14 November 2023

Wise plc
Unaudited interim results for the six months ended 30 September 2023

GREAT PROGRESS IN BUILDING THE NETWORK FOR THE WORLD'S MONEY; CUSTOMER GROWTH CONTINUES TO COMPOUND AT OVER 30%

"In the first six months of this year we continued to make progress against our mission of building the best way to move and manage the world's money. We continued to invest in making our account features available to more people and businesses, and we made great progress in building the network for the world's money - having completed our integration into NPP and announcing our collaboration with Swift. This has driven our growth and the fundamentals of our financial performance. Our customer base grew by over 30% supporting 25% growth in revenue, a 58% increase in Income and a 163% increase in adjusted EBITDA for the period.

-Harsh Sinha, Chief Technology Officer and Interim Chief Executive Officer

Highlights for the six months ended 30 September 2023[1]

Our customer base is growing c.30% YoY into a huge market where we have a small share

- Active customers increased by over 30%; in Q2 FY24 alone we helped 7.2 million people and businesses move and manage their money around the world
- Our customers moved £57.4 billion with us in H1 FY24, an increase of 12% vs H1 FY23

Our customer growth continues to be word-of-mouth led; the result of a market leading and increasingly global proposition

- Our Wise Account got better, including the introduction of our Assets Interest feature in several European countries, and the launch of a service for expats in China
- The account is adding more value to more customers; in Q2 FY24, 44% of personal customers and 58% of business customers used multiple features of the account
- In H1 FY24, more than two-thirds of new customers joined through word-of-mouth which helped us maintain a consistently low customer acquisition cost
- Wise Platform welcomed 9 new partners, including Interactive Brokers, Bluevine, IndusInd Bank, GMO Azora NetBank and Saudi Awwal Bank

We continue to invest in building the network for the world's money

- Instant payments delight our customers and make clear the quality of our network; 60% of payments were instant in Q2FY24, 81% within an hour and 94% within 24 hours
- We completed the direct integration into New Payments Platform (NPP), Australia's domestic payment system
- Wise Platform announced its collaboration with Swift, launching Correspondent Services, enabling banks to more easily integrate into Wise's global payment network

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[1] All data is for the six months ended 30 September 2023, and comparisons provided are H1 FY24 vs H1 FY23, unless otherwise stated

[2] Income and Adjusted EBITDA are alternative performance measures (APM) which are non-IFRS measures. See page 33 for more information and reconciliation to IFRS

- We continue to invest in the operational capabilities that allow us to build great products, efficiently onboard, service and protect our customers, and fight financial crime

We have an increasingly profitable and highly cash generative business model, which is underpinning the investment in our growth

- Revenue increased 25% to £498 million, as strong customer growth and adoption of the account led to higher volumes, and fees from account features. Income[1] increased 58% to £656 million driven by revenues, and the interest income on customers' balances.
- Gross profit increased by 86% to £489 million, and our gross profit margin was 75%; supported by higher interest income and lower FX costs in the period
- Adjusted EBITDA of £241 million, equivalent to a 37% margin[2] , remains elevated whilst we work to share more of the benefits of higher interest rates with customers

Outlook

- As outlined in our Q2 FY24 trading update, we expect Income growth for FY24 to be between 33-38% (previously 28-33%) given the strong start to the year and our higher interest income expectations
- We continue to expect Income growth of >20% (CAGR) over the medium term
- We also continue to target an adjusted EBITDA margin at or above 20% over the medium term, and so long as interest rates remain >1%, our adjusted EBITDA margin will remain structurally higher than our targeted (at or above 20%) level
- However our adjusted EBITDA margin will be considerably higher than this in FY24 given the higher interest rates and the reality that we are unable to return interest to customers at the level we would like

Selected financial information:

	Half-year ended 30 September		***YoY***
	2023	**2022**	***Movement %***
Revenue (£ million)	**498.2**	**397.4**	***25%***
Interest income net of customer benefits (£ million)	157.8	18.7	*848%*
Income (£ million)[1]	**656.0**	**416.1**	***58%***
Gross profit (£ million)	488.9	262.4	*86%*
Gross profit margin	74.5%	63.0%	*11.5 pps*
Profit before tax (£ million)	194.3	51.3	*280%*
Adjusted EBITDA (£ million)	**241.1**	**91.6**	***163%***
Adjusted EBITDA Margin[2]	**36.7%**	**22.0%**	***14.7 pps***
Free cash flow (FCF) (£ million)	229.1	78.0	*194%*
FCF conversion[3]	95.0%	85.1%	*9.9 pps*

[1]Comprises revenue and interest income net of customer benefits.
[2]Adjusted EBITDA as a proportion of Income.
[3]FCF as a proportion of Adjusted EBITDA.

Growth metrics:

	FY24			FY23			YoY Movement (%)		
	Q1	Q2	H1*	Q1	Q2	H1*	Q1	Q2	H1*
Customers (thousands)[1]	**6,669.9**	**7,231.6**	-	**4,997.0**	**5,483.8**	-	**33%**	**32%**	-
Personal (thousands)	6,306.8	6,846.6	-	4,710.9	5,182.2	-	34%	32%	-
Business (thousands)	363.00	385.00	-	286.10	301.60	-	27%	28%	-
Volume per customer (£ thousand)[2]	**4.2**	**4.0**	-	**4.9**	**4.9**	-	**(13%)**	**(18%)**	-
Personal (£ thousand)	3.3	3.2	-	3.8	3.9	-	(14%)	(19%)	-
Business (£ thousand)	20.4	19.8	-	22.2	22.9	-	(8%)	(14%)	-
Volume (£ billion)[3]	**28.2**	**29.2**	**57.4**	**24.4**	**27.0**	**51.3**	**16%**	**8%**	**12%**
Personal (£ billion)	20.8	21.6	42.3	18.0	20.1	38.1	15%	8%	11%
Business (£ billion)	7.4	7.6	15.0	6.3	6.9	13.2	17%	10%	13%
Revenue (£ million)	**239.5**	**258.7**	**498.2**	**185.9**	**211.5**	**397.4**	**29%**	**22%**	**25%**
Personal (£ million)	186.4	200.8	387.2	144.4	164.7	309.1	29%	22%	25%
Business (£ million)	53.1	57.9	111.0	41.5	46.8	88.3	28%	24%	26%

Note: Differences between 'total' rows and the sum of the constituent components of personal and business are due to rounding.
*We do not report the number of customers or volume per customer on a half-yearly basis.
[1] Total number of unique customers who have completed at least one cross currency transaction in the given period.
[2] Average volume per each active customer, calculated as total volume divided by total active customers in the period.
[3]Cross-border volume only.

