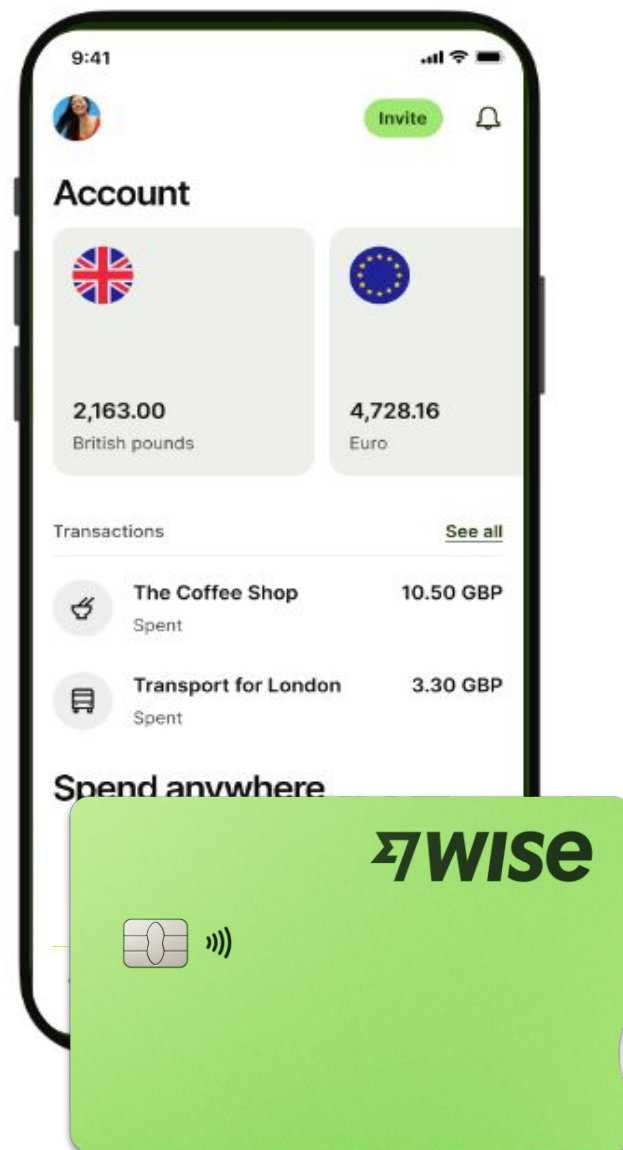
**Wise is growing
fast and profitable**



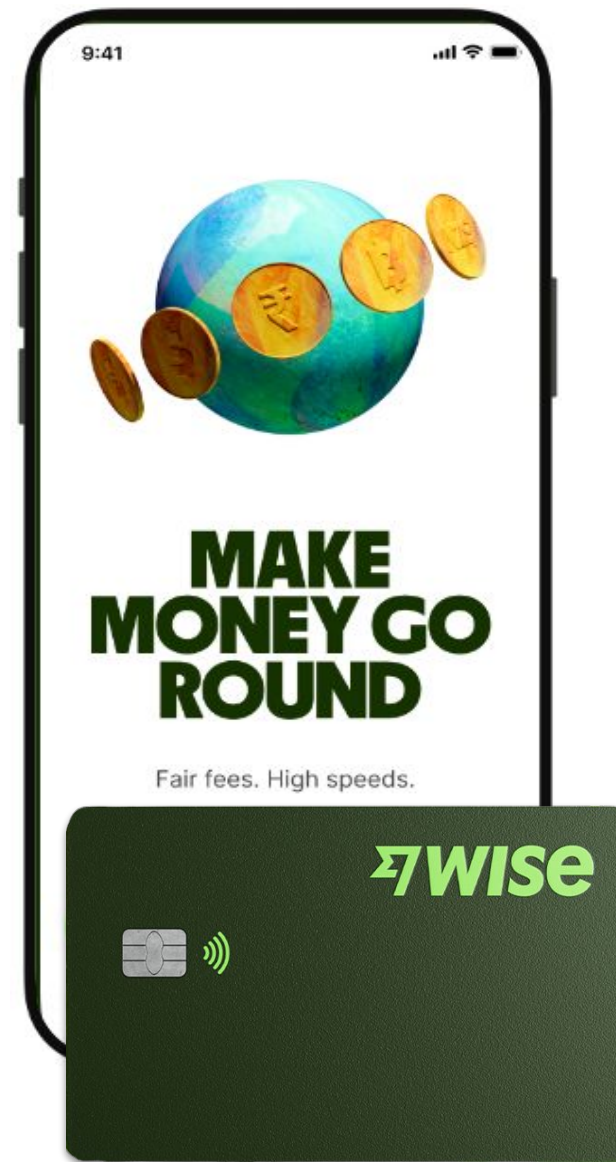
Creating a
valuable company

**WE HAVE
EVANGELICAL
CUSTOMERS**

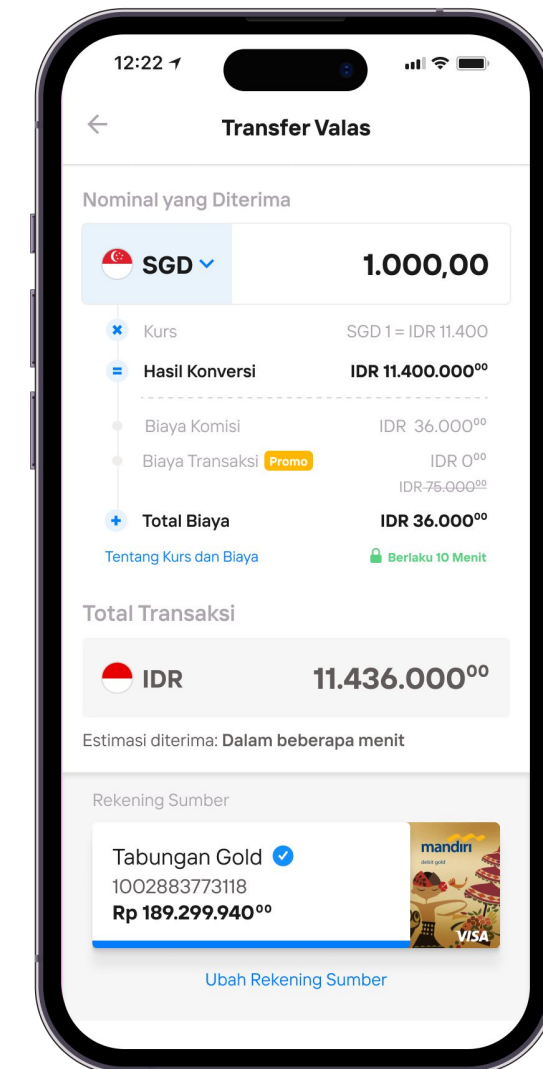
We are investing in three products



Wise Account



Wise Business



Wise Platform

We rolled out Account features in more places.



Assets “Interest” rolled out in Germany, Norway, Sweden and Estonia

Assets “Stocks” feature introduced in 11 EU countries

Total AuC in our Assets product of £1.7bn¹



Launched a service for expats in China to send money home



Removed charges for holding balances in Australia



Can now send up to 10,000 USD to businesses in Brazil

Multi-feature adoption¹

44%

Wise Account
(+12% YoY)

58%

Wise Business
(+5% YoY)

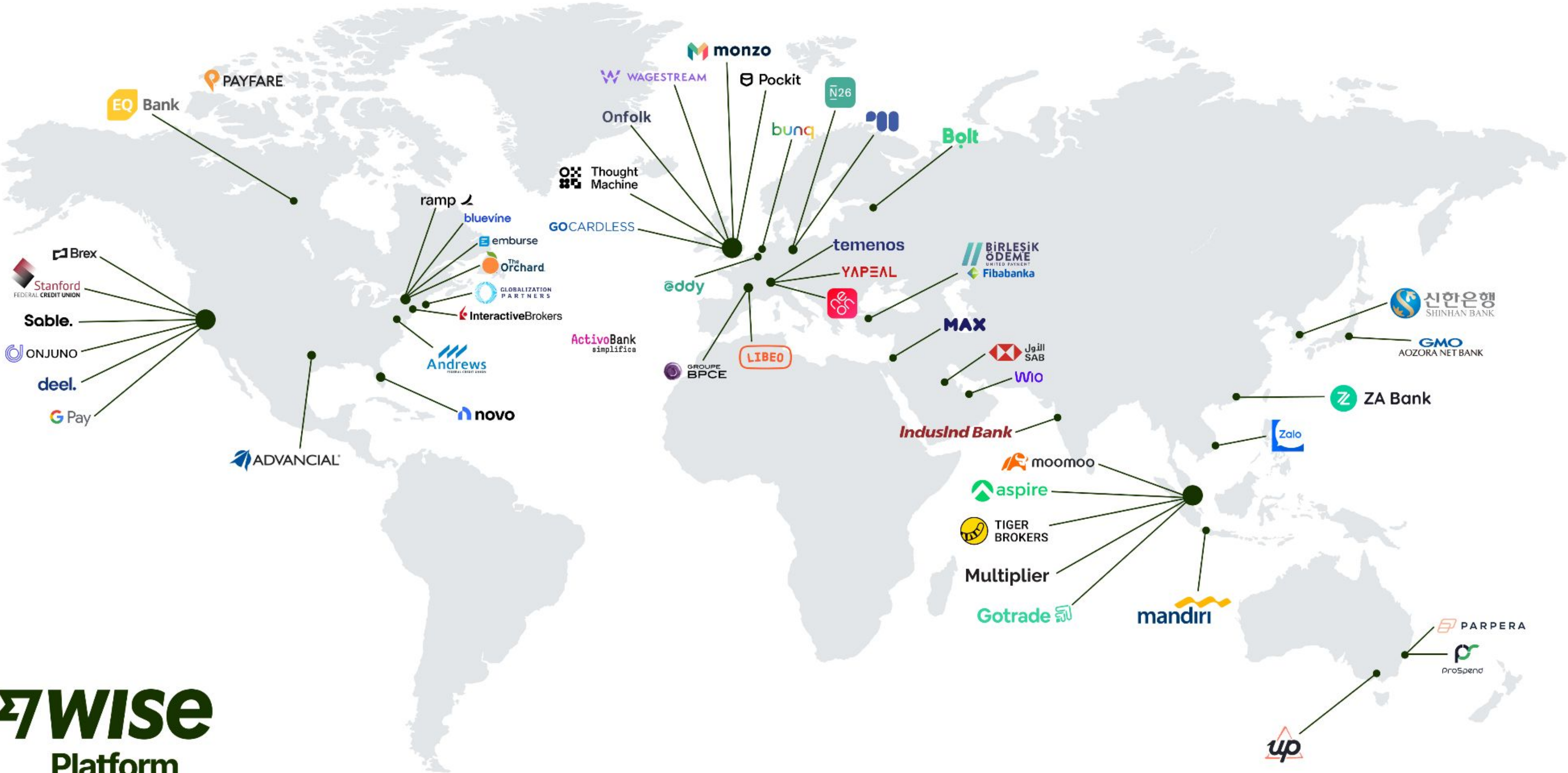
Notes: ¹Adoption defined as Percentage of total Q2 FY24 active customers (personal and business) who have adopted more than one product; where a product is defined as one of Send, Spend, Receive, Hold & Convert.