Growth metrics continued:

	FY24			FY23			YoY Movement (%)		
	Q1	Q2	H1	Q1	Q2	H1	Q1	Q2	H1
Interest income net of customer benefits (£ million)[1]	**71.4**	**86.4**	**157.8**	**1.2**	**17.5**	**18.7**	**nm[6]**	**nm[6]**	**nm[6]**
Personal (£ million)	39.0	48.7	87.7	0.6	9.1	9.7	nm[6]	nm[6]	nm[6]
Business (£ million)	32.4	37.7	70.1	0.6	8.4	9.0	nm[6]	nm[6]	nm[6]
Income (£ million)[2]	**310.9**	**345.1**	**656.0**	**187.1**	**229.0**	**416.1**	**66%**	**51%**	**58%**
Personal (£ million)	225.4	249.5	474.9	145.0	173.9	318.9	55%	43%	49%
Business (£ million)	85.5	95.6	181.1	42.1	55.1	97.2	103%	74%	87%
Cross-currency revenue take rate (%)[3]	**0.67%**	**0.67%**	**0.67%**	**0.61%**	**0.63%**	**0.62%**	**6 bps**	**4 bps**	**5 bps**
Revenue take rate (%)[4]	**0.85%**	**0.89%**	**0.87%**	**0.76%**	**0.78%**	**0.77%**	**9 bps**	**11 bps**	**10 bps**
Income take rate (%)[5]	**1.10%**	**1.18%**	**1.14%**	**0.77%**	**0.85%**	**0.81%**	**33 bps**	**33 bps**	**33 bps**

[1] Comprises interest income/expense on customer balances and benefits paid to customers.
[2]Income 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.
[3]Total fees on cross currency transfers as a % of volume.
[4]Revenue as a % of volume.
[5]Income as a % of volume.
[6]"nm" indicates not measurable.

An update from Harsh Sinha, Chief Technology Officer and Interim CEO

Our mission is to build the best way to move and manage the world's money.

In the first six months of FY24 we made great progress against our mission. By continuing to improve the Wise account and make more of the features available to more people and businesses around the world, we were able to help over 30% more customers solve their international needs. We also continued to broaden and deepen our global payment network which we expect to enable us to complete more instant payments and drive lower pricing over time. And we did all of this whilst delivering strong profitability and cash flow.

Our customer base is growing c.30% YoY into a huge market where we have a small share

A massive problem continues to exist for people and businesses around the world; moving and managing money internationally is still broken. It remains expensive, slow, inconvenient and opaque. The opportunity that comes with solving this problem is huge, and whilst we are among the largest independent cross-border providers, we still have just a c.5% share of the personal market and less than 1% share of the SMB market.

But we are growing fast and helping more customers every year. In fact, more than 30% more people and businesses used Wise compared with the same period last year. In Q2 FY24 alone, we helped 7.2 million customers solve their international needs. This rate of active customer growth is consistent with the rate at which we've grown over the last 3 years.

As a result, when compared to the same period last year, we've helped people and businesses to move 12% more cross-border payments, spend 90% more using a Wise card, and hold 33% more in balances in multi-currency accounts. And this is driving the fundamentals of our financial performance.

Our customer growth continues to be word-of-mouth led; the result of a market-leading and increasingly global proposition

With the Wise Account; Wise Business; and Wise Platform, we serve millions of people, small businesses, financial institutions and enterprises all over the world.

In the first half of the year we rolled out more of our Account features to more customers. We introduced the "Interest" Assets feature in more European countries; Germany, Sweden, Norway and Estonia and extended the "Stocks" Assets feature to an additional 11 countries in Europe, giving more people optionality on how they earn a return on the money they hold with us. We also launched a service for expats in China to send their salaries back home.

Ongoing investment into product development adds to use cases and enhances user experience. In Australia we removed the balance charge fee, in Canada account holders can now receive into Wise via Interac, and now in Malaysia we have both Apple Pay and Google Pay available.

With continued investment in features to make our customers' lives easier, combined with low cost, fast payments, the quality of our Account speaks for itself. We consistently see around two-thirds of new customers join us through word-of-mouth from existing customers. This virality, which we've seen for several years, allows us to acquire customers at a low cost.

As we've built and launched more features to help people and businesses move and manage their money, adoption of the account has continued to increase. In Q2 FY24, 44% of active personal customers used multiple features of the Wise Account, up from 32% in Q2 FY23. For businesses, this adoption rate was 58%, up from 53% in Q2 FY23. Given the higher active customer base, the greater adoption means that we had 80% more multi feature personal customers and around 40% more multi feature business customers, compared with Q2 FY23.

More customers using the account features has led to an increase in the balances held with Wise too. As at 30 September 2023, customers held £12.3bn in cash balances, 33% higher than this time last year and, separately, over £1.7bn of funds in the 'Assets' feature[3]. This growth in cash balances is in line with growth in active customers.

In addition to the features and benefits that we offer to our customers, high quality support drives higher customer engagement. Whilst we've added more product features, we've also managed to improve our support contact rates (the percentage of customers that need to contact us for help). In fact, in the first half of the year we saw a 16% reduction in our contact rates compared to H1 FY23 by improving our payout processing and making it easier and more intuitive for customers to use the account for receiving money. Not only does this ensure we delight more customers, but is also hugely valuable in terms of operational efficiency.

Wise Platform continues to make good progress and we now work with over 70 Platform partners. So far in FY24, we have welcomed 9 new Platform partners and they represent how Platform has evolved to now offer a range of features that are common to our account customers. For example, we went live with two new partners, Prospend and Parpera, our first partnerships that will provide multi-currency accounts and digital debit cards. Amongst our new partners, we also signed a partnership with Saudi Awwal Bank, a subsidiary of HSBC, and we went live with IndusInd Bank in India, Bluevine investment platform in the US, moomoo investment platform in Singapore, and GMO Azora Net Bank in Japan.

We continue to invest in building a the network for the world's money
We're building the replacement infrastructure for the world's money that is international by default, enabling a global proposition that allows customers to easily manage their money and make instant international payments at a low cost.

In Q2 FY24 the average fee our customers paid on a cross-border transaction was 0.67%, marginally higher than the fee of 0.63% in Q2 FY23, but we remain committed to reducing these over time as we invest in our infrastructure. And 60% of all payments were completed instantly, 81% completed within an hour and 94% within 24 hours.

The question is: how do we do this? Our infrastructure is underpinned by us building the network for the world's money - made up of a network of licences and connections into payments systems; and in the operational capabilities that support this, comprising our technology and operations. As set out below, in the first half of the year we've made some great developments across these, and we've also overcome some challenges.

In H1 FY24 we call out two key successes in improving our **network of connections and licences**. First, we completed our integration into the New Payments Platform (NPP), Australia's domestic payment system which gives us full end-to-end control of the payment network into Australia. These are complex integrations, and it's taken us close to three years from initial conversations, but once fully rolled out to all of our customers, it will enable us to provide instant payments consistently and to reduce bank and partner fees significantly.

One of the many benefits of being directly integrated into local payments systems is that it reduces our reliance on third parties to access payment systems. But direct access isn't currently available to us everywhere, and where we don't have direct access we have built an extensive network of partners to support us. Having this network is critical, and this proved valuable in recent months as one of our banking partnerships in the US came to an end. We have been able to quickly commence the migration of customers to another of our partners, and whilst this will cause some inconvenience for our customers, the redundancy we had built into our network proved invaluable.

Our second success was the announcement of a collaboration with Swift. We call this Correspondent Services, which will provide a new solution for banks and other financial institutions to simply route their Swift messages to Wise and send payments through our network without the need to fully integrate into our API. Although it's early days, this is a fantastic opportunity to collaborate more easily with traditional banks and to solve the cross-border needs of many more people and businesses.