**Evangelical
customers drive
our growth.**

> 67%

**New customers joining
through word-of-mouth
(H1 FY24)**

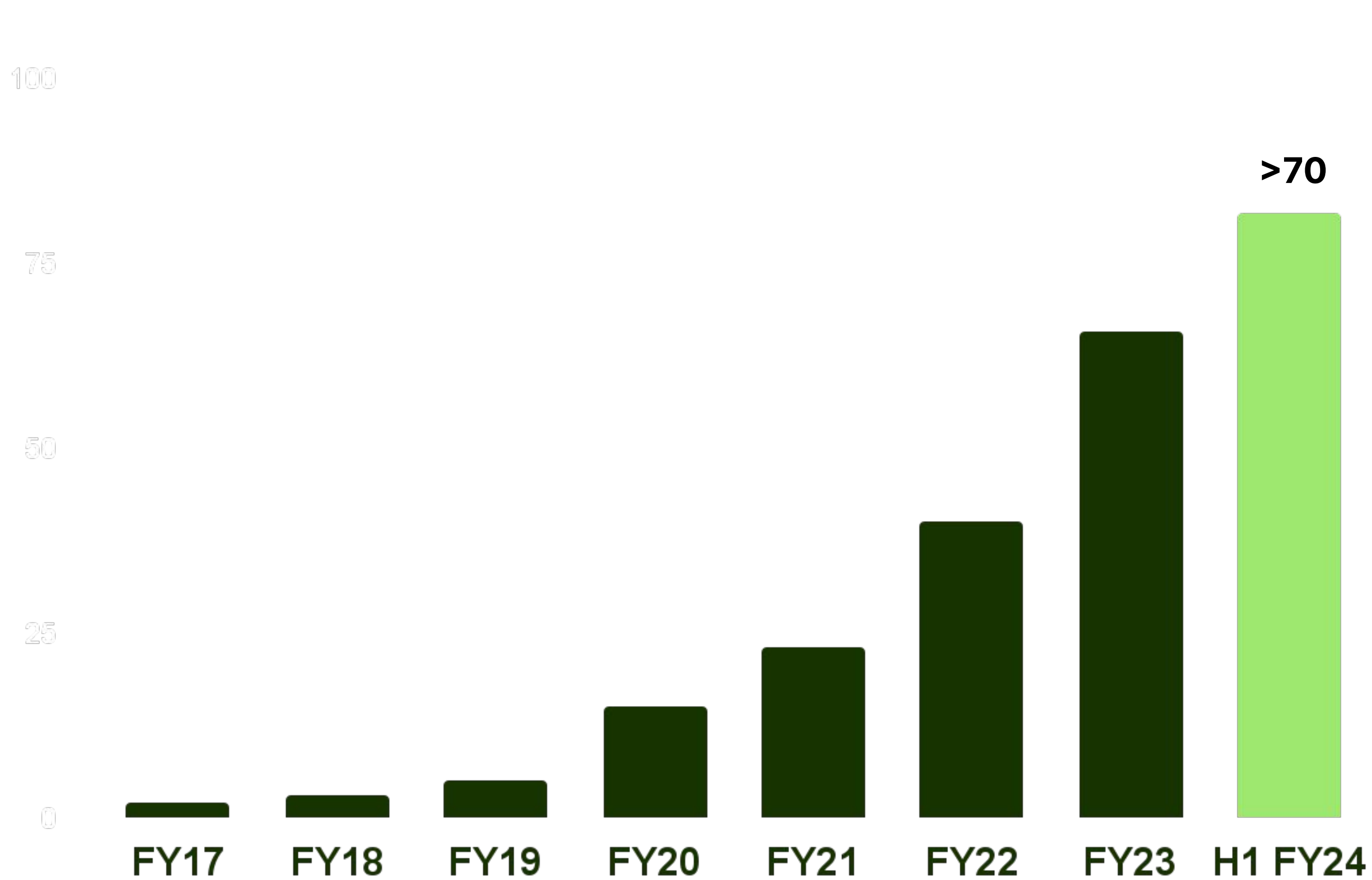
We have a diverse set of partners across all geographies



Wise
Platform

*Map features select partners only.

Our portfolio of Platform partners continues to grow



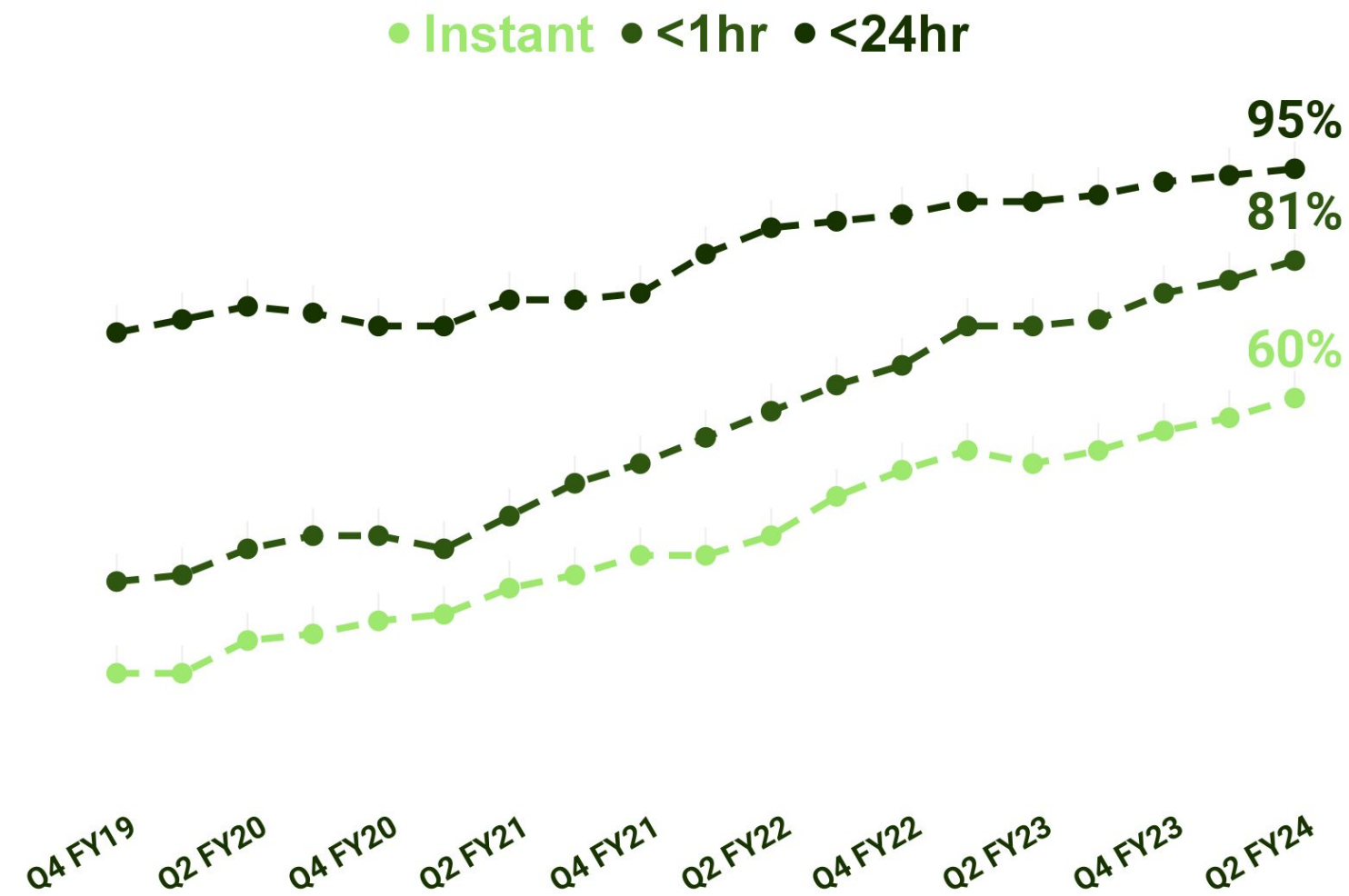
New partners in H1 FY24



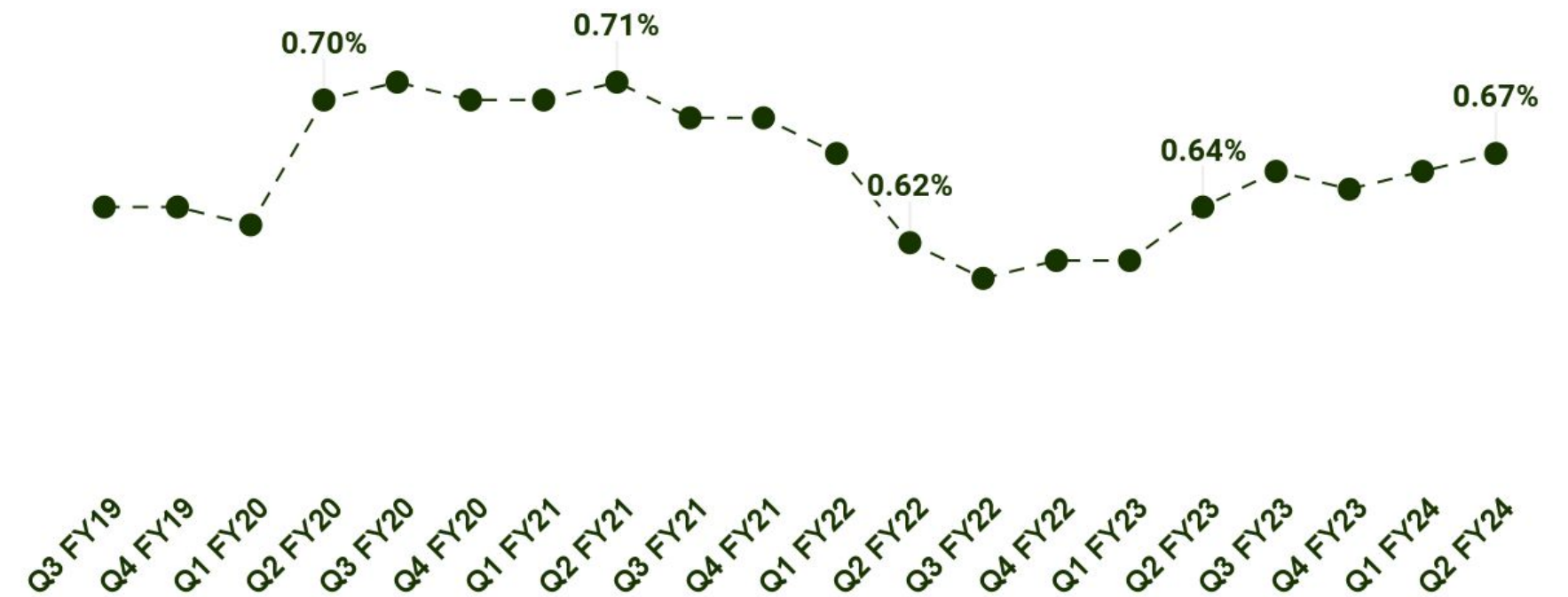
**WE'RE BUILDING THE
NETWORK FOR THE
WORLD'S MONEY**

Our infrastructure enables fast, low cost payments.