Elsewhere, our teams have been extending our network of partners across APAC to improve payment speeds, and have been working with existing partners in the US to enable faster payments. As an example, we've been working with JPMorgan to enable all payouts into Chase accounts to be completed within a minute, and elsewhere in the US we've been working with a partner to enable instant payouts for customers whose bank is connected to the Real Time Payment (RTP) network.

We continue to work with existing and new **regulators** around the world to extend and deepen our licence footprint, and in the past months we have been able to leverage our investment licence in Europe to allow the team to roll out the Interest Assets product to several more European countries.

Our network of connections and licences enables us to move money around the world, but to build great products and provide excellent service we continue to invest in our technology and operational capabilities.

Our **technology** reflects the ongoing investment of c.800 engineers, and features a single global treasury system and a machine learning powered anti-financial crime engine - both updating in real-time. These are critical to enabling us to grow at scale whilst making instant payments in a controlled way.

We uplift our systems constantly, evolving as the business grows in size and complexity. This is a critical ability when operating in an environment that can move quickly, leading to heightened risk, such as from fast changing sanctions lists to evolving behaviours from fraudsters.

As an example, as was reported in August 2023, we identified and self-reported a £250 ATM withdrawal in June 2022 that had been made by an employee of a business owned by a sanctions-designated individual. Our system caught the transaction early, and we took immediate steps to implement changes needed to avoid this type of transaction moving forward. Though we never want such instances to occur, when they do, we learn from them and come out stronger. Like all financial services companies, there is a risk that our services may be misused for financial crime. This is especially true against a backdrop of heightened geopolitical conflicts. To mitigate this risk, we are continuing to invest in maintaining robust anti-financial crime systems and controls, which allow us to spot, prevent and respond to risks quickly whenever needed. We also work closely with our regulators and banking partners to stop potential abuse of our services.

We shared with you last year how we had been making a significant investment in our **operational** teams. This led to a large increase in headcount and expenses last year, and continuing this investment will help us uplift our servicing capacity.

Whilst we have more to build as we scale across the world, we believe the global payment network that we've already created is becoming increasingly more difficult to replicate. And it enables us to continue to offer significantly lower prices than the alternative for many people and businesses, and payments that are now majority instant.

We're confident in the outlook for the second half of the year and beyond
We've made great progress against our mission in the first half of this year, and our investments continue to create the capabilities and products that are the foundation for our customer-led growth. And it's this customer-led growth that is driving the fundamentals of our financial performance. Active customers have continued to compound at around 30%, and this has helped drive a 58% increase in Income and even faster growth in our adjusted EBITDA, which increased to £241 million (equivalent to a margin of 37%).

This gives us confidence as we look ahead to the second half of the year and beyond, and we're very pleased to be able to signal this with our recently upgraded Income guidance.

Our focus remains on building products that customers love and building the network for the world's money. In doing so we'll continue to build out this generational company which over the long term will create massive value for customers and shareholders alike.

Harsh Sinha

A financial update from Matt, our CFO

The impact of compounding customer growth and wide adoption of the Wise account has led to another period of strong financial performance; driving both the top line and bottom line - supporting a 2.6x increase in adjusted EBITDA in the period.

Income growth driven by strong customer growth and greater adoption of more Wise Account features

In the first six months, over 30% more customers used Wise to send or convert money internationally. Of the 7.2 million active customers in Q2 FY24, 6.8 million were personal customers (+32% YoY) and 0.4 million were business customers (+28% YoY).

And more of those customers used multiple features of the account. In Q2 FY24, 44% of active personal customers (Q2 FY23: 32%) and 58% of active business customers (Q2 FY23: 53%) used their Wise accounts to not just convert and send money, but also to spend internationally with their cards, or to hold a balance with us. This means we had 80% more people using multiple features of the Wise Account and around 40% more businesses using multiple features of the Wise Business product compared to the second quarter of FY23. This has become increasingly supportive of income growth and profitability.

Our customers sent or converted £57.4 billion of volume in H1 FY24. This is a 12% increase on last year (14% increase on a constant currency basis), with growth in volumes continuing to be driven by higher numbers of active customers. Volume growth amongst customers that typically move less than £10k per month has been resilient. However, macroeconomic conditions remain uncertain, and in the first half of the year, this was one factor that has had an impact on the level of volume growth amongst our high transaction value customers, which resulted in a declining volume per customer, which we expect to continue throughout FY24 and beyond. Our growth rate also reflects a notably tough comparative period in H1 FY23, which benefited substantially from high activity related to the strength of the USD.

Revenue from cross border transactions grew 20% to £384 million for the period, and the take rate on cross border revenue by 5 bps to 0.67%, largely reflecting recent price increases as we made a strong investment in building more operational capacity to support our growth. Other revenue (predominantly interchange income) increased by 48% to £113.8 million. This growth was driven by higher take up and spending on the Wise card, but partly offset by an action we took last year to remove fees for same currency transactions. This led to a 5 bps increase in the other take rate to 0.20%. Revenue for the period increased by 25% to £498.2 million. This represents a revenue take rate of 0.87% (H1 FY23: 0.77%).

The higher active customer numbers and greater account adoption also led to a 33% increase in customer balances (excluding funds held in ‘Assets’ product) to £12.3 billion. Through the increase in customer balances, and the higher interest rate environment compared with H1 FY23, interest income net of the benefits paid to customers increased to £157.8 million (H1 FY23: £18.7 million), further supporting Income, which increased 58% to £656.0 million.

	H1 FY24	H1 FY23	***Movement YoY***
Volumes (£bn)	57.4	51.3	*12%*
Cross border revenue (£m)	384.4	320.5	*20%*
Cross border take rate (%)	*0.67*	*0.62*	*5 bps*
Other revenue (£m)	113.8	76.9	*48%*
Other take rate (%)	*0.20*	*0.15*	*5 bps*
Revenue (£m)	**498.2**	**397.4**	***25%***
Revenue take rate (%)	**0.87**	**0.77**	***10 bps***
Customer balances - period end (£bn)	12.3	9.2	*33%*
Interest income net of customer benefits (£m)	157.8	18.7	*n.m.*
Income (£m)	**656.0**	**416.1**	***58%***
Income take rate (%)	*1.14*	*0.81*	*33 bps*

Gross profit is growing fast and creates significant capacity to invest for growth
Our gross profit for the period increased by 86% to £488.9 million, which led to an 11.5 percentage point increase in the gross profit margin, to 75%. Our variable costs (cost of sales and net credit losses on financial assets), increased by 9%, driven by the 12% increase in cross-border volumes, partly offset by the benefit of lower FX costs compared to H1 FY23. The majority of the gross margin increase was driven by the higher interest rate earned on the growing balances that our customers hold with us - and we're currently not able to return this interest to customers at the level we aspire to.

Given the favourable FX result (which could be only a temporary benefit), we do not expect the gross profit margin to remain this high throughout the remainder of FY24, but we do expect that, overall, our gross profit margin will be higher for FY24 compared to FY23.

	H1 FY24	H1 FY23	***Movement YoY***
Income (£m)	**656.0**	**416.1**	***58%***
Cost of sales and expected credit losses (£m)	(167.1)	(153.7)	*9%*
Gross profit (£m)	**488.9**	**262.4**	***86%***
Gross profit margin (%)	**74.5**	**63.0**	***11.5 pps***

Expense growth in line with underlying business growth
Our gross profit allows us to fund significant investment in growing our operational and corporate teams, and the investment in growth, such as product development and marketing, whilst remaining highly profitable.