Significantly faster payment speeds



Low cost and cheaper than banks



This infrastructure is increasingly difficult to replicate

Licencing and connectivity

Expansions

Regulatory

- Direct connections into 5 payment systems
- 70+ banking partners
- Mastercard/Visa card issuing partnerships
- 69 licences across 45 countries

Operational capabilities

Technology

Operations

- c.800 engineers
- One single global treasury system
- Machine Learning powered FinCrime engine
- c.1,000 FinCrime and Payment Ops staff
- >1,300 internal customer support agents

We're building the network for the world's money

Licencing and connectivity

Our network provides competitive advantage



Direct connection to payment systems giving **full control of end-to-end payment network**



Expansive network of banking and card partners with **redundancy reducing single-partner reliance**



Global portfolio of licences which we leverage to **solve complex problems with simple products**



Open, proactive relationships with our regulators

Successes in H1 FY24



Integration into Australia's domestic payment system



Correspondent services enabled through Swift collaboration

Our operational capability allows us to build great products and protect our customers

Operational capabilities

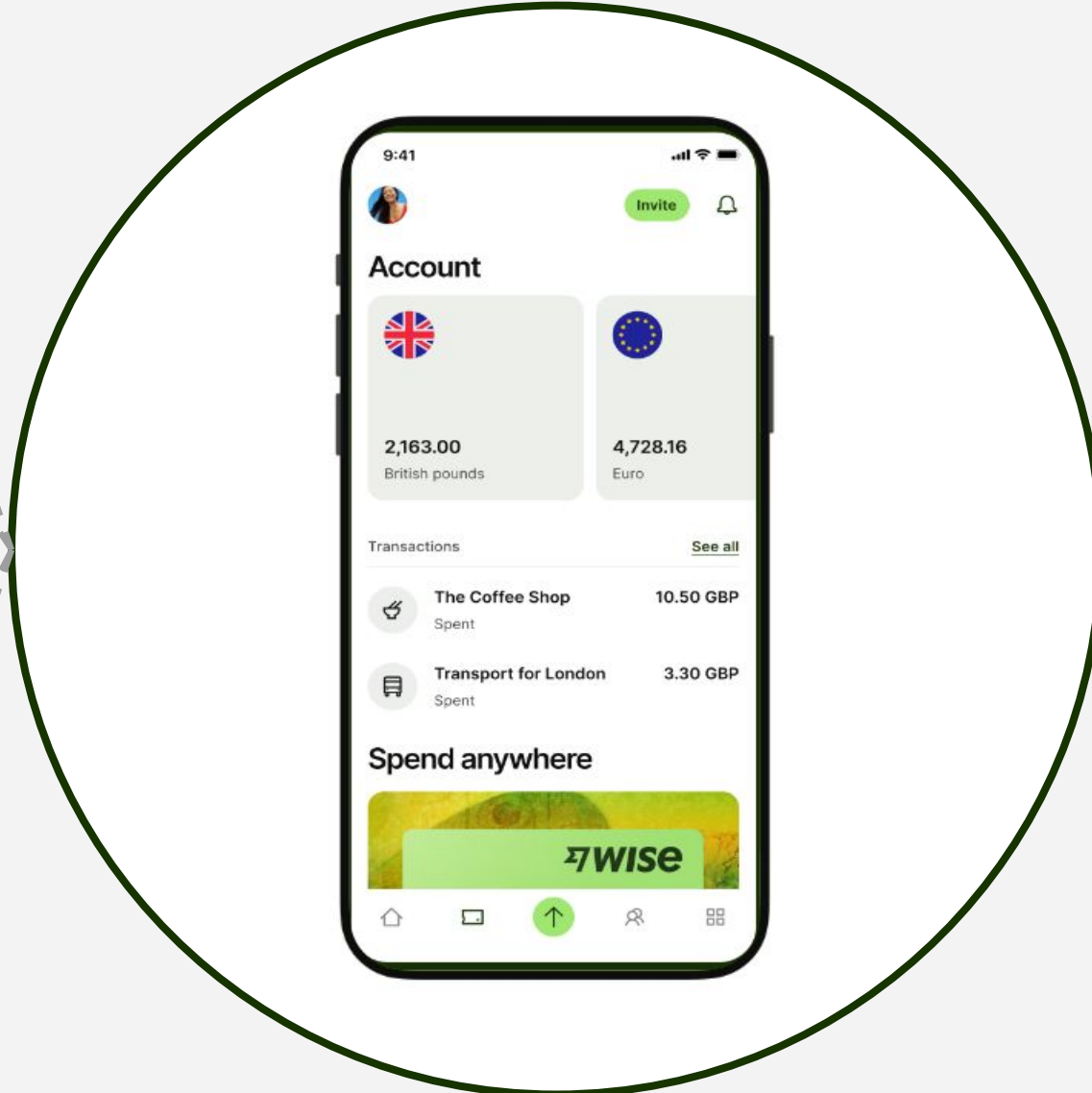
c.800 engineers globally

One single global treasury system

>1,300 internal customer support agents

Machine learning powered financial crime engine

c.1,000 FinCrime and Payment Ops staff



Localised product solutions

Lower liquidity and FX costs

24/7 'follow the sun' customer support

Powerful anti-financial crime engine to protect us and our customers; monitoring 100% of all transactions real-time

Below industry average fraud rates

What makes Wise a generational company?

**A massive
problem for people
and businesses**



Large addressable
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Word of mouth
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International
bank accounts do
not really exist

**Wise is growing
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Creating a
valuable company



Matthew Briers
Chief Financial Officer

**GROWING FAST,
INVESTING &
PROFITABLE**

H1 FY24 Summary Financials

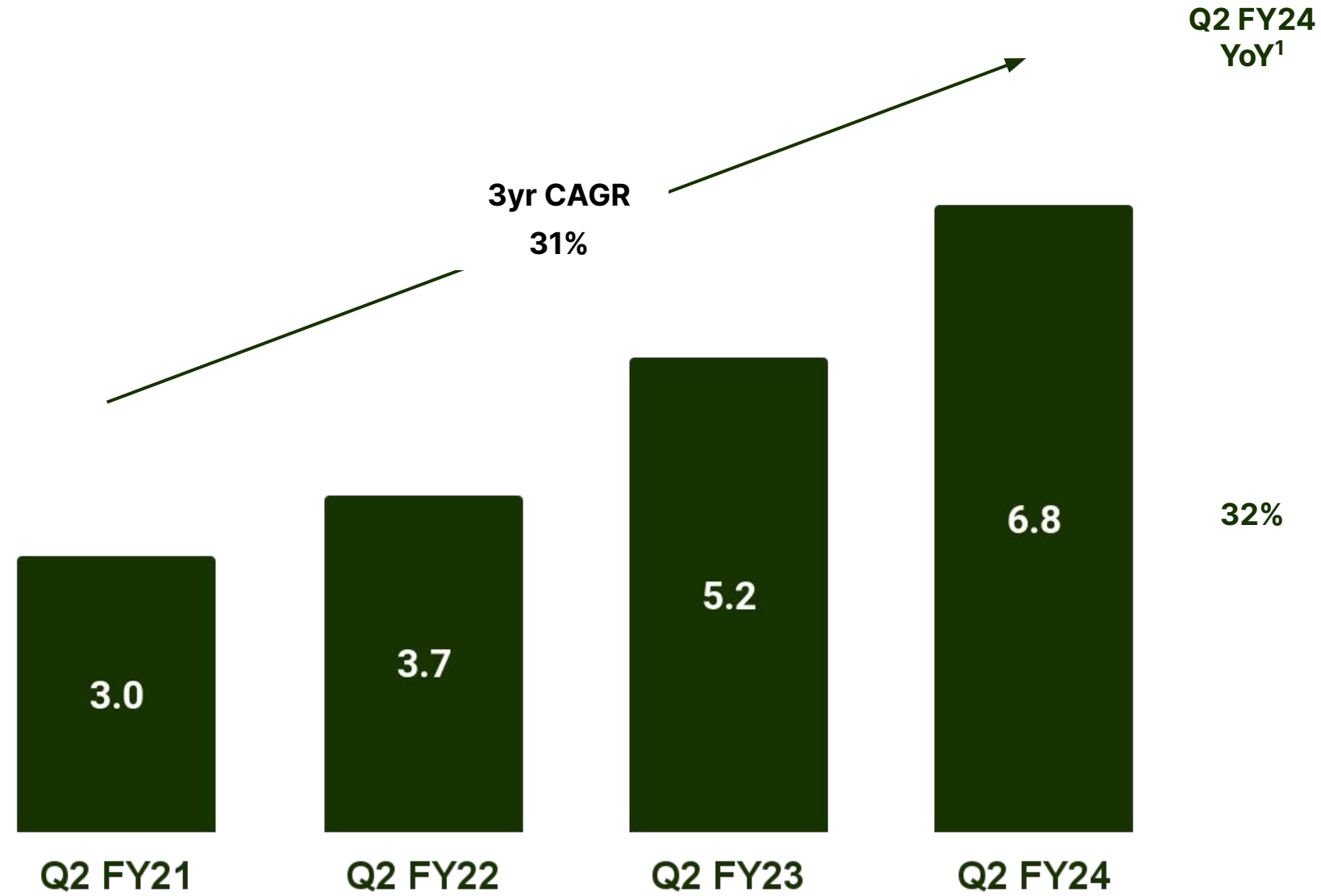
7.2m	£57bn	£12.3bn	£656m	£241m
Active customers	Volume	Customer balances¹	Income	Adj. EBITDA
+32%	+12%	+33%	+58%	+163%

Notes: Comparisons H1 FY24 vs H1 FY23 other than active customers is based on Q2 FY24, compared with Q2 FY23.

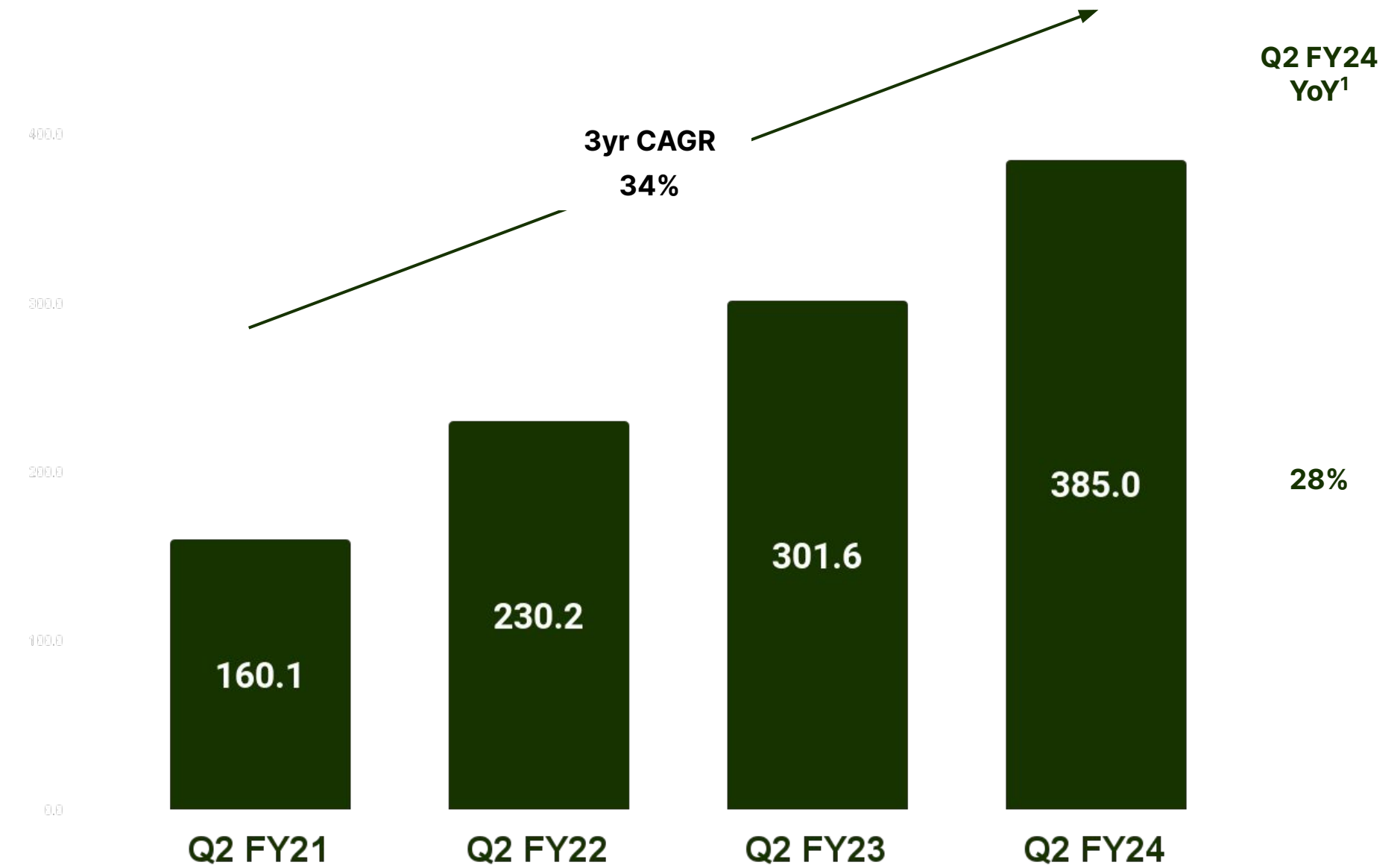
¹Does not include customer funds invested in the "Interest" or "Stocks" Assets products which are held off balance sheet for accounting purposes.