Administrative expenses increased by 38% in H1 FY24 to £296.5 million. Our employee expenses grew 46% compared with H1 FY23, but 10% compared with H2 FY23. This reflects the strong hiring through last year and a slower rate of hiring since the end of FY23. Our headcount now sits at 5,353, as at 30 September 2023, which is 4% higher than at 31 March 2023, and 24% higher than 30 September 2022.

We will continue to grow our operational teams to support our customer driven demand for onboarding, servicing and compliance processes. And we'll grow our product engineering teams making smart investments for long term growth.

New customer growth continues to come predominantly through referrals, or 'word of mouth', which is extremely beneficial to our customer acquisition cost. We have also continued to invest in both established marketing activities and new mediums. We increased spend by 5% to £19.3 million in the first six months, and were able to acquire customers more efficiently, particularly in Asia-Pacific and the rest of the world, such as Brazil. As a result, we continued to grow our active customer base by over 30% whilst maintaining an attractive return on investment.

Expenses relating to consultancy and outsourced services increased by 37% to £39.5 million. We have increased our usage of external vendors to support certain operational servicing activities where this can be done at a lower cost whilst maintaining high service quality. The increase also reflects the cost of audit and advisory services relating to regulatory and compliance requirements as we continue to expand our geographic coverage and build a more extensive product for customers.

Highly profitable with limited reliance on interest income

Our approach to profitability, and what we target over the medium term, is to take a significant proportion of the gross profit that we generate and commit this towards investing for future growth, and doing so with very limited reliance on income from interest rates. And we will do this whilst maintaining an adjusted EBITDA margin at or above 20%.

Our adjusted EBITDA for the period was £241.1 million, up from £91.6 million in H1 FY23. This is equivalent to an adjusted EBITDA margin of 37% (H1 FY23: 22%).

	H1 FY24	**H1 FY23**	***Movement YoY***
Income (£m)	656.0	416.1	*58%*
Adjusted EBITDA (£m)	241.1	91.6	*163%*
Adjusted EBITDA margin (%)	**36.7**	**22.0**	***14.7 pps***

This higher adjusted EBITDA margin is primarily driven by interest income on customer balances; we generated a gross yield of 3.7% in H1 FY24. Our guidance on adjusted EBITDA margin has always been ‘at or above 20%’. With our FY23 results we shared a framework outlining that we intend to use only the first percentage point of interest yield to meet our adjusted EBITDA margin guidance of ‘at or above 20%’, and that we’d aim to share 80% of the excess back with customers. As a result, with rates at c.4%, we would expect our adjusted EBITDA margin to be c.4 percentage points higher than our underlying guide.

The 37% adjusted EBITDA margin in H1 FY24 is much higher than this guided level, and a function of two major drivers. First, we weren't able to share the excess interest back with our customers at the 80% level we aspire to per our framework, partly a function of what our licences allow us to pay out in various regions; adjusted EBITDA margin would have been c. 29% if we had achieved this. The remaining outperformance was largely due to lower than expected cost of sales and administrative expenses.

Profit before tax for the period increased to £194.3 million compared with £51.3 million in the same period last year. Earnings per share increased by 3.7x to 14.1 pence per share.

As at 30 September 2023, we held £13.3 billion of cash and highly liquid investment grade assets, up 16% from £11.5 billion at the end of FY23. This includes assets in respect of the £12.3 billion of customer balances, which we hold in the form of various high quality assets. It also includes £911.1 million of Corporate cash (£671.1 million at the end of FY23), with the increase driven by the £228.1 million of free cash flow generated by the business (see definition in appendix). On this basis, our free cash flow conversion rate for H1 FY24 was 95% (85% in H1 FY23).

We are well capitalised for the future and as at 30 September 2023, our Group eligible capital of £467.5 million was significantly above the minimum capital requirements set by our regulators around the world. This has allowed us to continue our programme of purchasing Wise shares through the employee benefit trust to reduce the dilutive impact of stock based compensation. As we announced with our FY23 results, we have approvals for an additional £60 million of capital for this purpose in FY24, and as at 30 September 2023 we have completed £29 million of share purchases.

Our outlook for FY24 and beyond

We're building a business with world class fundamentals. Our growth is customer-led and we're growing fast to capture more of a large market. We're investing efficiently, in the build and marketing of the Wise account and our Wise Platform which is helping us power our growth with higher levels of profitability.

Our outlook, and financial guidance for FY24 and over the medium term are an outcome of what our teams have built over recent years.

With our Q2 trading update in October 2023, we upgraded our income growth guidance for FY24 to 33-38% (previously 28-33%), reflecting the strong start we have made to the year, and our higher interest income expectations. This is despite us aiming to return more interest to customers and the more challenging interest income comparative in the second half of the year.

Our medium term guidance remains unchanged:

- Income to grow at a compound annual growth rate of >20% over the medium term
- We are targeting an adjusted EBITDA margin at or above 20% over the medium term

Matt Briers

Principal risks and uncertainties

The principal risks and uncertainties that the Group faces for the rest of the financial year are consistent with those previously reported in the Annual Report and Accounts 2023. For a more detailed overview of how we manage our risks at Wise, please refer to the 'Risk Management' section on pages 72 to 80 of the Annual Report.

Responsibility statement of the directors in respect of the interim financial statements

The directors confirm that these condensed interim financial statements have been prepared in accordance with UK adopted International Accounting Standard 34, 'Interim Financial Reporting' and the Disclosure Guidance and Transparency Rules sourcebook of the United Kingdom's Financial Conduct Authority and that the interim management report includes a fair review of the information required by DTR 4.2.7 and DTR 4.2.8, namely:

- an indication of important events that have occurred during the first six months and their impact on the condensed set of financial statements, and a description of the principal risks and uncertainties for the remaining six months of the financial year; and
- material related-party transactions in the first six months and any material changes in the related-party transactions described in the last annual report.

On behalf of the Board of directors:

Matt Briers, Director

Date: 14 November 2023

Independent review report to Wise plc
Report on the condensed consolidated interim financial statements

Our conclusion

We have reviewed Wise plc’s condensed consolidated interim financial statements (the “interim financial statements”) in the Unaudited interim results of Wise plc for the 6 month period ended 30 September 2023 (the “period”).

Based on our review, nothing has come to our attention that causes us to believe that the interim financial statements are not prepared, in all material respects, in accordance with UK adopted International Accounting Standard 34, 'Interim Financial Reporting' and the Disclosure Guidance and Transparency Rules sourcebook of the United Kingdom’s Financial Conduct Authority.

The interim financial statements comprise:

- the Condensed consolidated statement of financial position as at 30 September 2023;
- the Condensed consolidated statement of comprehensive income for the period then ended;
- the Condensed consolidated statement of changes in equity for the period then ended;
- the Condensed consolidated statement of cash flows for the period then ended; and
- the explanatory notes to the interim financial statements.

The interim financial statements included in the Unaudited interim results of Wise plc have been prepared in accordance with UK adopted International Accounting Standard 34, 'Interim Financial Reporting' and the Disclosure Guidance and Transparency Rules sourcebook of the United Kingdom’s Financial Conduct Authority.