Active customer growth has compounded at over 30% YoY

Personal active customers (m)



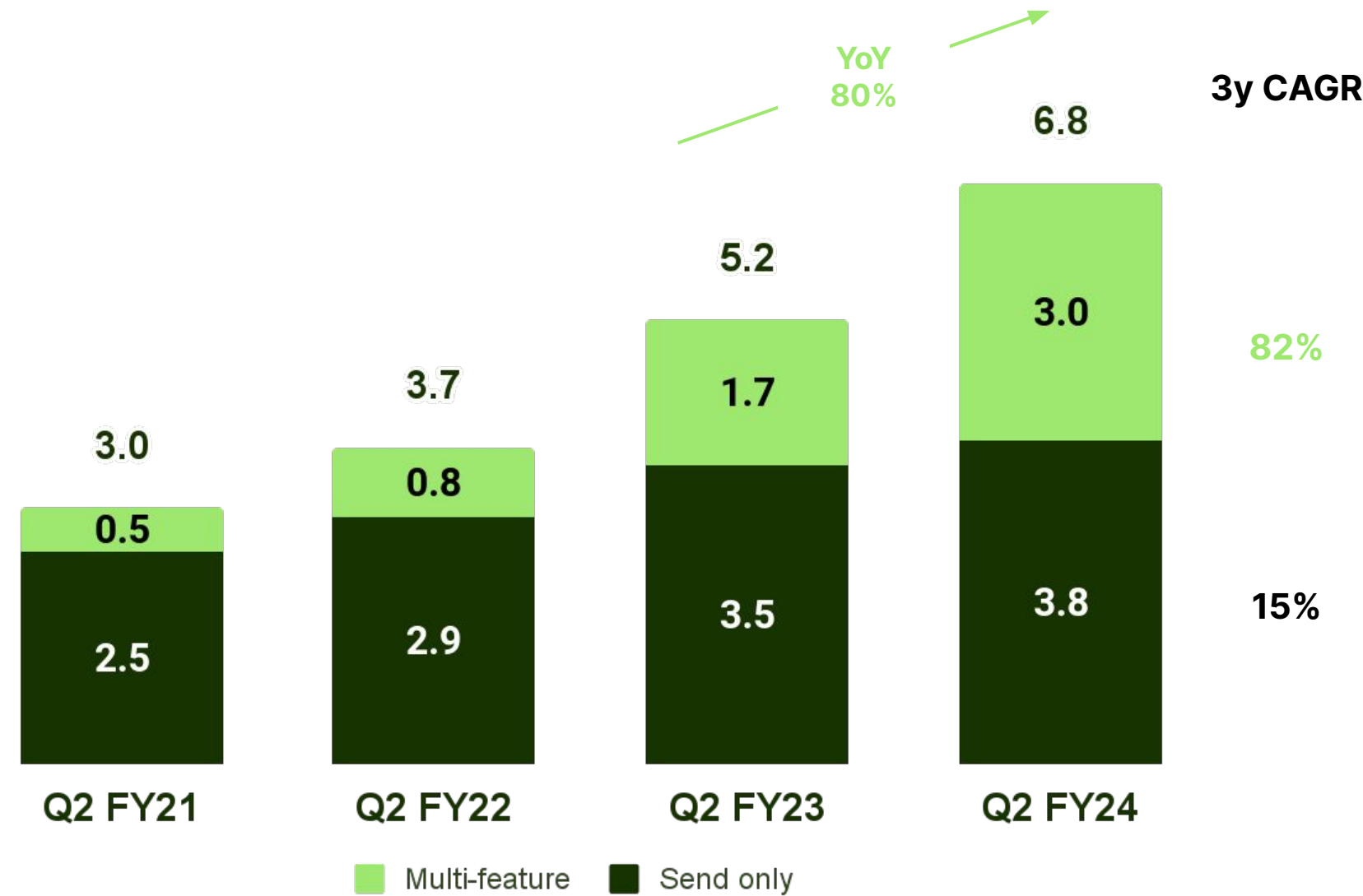
Business active customers (000s)



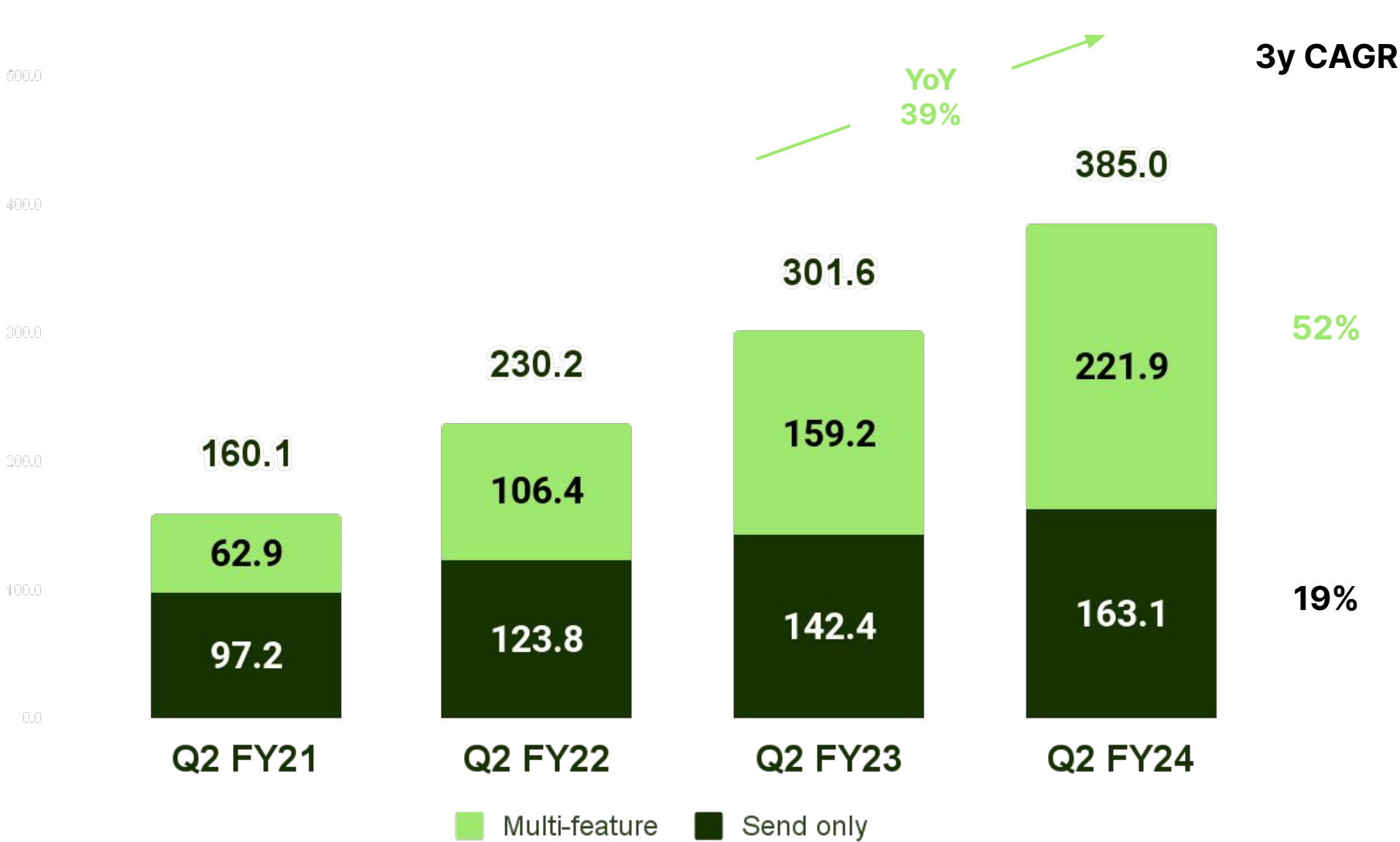
Notes: ¹Comparisons Q2 FY24 vs Q2 FY23.

And multi-feature customers are driving this growth¹

Personal active customers (m)



Business active customers (000s)



Multi-feature adoption

16% 21% 32% 44%

Multi-feature adoption

39% 46% 53% 58%

Notes: ¹Multi-feature customers defined as Percentage of total active customers (personal and business) who have adopted more than one product; where a product is defined as one of Send, Spend, Receive, Hold & Convert.

Multi-feature customers are driving Income growth.

Cross border volume

+12%
(+14% constant currency¹)

Cross revenue
£384.4m
+20%

Card spend
(xccy & domestic)

+90%

Other revenue
£113.8m
+48%

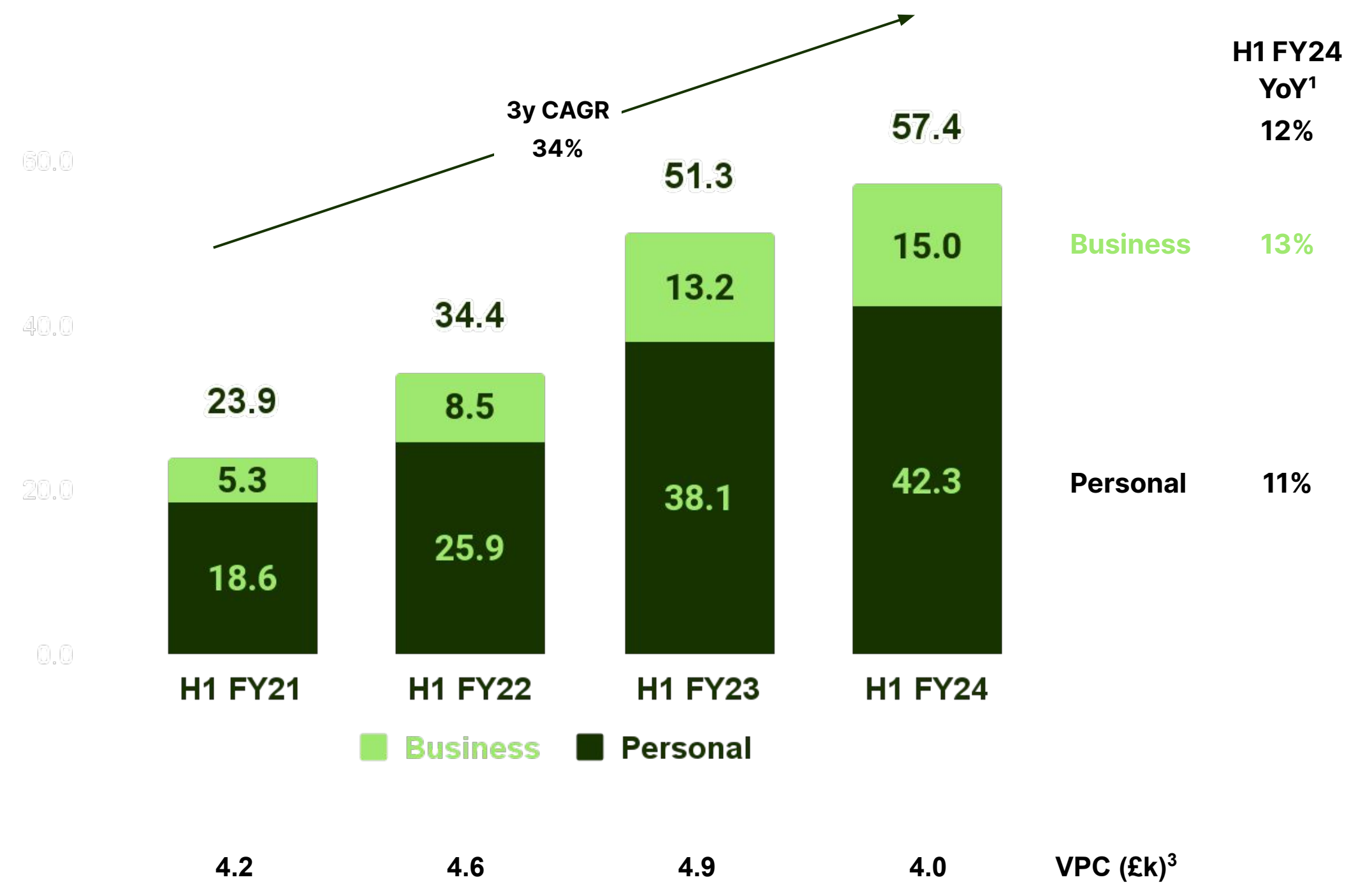
Customers Balances²

+33%

Interest Income
£211.1m

Volumes have compounded in line with customer growth.