Basis for conclusion

We conducted our review in accordance with International Standard on Review Engagements (UK) 2410, ‘Review of Interim Financial Information Performed by the Independent Auditor of the Entity’ issued by the Financial Reporting Council for use in the United Kingdom (“ISRE (UK) 2410”). A review of interim financial information 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 International Standards on Auditing (UK) 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.

We have read the other information contained in the Unaudited interim results and considered whether it contains any apparent misstatements or material inconsistencies with the information in the interim financial statements.

Conclusions relating to going concern

Based on our review procedures, which are less extensive than those performed in an audit as described in the Basis for conclusion section of this report, nothing has come to our attention to suggest that the directors have inappropriately adopted the going concern basis of accounting or that the directors have identified material uncertainties relating to going concern that are not appropriately disclosed. This conclusion is based on the review procedures performed in accordance with ISRE (UK) 2410. However, future events or conditions may cause the group to cease to continue as a going concern.

Responsibilities for the interim financial statements and the review

Our responsibilities and those of the directors

The Unaudited interim results, including the interim financial statements, is the responsibility of, and has been approved by the directors. The directors are responsible for preparing the Unaudited interim results in accordance with the Disclosure Guidance and Transparency Rules sourcebook of the United Kingdom's Financial Conduct Authority. In preparing the Unaudited interim results, including the interim financial statements, the directors are responsible for assessing the group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the group or to cease operations, or have no realistic alternative but to do so.

Our responsibility is to express a conclusion on the interim financial statements in the Unaudited interim results based on our review. Our conclusion, including our Conclusions relating to going concern, is based on procedures that are less extensive than audit procedures, as described in the Basis for conclusion paragraph of this report. This report, including the conclusion, has been prepared for and only for the company for the purpose of complying with the Disclosure Guidance and Transparency Rules sourcebook of the United Kingdom's Financial Conduct Authority and for no other purpose. We do not, in giving this conclusion, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

PricewaterhouseCoopers LLP
Chartered Accountants
London
14 November 2023

Condensed consolidated statement of comprehensive income

For the half-year ended 30 September 2023 (unaudited)

		Half-year ended 30 September	
		2023	2022
	Note	**£m**	£m
Revenue	3	498.2	397.4
Interest income on customer balances	4	211.1	22.3
Interest expense on customer balances		-	(3.6)
Benefits paid relating to customer balances		(53.3)	-
Cost of sales	5	(160.7)	(148.5)
Net credit losses on financial assets	5	(6.4)	(5.2)
Gross profit		**488.9**	**262.4**
Administrative expenses	5	(296.5)	(214.9)
Net interest income from operating assets		7.3	0.3
Other operating income		3.9	7.2
Operating profit		**203.6**	**55.0**
Finance expense		(9.3)	(3.7)
Profit before tax		**194.3**	**51.3**
Income tax expense	6	(53.7)	(14.0)
Profit for the period		**140.6**	**37.3**
Other comprehensive income/(loss)			
Items that may be reclassified to profit or loss:			
Fair value gain/(loss) on investments, net		3.7	(23.8)
Currency translation differences		(1.4)	6.8
Total other comprehensive income/(loss)		**2.3**	**(17.0)**
Total comprehensive income for the period		**142.9**	**20.3**
Earnings per share			
Basic, in pence	7	14.13	3.78
Diluted, in pence	7	13.39	3.61

Alternative performance measures		
Income[1]	656.0	416.1
Adjusted EBITDA[2]	241.1	91.6

1. Income is defined as revenue plus interest income on customer balances, less interest expense on customer balances and benefits paid relating to customer balances.
2. Adjusted EBITDA is a non-IFRS measure comprising operating profit, less interest income from operating assets, and added back amortisation and depreciation, share-based payments and exceptional items. Refer to page 33 for the reconciliation of the adjusted EBITDA to the profit for the period.

All results are derived from continuing operations.

The accompanying notes form an integral part of these condensed consolidated financial statements.

Condensed consolidated statement of financial position

As at 30 September 2023 (unaudited)

	Note	As at 30 September 2023 £m	As at 31 March 2023 £m
Non-current assets			
Deferred tax assets		104.7	113.2
Property, plant and equipment		26.2	21.1
Intangible assets		8.8	11.4
Trade and other receivables		20.8	17.9
Total non-current assets		**160.5**	**163.6**
Current assets			
Current tax assets		5.5	6.7
Trade and other receivables		383.1	250.0
Short-term financial investments	8	4,314.4	3,804.5
Cash and cash equivalents	9	9,008.9	7,679.4
Total current assets		**13,711.9**	**11,740.6**
Total assets		**13,872.4**	**11,904.2**
Non-current liabilities			
Trade and other payables	10	34.5	29.7
Provisions		3.0	2.7
Deferred tax liabilities		1.9	1.1
Borrowings	11	11.9	7.8
Total non-current liabilities		**51.3**	**41.3**
Current liabilities			
Trade and other payables	10	12,772.5	11,022.9
Provisions		2.6	2.5
Current tax liabilities		6.6	4.0
Borrowings	11	298.8	256.6
Total current liabilities		**13,080.5**	**11,286.0**
Total liabilities		**13,131.8**	**11,327.3**

Equity		
Share capital	10.2	10.2
Equity merger reserve	(8.0)	(8.0)
Share-based payment reserves	278.3	247.4
Own shares reserve	(36.5)	(10.4)
Other reserves	(19.6)	(23.3)
Currency translation reserve	1.8	3.2
Retained earnings	514.4	357.8
Total equity	**740.6**	**576.9**
Total liabilities and equity	**13,872.4**	**11,904.2**

The accompanying notes form an integral part of these condensed consolidated financial statements.

Condensed consolidated statement of changes in equity

For the half-year ended 30 September 2023 (unaudited)

	Note	Share capital[1 2]	Equity merger reserve	Share-based payment reserves	Own shares reserve[3]	Other Reserves	Currency translation reserve	Retained earnings	**Total equity**
		£m	£m	£m	£m	£m	£m	£m	£m
At 1 April 2022		**10.2**	**(8.0)**	**200.5**	**(0.4)**	**(17.8)**	**0.2**	**224.5**	**409.2**
Profit for the year		-	-	-	-	-	-	37.3	**37.3**
Fair value loss on investments, net		-	-	-	-	(23.8)	-	-	**(23.8)**
Currency translation differences		-	-	-	-	-	6.8	-	**6.8**
Total comprehensive income for the year		**-**	**-**	**-**	**-**	**(23.8)**	**6.8**	**37.3**	**20.3**
Issue of share capital		-	-	-	-	-	-	-	-
Shares acquired by ESOP Trust		-	-	-	-	-	-	-	**-**
Share-based compensation expense		-	-	25.3	-	-	-	-	**25.3**
Tax on share-based compensation		-	-	2.4	-	-	-	-	**2.4**
Employee share schemes		-	-	(7.9)	-	-	-	8.1	**0.2**
At 30 September 2022		**10.2**	**(8.0)**	**220.3**	**(0.4)**	**(41.6)**	**7.0**	**269.9**	**457.4**
At 1 April 2023		**10.2**	**(8.0)**	**247.4**	**(10.4)**	**(23.3)**	**3.2**	**357.8**	**576.9**

Profit for the year		-	-	-	-	-	-	140.6	**140.6**
Fair value gain on investments, net	8	-	-	-	-	3.7	-	-	**3.7**
Currency translation differences		-	-	-	-	-	(1.4)	-	**(1.4)**
Total comprehensive income for the year		**-**	**-**	**-**	**-**	**3.7**	**(1.4)**	**140.6**	**142.9**
Issue of share capital		-	-	-	-	-	-	-	-
Shares acquired by ESOP Trust		-	-	-	(31.6)	-	-	-	**(31.6)**
Share-based compensation expense		-	-	35.2	-	-	-	-	**35.2**
Tax on share-based compensation		-	-	16.8	-	-	-	-	**16.8**
Employee share schemes		-	-	(21.1)	5.5	-	-	16.0	**0.4**
At 30 September 2023		**10.2**	**(8.0)**	**278.3**	**(36.5)**	**(19.6)**	**1.8**	**514.4**	**740.6**

The accompanying notes form an integral part of these condensed consolidated financial statements.