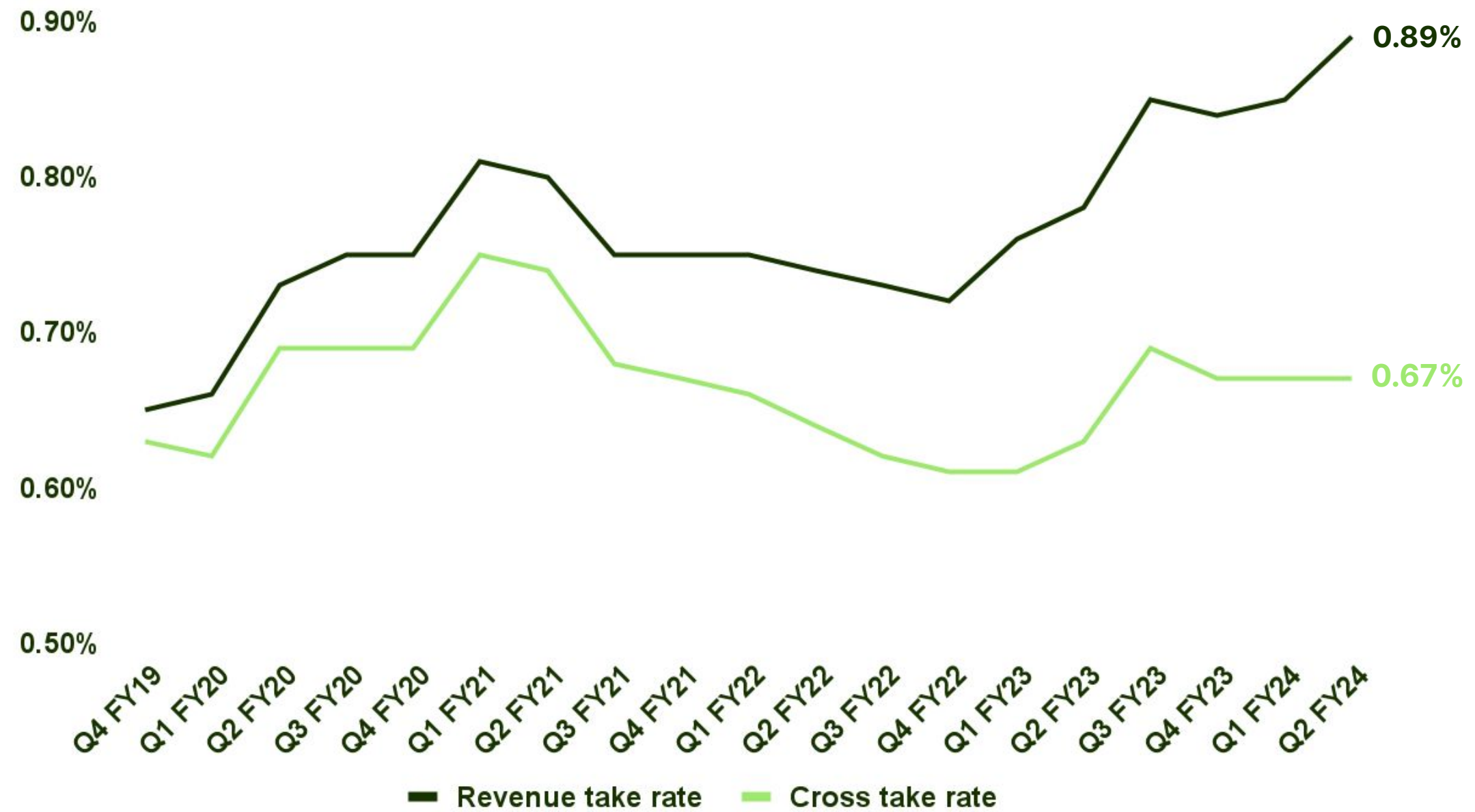
Volume² (£bn)



Notes: ¹Comparisons H1 FY24 vs H1 FY23. ²Volume is defined as a XCCY transfer amount received by recipients and is known as converted volume. ³VPC is for Q2 within the corresponding financial year.

Account feature adoption is driving up our take rate.

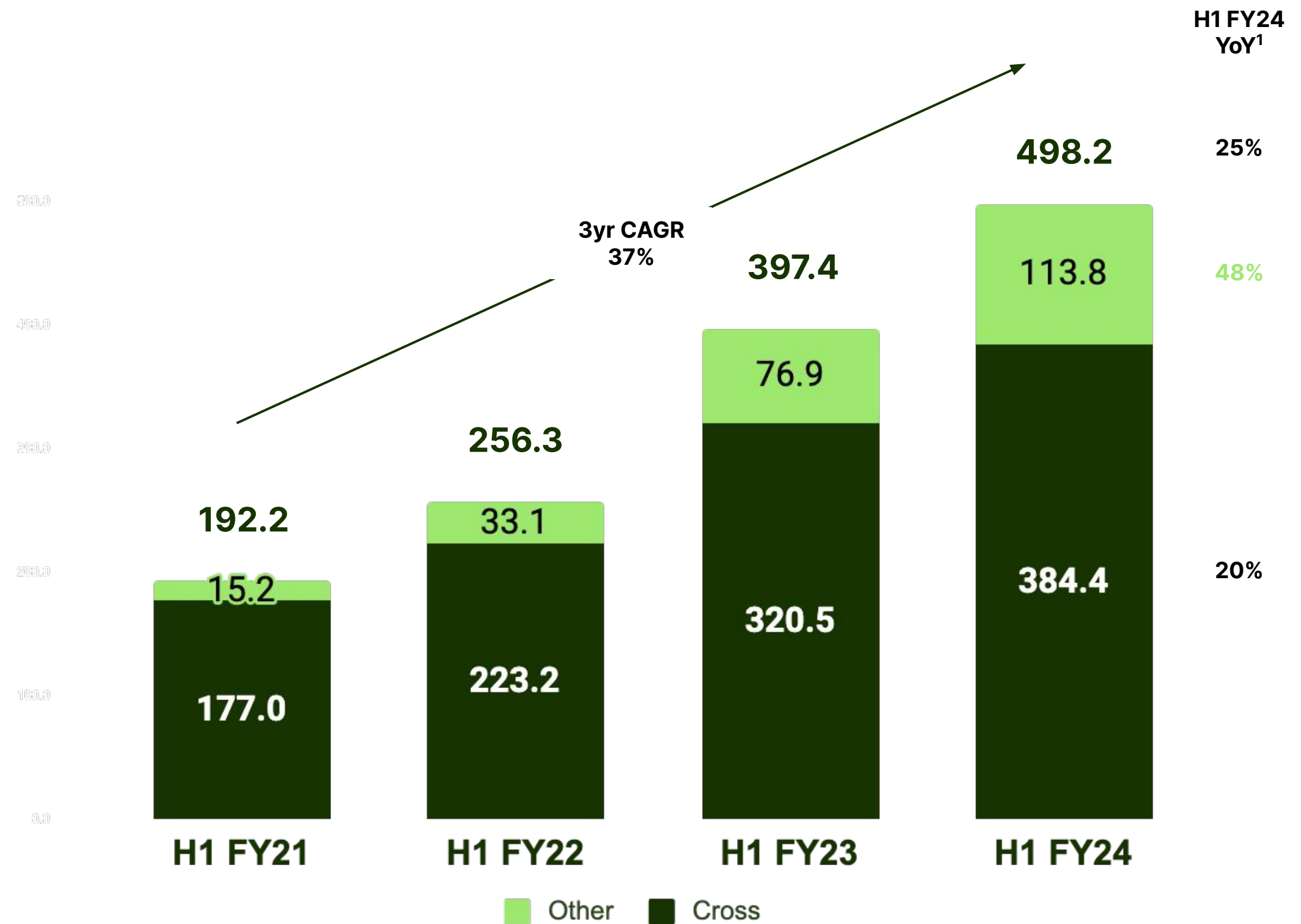
Revenue Take Rate¹ (%)



Notes: ¹Revenue take rate comprises the cross border take rate plus the take rate on other fees.

**Revenues
grew at 25%
YoY.**

Revenue (£m)



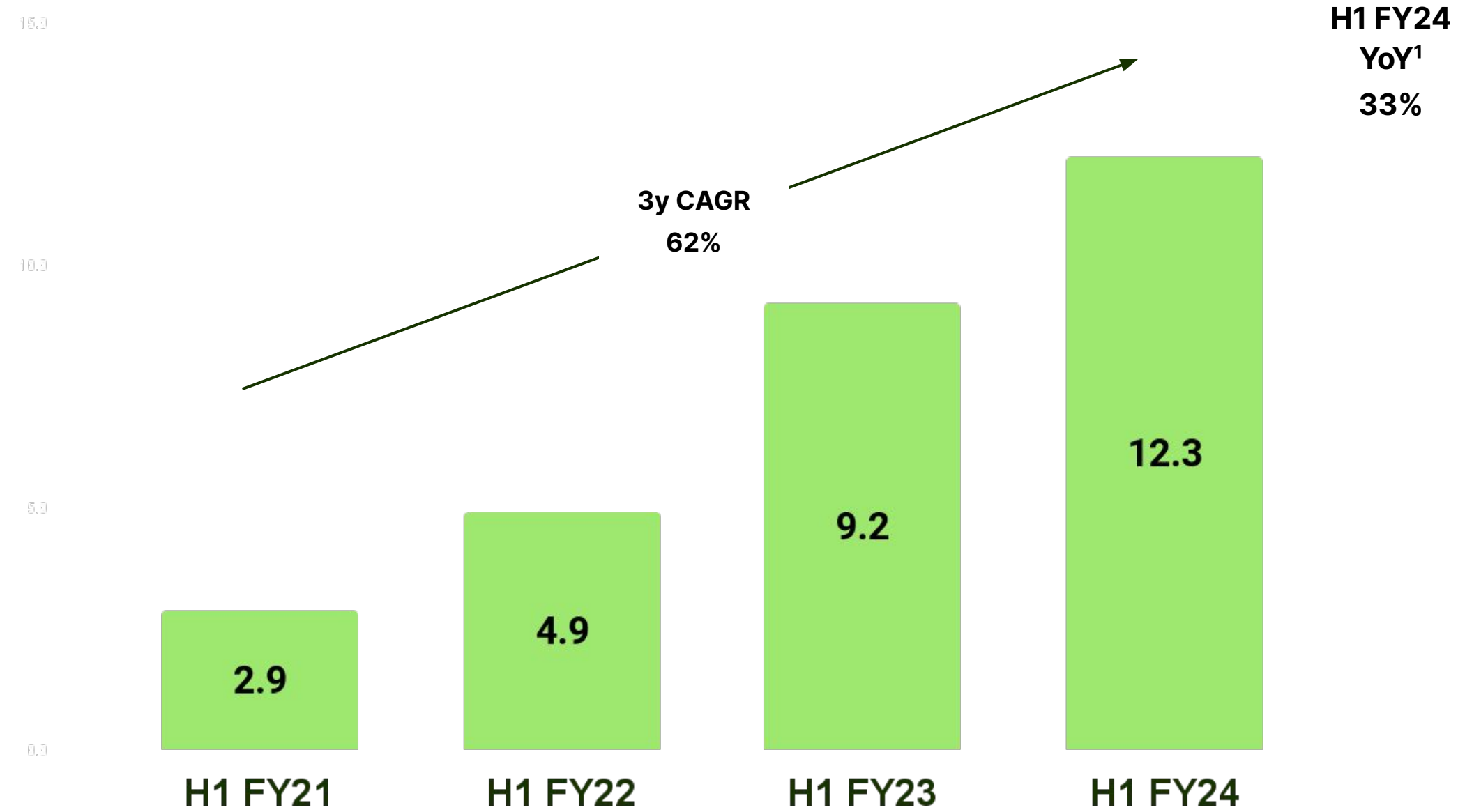
Notes: ¹Comparisons H1 FY24 vs H1 FY23. ²Other fees is predominantly card interchange income, but also includes management fee on assets product, account set-up fee, card issuance fees, same currency transaction fees and ATM fees.

Our revenue growth is thriving across regions.

Region	Revenue (£m)	H1 FY24 YoY¹	Contribution to YoY revenue growth
APAC	102	39%	29%
Europe	152	18%	23%
N. America	103	21%	18%
UK	96	19%	15%
ROW	45	53%	15%
Total	498	25%	100%

Customer balances are growing >30%.

Customer balances² (£bn)



Notes: ¹Comparisons H1 FY24 vs H1 FY23. ²Includes customer balances held on balance sheet and not amounts invested in the "Interest" Assets and "Stock" Assets products, where available.

And the gross yield on balances increased to 3.7%.

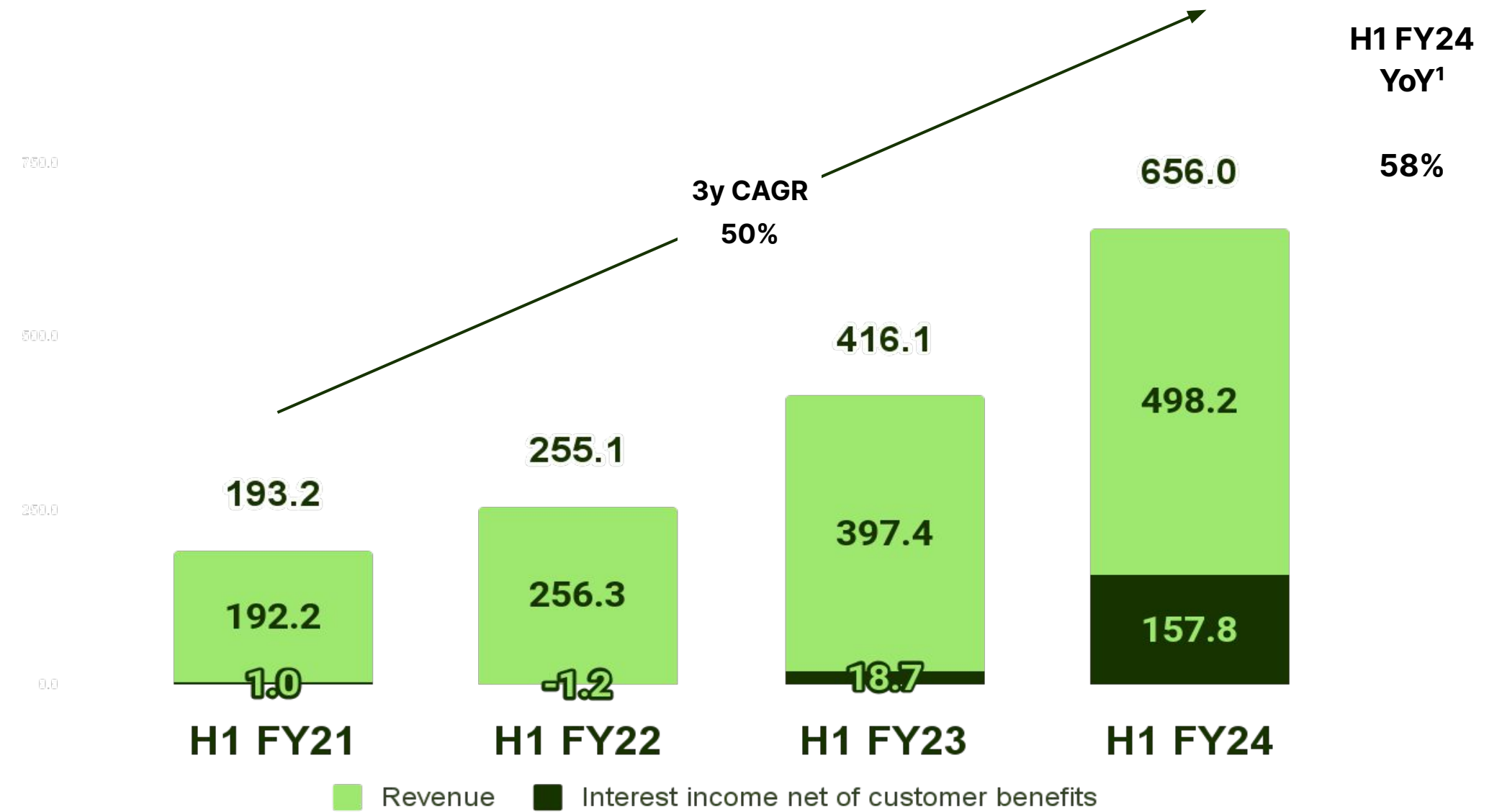
£m	Q4 FY23	Q1 FY24	Q2 FY24	H1 FY24
Interest income	£72m	£96m	£115m	£211m
<i>Customer benefits paid & interest expense</i>	£(16)m	£(24)m	£(29)m	£(53)m
Interest income net of customer benefits	£56m	£72m	£86m	£158m

Yield %	Q4 FY23	Q1 FY24	Q2 FY24	H1 FY24
Interest income	2.8%	3.4%	3.8%	3.7%
<i>Customer benefits paid & interest expense</i>	(0.6%)	(0.9%)	(1.0%)	(0.9%)
Interest income net of customer benefits	2.2%	2.6%	2.9%	2.7%

0.9% H1 FY24 yield on customer benefits is equivalent to 35% of interest returned to customers, per our framework.
See Appendix slide 44 for further detail.

Interest income drives 58% Income growth.

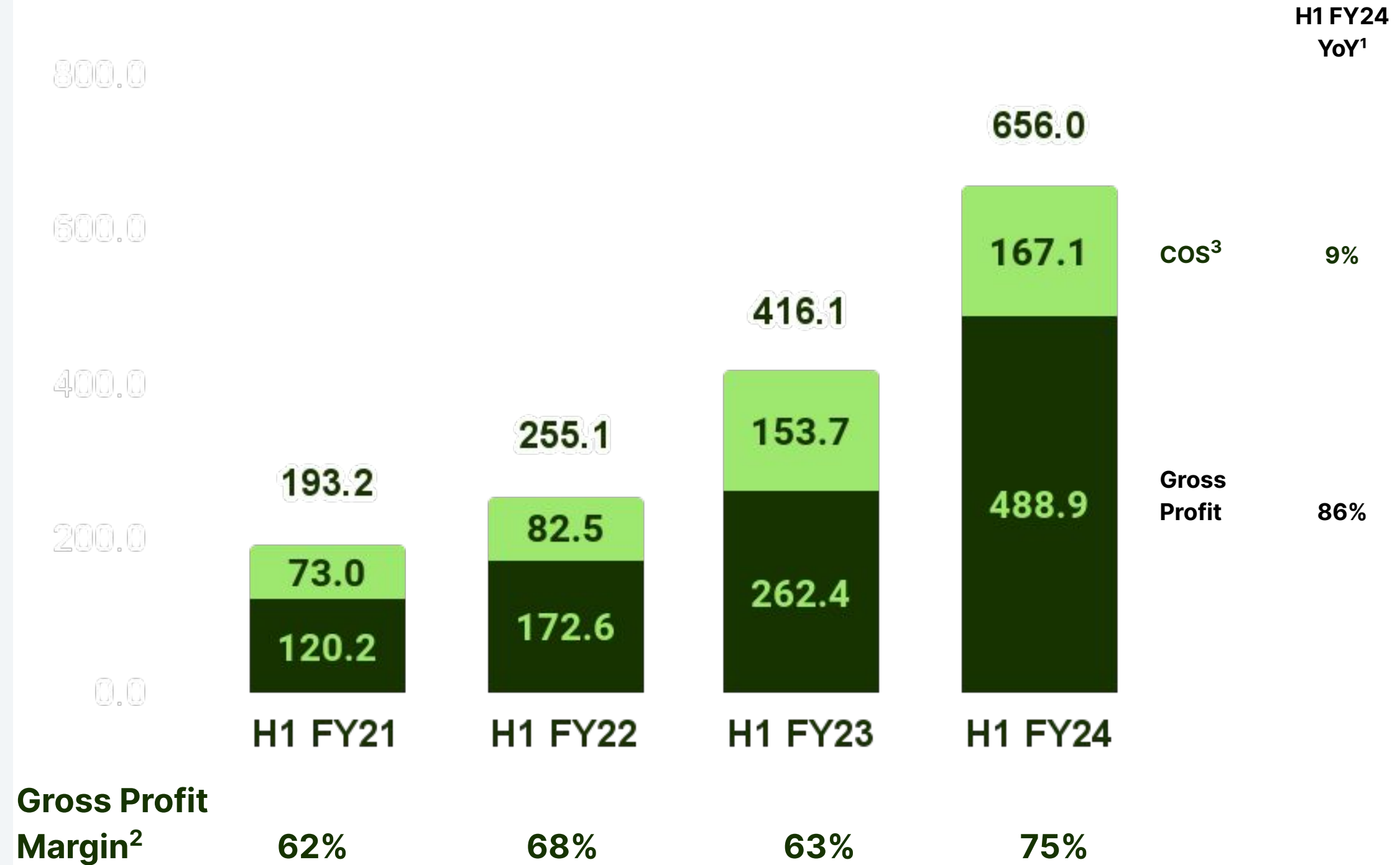
Income² (£m)



Notes: ¹Comparisons H1 FY24 vs H1 FY23. ²Income is an alternative performance measure and is defined as revenue plus interest income on customer balances, less interest expense on customer balances and benefits paid relating to customer balances..

Gross profit margin higher thanks to interest.