1. As at 30 September 2023, Called up share capital consists of 1,024,777,252 (March 2023: 1,024,677,252) class A ordinary shares of £0.01 each and 398,889,814 (March 2023: 398,889,814) class B Ordinary shares of £0.000000001 each.

2. During the period ended 30 September 2023, the Group allotted 100,000 class A Ordinary shares of £0.01 related to share options granted under the Company's legacy incentive plans prior to the Company's admission to trading on the London Stock Exchange.

3. During the period ended 30 September 2023, Wise continued the programme, that commenced in 2023, to purchase Wise shares in the market through the Employee Benefit Trust in order to reduce the impact of dilution from stock-based compensation. As of 30 September 2023, a total of 4,290,879 shares were purchased from the market at an average of £6.97 per share. Directly attributable costs of £0.2m have been expensed to equity.

Condensed consolidated statement of cash flows

For the half-year ended 30 September 2023 (unaudited)

	Note	Half-year ended 30 September	
		2023	2022
		£m	£m
Cash generated from operations	12	1,630.8	1,993.8
Interest received		144.4	22.2
Interest paid		(5.8)	(7.8)
Corporate income tax paid		(24.6)	(3.4)
Net cash generated from operating activities		**1,744.8**	**2,004.8**
Cash flows from investing activities			
Payments for property, plant and equipment		(3.0)	(1.6)
Payments for intangible assets		(1.5)	(3.1)
Payments for financial assets at FVOCI		(5,962.2)	(2,569.8)
Proceeds from sale and maturity of financial assets at FVOCI		5,540.7	1,752.0
Proceeds from sublease		0.1	0.1
Net cash used in investing activities		**(425.9)**	**(822.4)**
Cash flows from financing activities			
Funding relating to share purchases and employee share schemes		(29.4)	-
Proceeds from issues of shares and other equity		0.5	0.3
Proceeds from borrowings	11	220.0	255.0
Repayments of borrowings	11	(180.0)	(175.0)
Principal elements of lease payments	11	(4.5)	(2.4)
Interest paid on leases	11	(0.4)	(0.4)
Net cash generated from/(used in) financing activities		**6.2**	**77.5**
Net increase in cash and cash equivalents		1,325.1	1,259.9
Cash and cash equivalents at beginning of the period	9	**7,679.4**	**6,056.3**
Effects of exchange rate changes on cash and cash equivalents		4.4	425.3
Cash and cash equivalents at end of the period	9	**9,008.9**	**7,741.5**

The accompanying notes form an integral part of these condensed consolidated financial statements.

Notes to the interim condensed consolidated financial statements

For the half-year ended 30 September 2023 (unaudited)

Note 1. Summary of significant accounting policies

1.1 General information

Wise plc (the "Company") is a public limited company and is incorporated and domiciled in England (Registration number 13211214). These condensed financial statements for the six months ended 30 September 2023 comprise the Company and its subsidiaries (the "Group"). The principal activity of the Group is the provision of cross-border money transfer services. The address of its registered office is 6th Floor Tea Building, 56 Shoreditch High Street, London E1 6JJ.

These condensed interim financial statements do not comprise statutory accounts within the meaning of section 434 of the Companies Act 2006. Statutory accounts for the year ended 31 March 2023 were approved by the board of directors on 27 June 2023 and delivered to the Registrar of Companies. The report of the auditors on those accounts was unqualified, did not contain an emphasis of matter paragraph and did not contain any statement under section 498 of the Companies Act 2006.

1.2 Basis of preparation and accounting policies

These condensed consolidated interim financial statements of the Group have been prepared in accordance with the UK-adopted International Accounting Standard 34, 'Interim Financial Reporting' and the Disclosure Guidance and Transparency Rules sourcebook of the United Kingdom's Financial Conduct Authority.

The interim report does not include all of the notes of the type normally included in an annual financial report. Accordingly, the condensed consolidated interim financial statements should be read in conjunction with the Annual Report and Accounts for the year ended 31 March 2023, which has been prepared in accordance with UK-adopted international accounting standards and the requirements of the Companies Act 2006, and any public announcements made by Wise plc during the interim reporting period.

The accounting policies and presentation applied by the Group are consistent with those in the previous financial year.

Going concern

The condensed financial statements are prepared on a going concern basis as the Directors are satisfied that the Group has the available resources to continue in business for a period at least 12 months from approval of the interim financial statements. In making this assessment, the Directors have considered severe downside scenarios to stress test the viability of the business.
These downside scenarios covered reduction in revenues, profitability, cash position and liquidity as well as the Group's ability to meet its regulatory capital and liquidity requirements.

The assessment indicated that the Group has sufficient liquidity to continue its operations for a period at least 12 months from approval of the interim financial statements and remained above its minimum regulatory capital and liquidity requirements.

1.3 Critical accounting areas of judgement and estimation

In preparing these interim financial statements, management has made judgements and estimates that affect the application of accounting policies and the reported figures. Management assessed that there were no material changes in the current period to the critical accounting estimates and judgements, as disclosed in the 2023 Annual Report and Accounts.

Note 2. Segment information

Description of segment

The information regularly reported to the Board of Directors, who are considered to be the Chief Operating Decision Maker, for the purposes of resource allocation and the assessment of performance, is based wholly on the overall activities of the Group. Based on the Group's business model, the Group has determined that it has only one reportable segment under IFRS 8, which is "Cross-border payment services".

The Group's revenue, assets and liabilities for this one reportable segment can be determined by reference to the Statement of Comprehensive Income and Statement of Financial Position. The analysis of revenue by type of customers and geographical regions, is set out in note 3.

At the end of each period, the majority of the non-current assets were carried by Wise Payments Ltd in the UK. Based on the location of the non-current asset, the following geographical breakdown of non-current assets is prepared:

	As at 30 September	As at 31 March
	2023	2023
	£m	£m
Non-current assets by geographical region		
United Kingdom	33.0	34.8
Rest of the world	19.8	13.2
Total non-current assets	**52.8**	**48.0**

Note 3. Revenue

	Half-year ended 30 September	
	2023	2022
	£m	£m
Revenue by customer type		
Personal	387.2	309.1
Business	111.0	88.3
Total revenue	**498.2**	**397.4**

The revenue split by customer type, personal or business, reflects the underlying users of Wise products. Wise Account is attributed to personal, Wise Business to business, and Wise Platform is attributed to either, depending on the customers of the business Wise is contracted with.