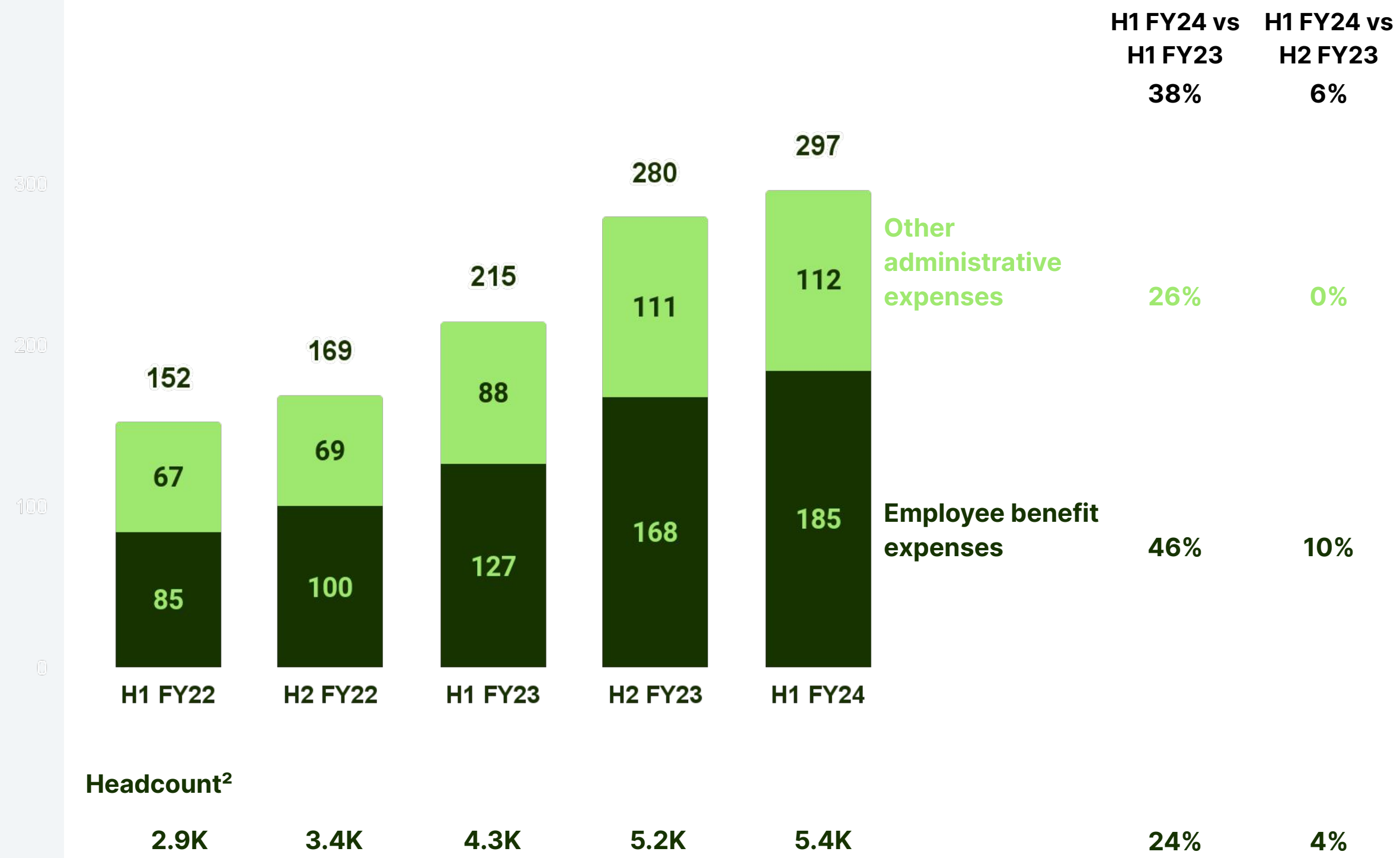
Income (£m)



Notes: ¹Comparisons H1 FY24 vs H1 FY23. ²Gross Profit Margin is Gross Profit as a % of Income. ³Includes net credit losses on financial assets.

Expense growth driven by last year's investments in our teams.

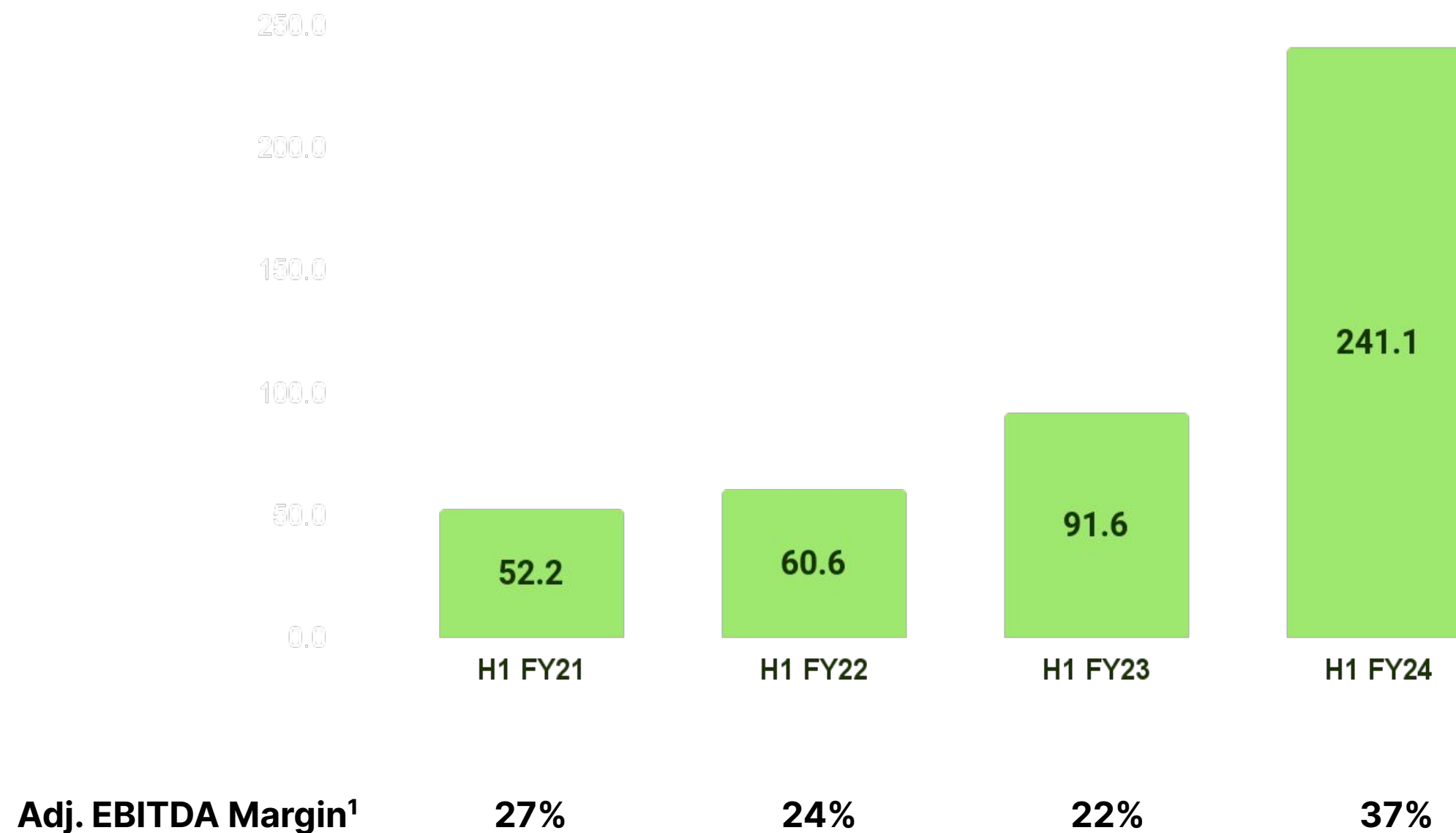
Administrative expenses (£m)



Notes: ¹Comparisons H1 FY24 vs H1 FY23. ²Headcount is the total headcount at the end of each period.

We have a highly profitable business model.

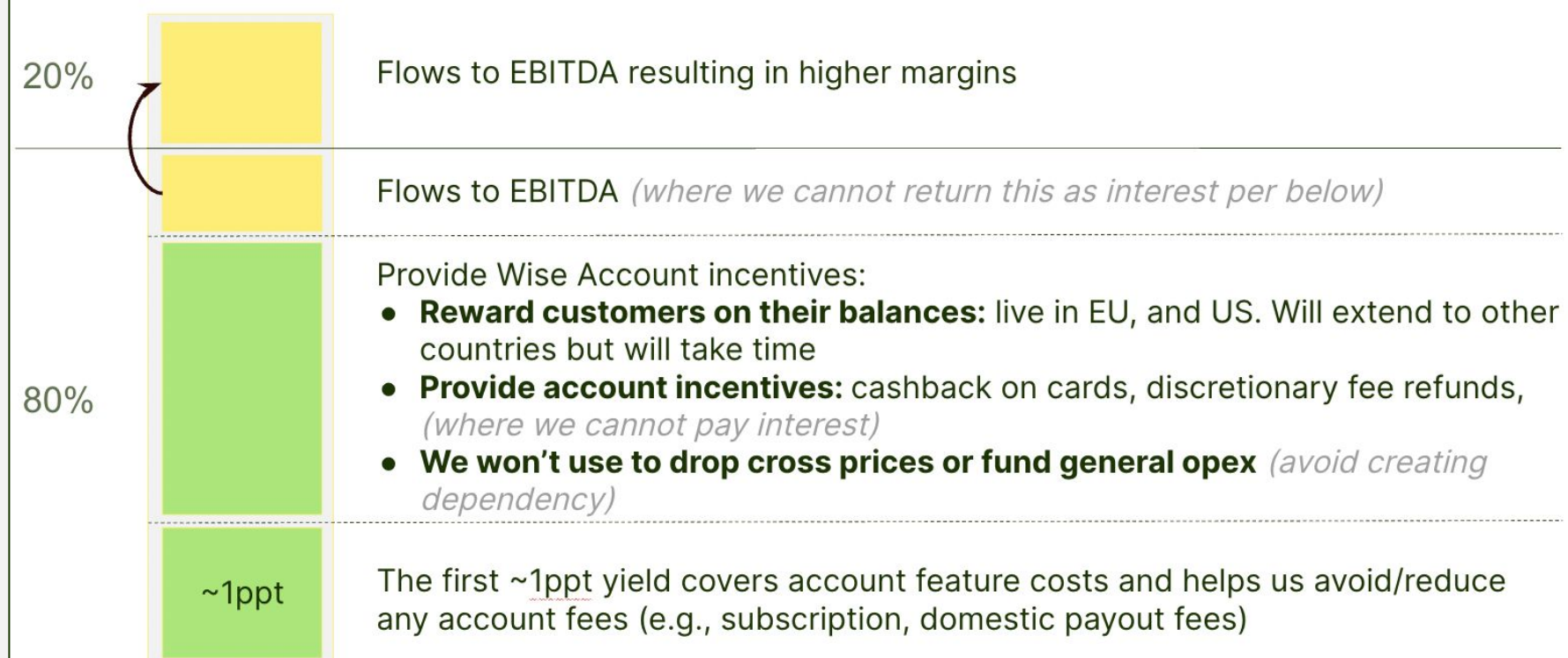
Adjusted EBITDA (£m)



Notes: ¹Adjusted EBITDA Margin is Adjusted EBITDA as a % of Income.

Our approach to interest income utilisation. Recap FY23 results

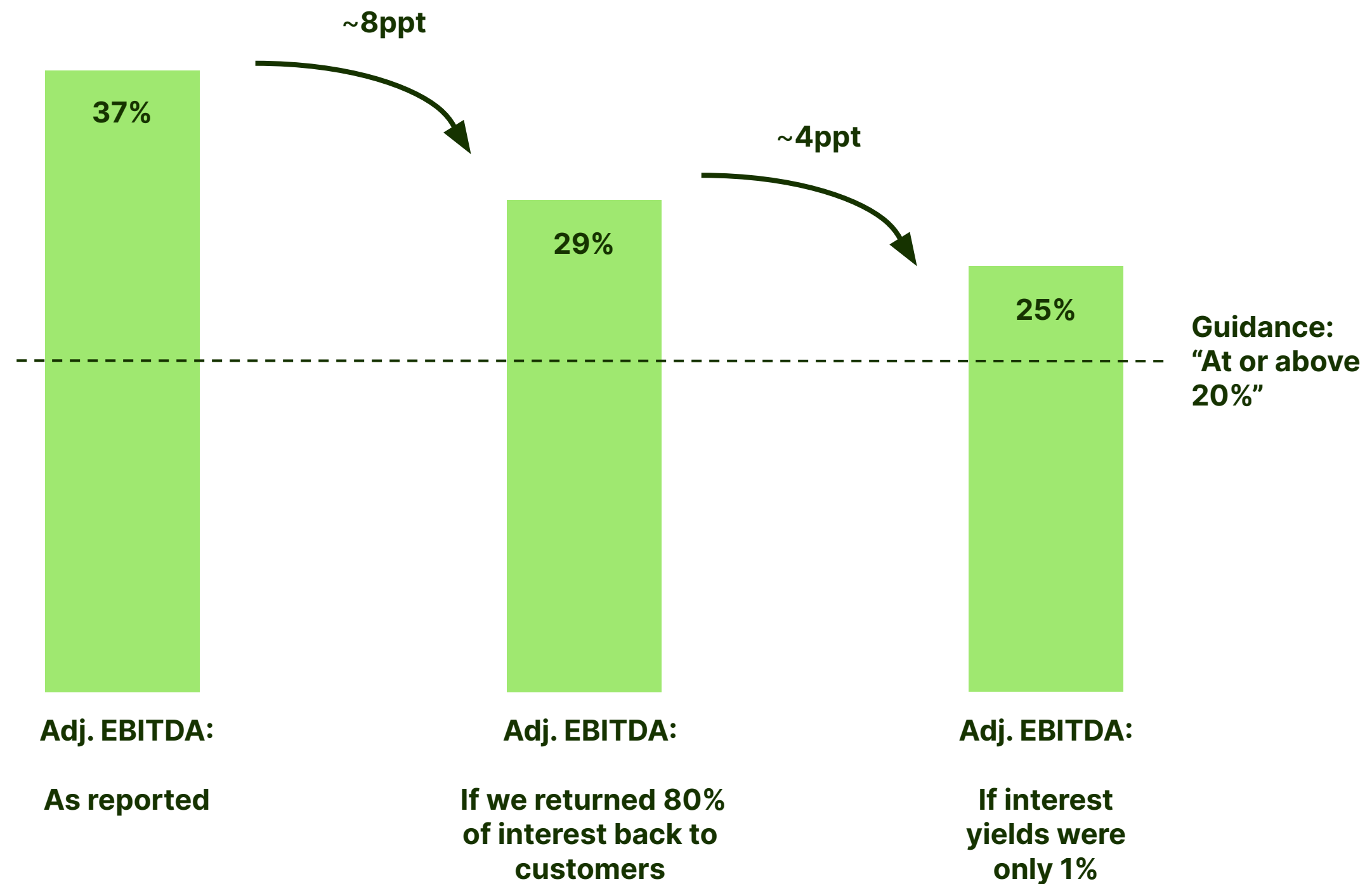
Our interest income framework



- **Over the medium-term our adjusted EBITDA margin will be 'at or above 20%' ... including only the 1st percentage point of gross interest yield**
- **We aspire to return 80% of the remaining yield to customers**
- **Of the remaining interest yield above the 1st percentage point, we intend to pass through 20% to EBITDA**

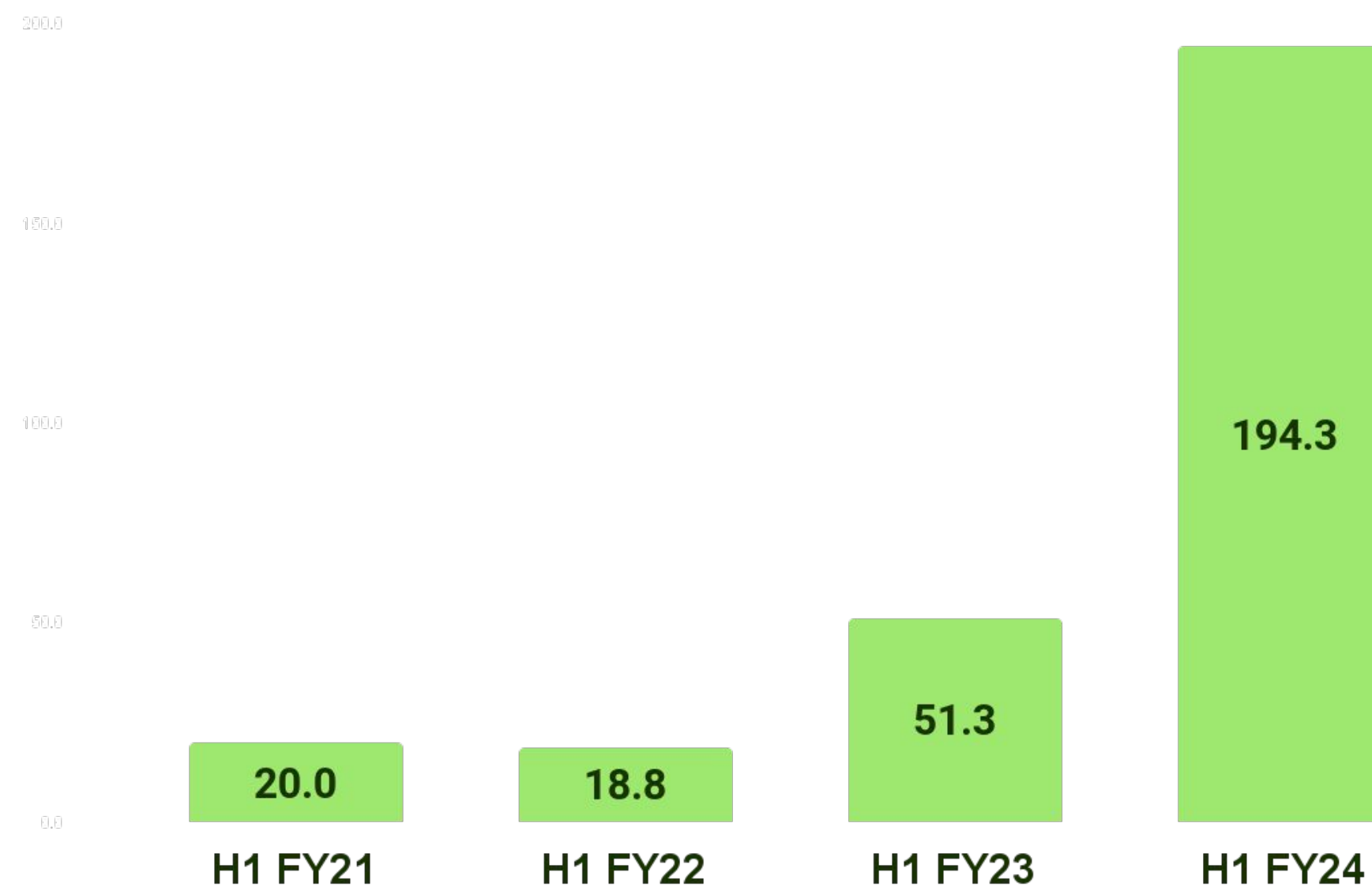
Adj. EBITDA margin is structurally higher in current interest rate environment.

Adjusted EBITDA margin (%)



Continued customer-led growth drove a 3.7x increase in PBT and EPS.

Profit before tax (£m)



EPS (p)	1.6	1.3	3.8	14.1
PBT as % of Revenue	10.4%	7.3%	12.9%	39.0%

We recently upgraded our FY24 Income growth guidance

33-38% Income growth (FY24 YoY)

(upgraded from 28-33% in Oct 2023)

Medium-term guidance

Income growth >20% (CAGR)

Supported by active customer momentum into a huge market opportunity

Adj. EBITDA margin at or above 20%

Sustaining our levels of investment in the long-term growth

Maintaining discipline on price for competitive advantage

Structurally higher as interest rates remain >1%

What makes Wise a generational company?

**A massive
problem for people
and businesses**



Large addressable
market

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Word of mouth
led growth

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Creating a
valuable company



σ7

APPENDIX

Sensitivity to gross interest yields

	Based on actual % of interest returned to customers					Based on interest returned to customers per framework aspiration									
	1%	2%	3%	3.7%	4%	1%	2%	3%	3.7%	4%					
Gross yield on customer balances															
Average customer balances (£bn)	11.4	11.4	11.4	11.4	11.4	11.4	11.4	11.4	11.4	11.4					
Interest Income (£m)	57.0	113.9	170.9	211.1	227.9	57.0	113.9	170.9	211.1	227.9					
Retained to cover Wise Account costs (%)	1.0%	1.0%	1.0%	1.0%	1.0%	1.0%	1.0%	1.0%	1.0%	1.0%	→				First percentage point retained to cover Wise Account costs
Retained to cover Wise Account costs (£m)	57.0	57.0	57.0	57.0	57.0	57.0	57.0	57.0	57.0	57.0					
Remaining yield, as % of customer balances (%)	0.0%	1.0%	2.0%	2.7%	3.0%	0.0%	1.0%	2.0%	2.7%	3.0%					
'Remaining yield' margin as % of customer balances (%)	0.0%	0.2%	0.4%	0.5%	0.6%	0.0%	0.2%	0.4%	0.5%	0.6%	→				Remaining yield: 20% retained as margin
'Remaining yield' margin (£m)	0.0	11.4	22.8	30.8	34.2	0.0	11.4	22.8	30.8	34.2					
% of 'Remaining yield' returned to customers (%)	35%	35%	35%	35%	35%	80%	80%	80%	80%	80%					
Remaining yield' returned to customers as % of customer balances (%)	0.0%	0.3%	0.7%	0.9%	1.0%	0.0%	0.8%	1.6%	2.2%	2.4%					
Remaining yield' returned to customers (£m)	0.0	19.7	39.4	53.3	59.1	0.0	45.6	91.1	123.3	136.7	→				Remaining yield: amount of interest income available to customers per our framework.
Remaining yield' not returned to customers (£m)	0.0	25.9	51.7	70.0	77.6	0.0	0.0	0.0	0.0	0.0					
Net interest yield	1.0%	1.7%	2.3%	2.7%	3.0%	1.0%	1.2%	1.4%	1.5%	1.6%					
Revenue (£m)	498.2	498.2	498.2	498.2	498.2	498.2	498.2	498.2	498.2	498.2					
Net interest income (£m)	57.0	94.2	131.5	157.8	168.8	57.0	68.4	79.7	87.8	91.1					
Income (£m)	555.2	592.4	629.7	656.0	667.0	555.2	566.6	577.9	586.0	589.3					
COGS & Net Credit Losses (£m)	167.1	167.1	167.1	167.1	167.1	167.1	167.1	167.1	167.1	167.1					
Opex and other P&L items (£m) ¹	247.8	247.8	247.8	247.8	247.8	247.8	247.8	247.8	247.8	247.8					
Adj. EBITDA	140.3	177.5	214.8	241.1	252.1	140.3	151.7	163.0	171.1	174.4					
Adj. EBITDA margin	25.3%	30.0%	34.1%	36.7%	37.8%	25.3%	26.8%	28.2%	29.2%	29.6%					

- 1 3.7% was our actual gross interest yield for H1 FY24
- 2 35% was the level (per our framework) that we achieved in H1 FY24
- 3 80% is the level we aspire to per our framework

Notes: ¹ Opex and other P&L items includes administrative expenses, net interest income from operating assets, other operating income, finance expense and income tax expense, plus the adjustments made to these items per our adjusted EBITDA APM.

Disclaimer

FORWARD LOOKING DISCLOSURE DISCLAIMER

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Past performance cannot be relied upon as a guide to future performance and should not be taken as a representation that trends or activities underlying past performance will continue in the future, and the statements in this report speak only as at the date of this report. No representation or warranty is made or will be made that any forward-looking statement will come to pass and there can be no assurance that actual results will not differ materially from those expressed in the forward-looking statements.

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