Disaggregation of revenues
In the following table revenue from contracts with customers is disaggregated by major geographical market based on customer address:

	Half-year ended 30 September	
	2023	2022
	£m	£m
Revenue by geographical region		
Europe (excluding UK)	152.1	128.4
United Kingdom	96.2	81.0
North America	103.3	85.5
Asia-Pacific	102.1	73.3
Rest of the world	44.5	29.2
Total revenue	**498.2**	**397.4**

No individual customer contributed more than 10% to the total revenue.

Note 4. Interest income on customer balances

	Half-year ended 30 September	
	2023	2022
	£m	£m
Interest income		
Interest income from cash at banks	66.7	7.6
Interest income from investments in MMFs and listed bonds	144.4	14.7
Total interest income	**211.1**	**22.3**

Note 5. Cost of sales and administrative expenses

Breakdown of expenses by nature:

	Half-year ended 30 September	
	2023	2022
	£m	£m
Cost of sales		
Banking and customer related fees	125.7	103.3
Net foreign exchange loss and other product costs	35.0	45.2
Total cost of sales	**160.7**	**148.5**
Net credit losses on financial assets		
Amounts charged to credit losses on financial assets	6.4	5.2
Total net credit losses	**6.4**	**5.2**

Expected credit losses are presented as net credit losses within gross profit and subsequent recoveries of amounts previously written off are credited against the same line item. Subsequent recoveries of amounts previously written off are negligible in both current and prior reporting period.

	Half-year ended 30 September	
	2023	2022
	£m	£m
Administrative expenses		
Employee benefit expenses	184.7	126.5
Marketing	19.3	18.3
Technology and development	23.9	19.3
Consultancy and outsourced services	39.5	28.9
Other administrative expenses	20.9	13.8
Depreciation and amortisation	9.7	10.8
Less: Capitalisation of staff costs	(1.5)	(2.7)
Total administrative expenses	**296.5**	**214.9**

Note 6. Tax

	Half-year ended 30 September	
	2023	2022
	£m	£m
Current income tax for the period	35.4	18.0
Deferred tax charge/(credit) for the period*	18.3	(4.0)
Total tax expense for the period	**53.7**	**14.0**

* The deferred tax charge for the period predominately relates to utilisation of losses.

Income tax expense for the current half-year period is calculated representing the best estimate of the annual effective tax rate expected for the full year by geographical unit applied to the pre-tax income of the six month period, which is then adjusted for tax on exceptional items.

The effective tax rate for the half-year ended 30 September 2023 is 28% (half-year ended 30 September 2022: 27%). The rate remains above the UK rate due to overseas profits taxed at higher overseas tax rates.

Note 7. Earnings per share

	Half-year ended 30 September	
	2023	2022
	£m	£m
Profit for the period (£m)	140.6	37.3
Weighted average number of ordinary shares for basic EPS (in millions of shares)	995.1	986.2
Plus the effect of dilution from Share options (in millions of shares)	54.9	46.5
Weighted average number of ordinary shares adjusted for the effect of dilution (in millions of shares)	**1,050.0**	**1,032.7**

Basic EPS, in pence	14.13	3.78
Diluted EPS, in pence	13.39	3.61

Note 8. Financial assets at fair value through other comprehensive income

Short-term financial investments are recognised as debt investments at FVOCI and comprise the following investments in listed bonds:

	As at 30 September	As at 31 March
	2023	2023
	£m	£m
Short-term financial investments - level 1		
Listed bonds	4,314.4	3,804.5
Total short-term financial investments	**4,314.4**	**3,804.5**

During the period, the following gains/(losses) were recognised in other comprehensive income:

	As at 30 September	
	2023	2022
	£m	£m
Debt investments at FVOCI		
Fair value gain/(losses) recognised in other comprehensive income	**4.9**	(27.1)
Tax on listed bonds	**(1.2)**	3.3
Total fair value gain/(losses) in other comprehensive income	**3.7**	**(23.8)**

Note 9. Cash and cash equivalents

	As at 30 September 2023 £m	As at 31 March 2023 £m
Cash and cash equivalents		
Cash at banks, in hand and in transit between Group bank accounts	5,339.8	4,827.8
Cash in transit to customers*	227.5	182.0
Investment into money market funds	3,441.6	2,669.6
Total cash and cash equivalents	**9,008.9**	**7,679.4**

* Cash in transit to customers represents cash that has been paid out from the Group bank accounts but has not been delivered to the bank account of the beneficiary.

Of the £9,008.9m (31 March 2023: £7,679.4m) cash and cash equivalents at the period end, £911.1m (31 March 2023: £671.1m) is considered the corporate cash balance, which is not related to customer funds that are held in Wise accounts or collected from customers as part of the money transfer settlement process.

Customer funds are subject to various regulatory safeguarding compliance requirements. Such requirements may vary across the different jurisdictions in which the Group operates.

As at 30 September 2023, the Group held £4,231.9m (2022: £3,832.9m) of customer funds as cash in segregated, safeguarding bank accounts at investment grade banking institutions. The remainder of safeguarded customer deposits were held across highly liquid global money market funds (MMFs), treasury bonds and investment grade corporate papers.

Note 10. Trade and other payables

	As at 30 September 2023 £m	As at 31 March 2023 £m
Non-current trade and other payables		
Accounts payable and accrued expenses	6.3	4.6
Other payables	28.2	25.1
Total non-current trade and other payables	**34.5**	**29.7**

Current trade and other payables		
Outstanding money transmission liabilities*	247.4	191.3
Wise Accounts	12,256.2	10,676.4
Accounts payable	5.2	8.2
Accrued expenses	65.1	52.2
Deferred revenue	11.6	8.0
Payables to payment processors	104.2	53.6
Other taxes	20.1	11.1
Other payables	62.7	22.1
Total current trade and other payables	**12,772.5**	**11,022.9**

* Money transmission liabilities represent transfers that have not yet been paid out or delivered to a recipient

Trade and other payables are unsecured unless otherwise indicated; due to the short-term nature of current payables, their carrying values approximate their fair value.

Note 11. Borrowings

	As at 30 September 2023 £m	As at 31 March 2023 £m
Current		
Revolving credit facility	293.0	249.9
Lease liabilities	5.8	6.7
Total current borrowings	**298.8**	**256.6**
Non-current		
Lease liabilities	11.9	7.8
Total non-current borrowings	**11.9**	**7.8**
Total borrowings	**310.7**	**264.4**

Current and non-current borrowings include principal, interest and capitalised transaction costs.

Debt movement reconciliation:

	Revolving credit facility £m	Lease liabilities £m	**Total £m**
As at 1 April 2023	**249.9**	**14.5**	**264.4**
Cash flows:			
Proceeds	220.0	-	**220.0**
Repayments	(180.0)	(4.5)	**(184.5)**
Interest expense paid	(5.6)	(0.4)	**(6.0)**
Non-cash flows:			
New leases	-	7.6	7.6
Interest expense	8.7	0.4	**9.1**
Foreign currency translation differences	-	0.1	**0.1**
As at 30 September 2023	**293.0**	**17.7**	**310.7**

The Group retains its access to a £300.0m multi-currency debt facility with HSBC Innovation Banking, Citibank N.A., JP Morgan Chase Bank N.A., National Westminster Bank plc, Barclays Bank plc, Goldman Sachs Lending Partners LLC and Morgan Stanley Senior Funding. The currency denomination, maturity date, interest rate, covenant and security terms of the RCF remain consistent with that disclosed in the Annual Report and Accounts 2023. The Group has complied with the financial covenants throughout the reporting period. The undrawn amount of the facility as at 30 September 2023 is £10.0m (31 March 2023: £50.0m).

Note 12. Cash generated from operating activities

	2023	2022
	£m	£m
Cash generated from operations		
Profit for the period	140.6	37.3
Adjustments for:		
Depreciation and amortisation	9.7	10.8
Non-cash share-based payments expense	35.1	25.3
Foreign currency exchange differences	2.5	(76.6)
Current tax expense	53.7	14.0
Interest income and expenses	(209.3)	(15.3)
Effect of other non-monetary transactions	0.3	-
Changes in operating assets and liabilities:		
Increase in prepayments and receivables	(41.7)	(46.6)
Increase in trade and other payables	24.2	18.1
Increase in receivables from customers and payment processors	(80.2)	(31.7)
Increase in liabilities to customers, payment processors and deferred revenue	145.8	48.8
Increase in Wise accounts	1,550.1	2,008.9
Cash generated from operations	**1,630.8**	**1,993.0**

Note 13. Transaction with related parties

There have been no material changes to the nature or size of related party transactions since 31 March 2023.

Note 14. Events occurring after the reporting period

No post balance events have occurred since 30 September 2023.

Alternative performance measures

The alternative performance measures ("APMs") used by the Group remain consistent with those disclosed in the Annual Report and Accounts 2023, unless otherwise noted, and should be viewed as supplemental to, but not as a substitute for, measures presented in the financial statements which are prepared in accordance with IFRS.

Income

	Half-year ended 30 September	
	2023 **£m**	2022 £m
Revenue	498.2	397.4
Interest income on customer balances	211.1	22.3
Interest expense on customer balances	-	(3.6)
Benefits paid relating to customer balances	(53.3)	-
Income	**656.0**	**416.1**

Adjusted EBITDA and free cash flow ("FCF") reconciles to profit for the period as follows:

	Half-year ended 30 September	
	2023 **£m**	**2022** **£m**
Profit for the period	**140.6**	**37.3**
Adjusted for:		
Income tax expense	53.7	14.0
Finance expense	9.3	3.7
Net interest income from operating assets*	(7.3)	(0.3)
Depreciation and amortisation	9.7	10.8
Share-based payment compensation expense	35.1	26.1
Adjusted EBITDA	**241.1**	**91.6**
Income	656.0	416.1
Adjusted EBITDA margin	**36.7%**	**22.0%**
Corporate cash working capital change excluding collaterals	(1.2)	(4.8)
Adjustment for exceptional and pass-through items in the working capital	(1.8)	(1.3)
Payments for lease liabilities	(4.5)	(2.8)
Capitalised expenditure - Property, plant and equipment	(3.0)	(1.6)

Capitalised expenditure - Intangible assets	(1.5)	(3.1)
Free cash flow (FCF)	**229.1**	**78.0**
FCF conversion (FCF as a % of Adjusted EBITDA)	**95.0%**	**85.1%**

*As the amount has now become material, the APM for Adjusted EBITDA has been updated to remove the interest income that the Group earns from its corporate investments.

Corporate cash

The tables below show a non-IFRS view of the "Corporate cash" metric that is used by the Group management as a Key Performance Indicator in assessment of the Group's ability to generate cash and maintain liquidity. Corporate cash represents cash and cash equivalents that are not considered customer related balances.

Information presented in the tables below is based on the Group's internal reporting principles and might differ from the similar information provided in IFRS disclosures:

	Half-year ended 30 September	
	2023	2022
	£m	£m
Operating Cashflow		
Net Profit	**140.6**	**37.3**
Adjustments for non-cash transactions:		
...Interest income net of customer benefits	(157.8)	(22.3)
...Current tax expense	53.7	14.0
...Non-cash share-based payments expense	35.1	25.3
...Depreciation and amortisation	9.7	10.8
...Effect of other non-monetary transactions	4.0	(32.5)
Change in corporate working capital (including collaterals)	22.2	(24.5)
Cash generated from operations:	**107.5**	**8.1**
Receipt of interest	144.4	13.7
Unwind portion of bond premium/discount	67.5	(2.5)
Benefits paid to customers	(50.9)	-
Payment of income tax and interest charges	(30.4)	(11.1)
Net corporate cash generated from operating activities	**238.1**	**8.2**

Payments for property, plant and equipment	(3.0)	(1.6)
Payments for intangible assets	(1.5)	(3.1)
Proceeds from sublease	0.1	0.1
Net corporate cash used in investing activities	**(4.4)**	**(4.6)**
Funding of share purchases by Employee Benefit Trust	(29.4)	-
Proceeds from issues of shares and other equity	0.5	0.3
Proceeds from borrowings	220.0	255.0
Repayment of borrowings	(180.0)	(175.0)
Principal elements of lease payments	(4.5)	(2.4)
Interest paid on leases	(0.4)	(0.4)
Net corporate cash from financing activities	**6.2**	**77.5**
Total increase / (decrease) in corporate cash	**239.9**	**81.1**
Corporate cash at beginning of period	**671.1**	**357.8**
Effect of exchange rate differences on corporate cash	0.1	28.4
Corporate cash at end of period	**911.1**	**467.3**

	Half-year ended 30 September	
	2023	2022
	£m	£m
Breakdown of corporate and customer cash		
Cash and cash equivalents and short-term financial investments	13,323.3	9,823.0
Receivables from customers and payment processors	252.1	127.6
Adjustments for:		
Outstanding money transmission liabilities and other customer payables	(408.1)	(249.5)
Wise customer accounts	(12,256.2)	(9,233.8)
Corporate cash at end of the period	**911.1**	**467.3**

Results presentation
A presentation of the half-year results will be held at 9.30am GMT Tuesday, 14 November 2023 at Wise's London offices in Shoreditch: The Tea Bldg, 56 Shoreditch High St, London E1 6JJ

Participants can register for the event here or can view the webcast via this link. A replay of the webcast will be made available after on the Wise website: https://wise.com/owners/

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About Wise
Wise is a global technology company, building the best way to move and manage the world's money. With Wise Account and Wise Business, people and businesses can hold over 40 currencies, move money between countries and spend money abroad. Large companies and banks use Wise technology too; an entirely new network for the world's money.

Co-founded by Kristo Käärmann and Taavet Hinrikus, Wise launched in 2011 under its original name TransferWise. It is one of the world's fastest growing tech companies and is listed on the London Stock Exchange under the ticker WISE.

In fiscal year 2023, Wise supported around 10 million people and businesses, processing approximately £105 billion in cross-border transactions, and saving customers over £1.5 billion.

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This report may include forward-looking statements, which are based on current expectations and projections about future events. These statements may include, without limitation, any statements preceded by, followed by or including words such as "target", "believe", "expect", "aim", "intend", "may", "anticipate", "estimate", "forecast," "plan", "project", "will", "can have", "likely", "should", "would", "could" and any other words and terms of similar meaning or the negative thereof. These forward-looking statements are subject to risks, uncertainties and assumptions about Wise and its subsidiaries. In light of these risks, uncertainties and assumptions, the events in the forward-looking statements may not occur.
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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