13 June 2024

Wise plc
Preliminary results for the financial year ended 31 March 2024

"2024 was another strong year of growth for Wise. We moved £118.5bn around the world for 12.8m customers, 29% more customers than last year, with much of this growth driven by the popularity of the Wise account. This led to a 31% growth in underlying income[1] to £1.2bn with an underlying profit before tax of £242m (up 226%). We are investing in infrastructure and customer experiences to serve as much of this huge, under-served cross-border payments market as possible, including starting FY25 by reducing fees further for our customers."

Kristo Käärmann, Co-founder and Chief Executive Officer

Highlights for the twelve months ended 31 March 2024

Growth driven by 13 years of investment into our vision of money without borders

- 12.8m active customers served in FY24 (+29% YoY), moving £118.5bn (+13% YoY) across borders, with growth across segments and regions.
- More customers than ever have adopted multiple features with their Wise account; 48% of personal and 60% of business customers - holding more than £16bn (+44% YoY) through the account (cash and Assets), with usage growing rapidly.

Growing fast and increasingly profitable

- Customer growth, account adoption and higher interest rates drove underlying income up +31% YoY to £1.2bn (Revenue £1.1bn). After accounting for costs and reinvestment, we generated £242m of underlying profit before tax (+226% YoY), equivalent to an underlying profit before tax margin of 21%.
- Reported profit before tax rose to £481m (+229%) with basic earnings per share of 34.2p.

Investments made in FY24 will contribute to future growth

- We continue to enhance our infrastructure: connecting to the Australian domestic payment system (NPP) increasing our direct connections to 5; achieving a tier 1 licence in Japan removing the ¥1m transfer limit; and collaborating with Swift to make it easier for banks and their customers to use Wise.
- Operational efficiencies achieved in FY24 enabled a reduction in cross-border pricing of more than 2bps (effective from Q1 FY25), while 62% of payments are now instant.
- Wise Assets ‘Interest’ launched in 5 more European countries, allowing more customers to earn an interest-like return by holding their money in government guaranteed assets.
- We made it easier to receive money around the world, including introducing Wise Invoicing for business customers.

Investing relentlessly to serve as much of this huge, under-served market as possible

- We will continue to invest in the substantial opportunity that exists for Wise.
- Over the medium term we expect to operate to an underlying profit before tax margin of 13-16% (equivalent to an underlying adjusted EBITDA margin of 20-23%); sustainably reinvesting into the flywheel of growth, while generating the capital needed to support a fast-growing global financial services business.
- Driven by customer growth, we expect underlying income growth of 15-20% CAGR over the medium term from FY24. FY25 underlying income growth over FY24 expected to be between 15-20% (20-25% when adjusting for outperformance in FY24 which led to price reductions at the start of FY25).

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[1] Underlying income is an alternative performance measure comprising revenue, first 1% of gross yield of interest income on customer balances, and any interest expense on customer balances. It does not include interest income above the first 1% gross yield or benefits paid on customer balances.

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Financials - underlying basis

	Financial year ended 31 March		
	2024	2023	**Yoy Movement**
£m	**£m**	£m	**%**
Revenue	**1,052.0**	**846.1**	**24%**
Interest expense on customer balances	-	(3.7)	(100%)
Underlying interest income (first 1% yield)	120.7	49.6	143%
Underlying income	**1,172.7**	**892.0**	**31%**
Cost of sales	(307.4)	(308.2)	(0%)
Net credit losses on financial assets	(12.5)	(17.8)	(30%)
Underlying gross profit	**852.8**	**566.0**	**51%**
Administrative expenses	(615.9)	(494.5)	25%
Net interest income from corporate investments	19.7	2.8	604%
Other operating income, net	5.7	10.7	(47%)
Underlying operating profit	**262.3**	**85.0**	**209%**
Finance expense	(20.5)	(10.7)	92%
Underlying profit before tax	**241.8**	**74.3**	**226%**
Interest income above the first 1% yield	364.5	90.6	302%
Benefits paid relating to customer balances	(124.9)	(18.4)	578%
Reported profit before tax	**481.4**	**146.5**	**229%**
Income tax credit/(expense)	(126.8)	(32.5)	290%
Profit for the year	**354.6**	**114.0**	**212%**
Underlying basis of reporting - margins (%)			
Underlying gross profit margin	*72.7%*	*63.4%*	*9%*
Underlying profit before tax margin	*20.6%*	*8.3%*	*12%*
Adjusted EBITDA - as previously reported			
Adjusted EBITDA	573.0	235.8	143%
Adjusted EBITDA margin %	*40.6%*	*24.4%*	*16%*
Underlying adjusted EBITDA			
Underlying adjusted EBITDA	333.4	167.3	100%
Underlying adjusted EBITDA margin %	*28.4%*	*18.7%*	*10%*
Free cash flow (FCF)	**486.6**	**156.0**	**212%**
FCF conversion (FCF as a % of reported profit before tax)	*101.1%*	*106.6%*	*(6%)*

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Growth Metrics

	FY24	FY23	YoY Movement
Customers (thousand)	**12,838.2**	**9,962.7**	**29%**
Personal (thousand)	12,212.4	9,442.9	29%
Business (thousand)	625.8	519.8	20%
Volume per customer (£ thousand)	**9.2**	**10.5**	**(12%)**
Personal (£ thousand)	7.1	8.1	(12%)
Business (£ thousand)	50.0	53.7	(7%)
Volume (£ billion)	**118.5**	**104.5**	**13%**
Personal (£ billion)	87.2	76.6	14%
Business (£ billion)	31.3	27.9	12%
Customer balances (£ billion)	**13.3**	**10.7**	**24%**
Assets Under Custody (£ billion)	**2.9**	**0.5**	**523%**
Underlying income (£ million)	**1,172.7**	**892.0**	**31%**
Personal (£ million)	884.4	681.0	30%
Business (£ million)	288.3	211.0	37%

Note: Differences between 'total' rows and the sum of the constituent components of personal and business are due to rounding.

[1] Total number of unique customers who have completed at least one cross-border transaction in the given period.
[2] Average cross-border volume per each active customer, calculated as cross-border volume divided by total active customers in the period.
[3] Cross-border volume only.
[4] Customer balances do not include Assets Under Custody which are not recognised on the balance sheet.
[5] Underlying income is an alternative performance measure comprising revenue, first 1% of gross yield of interest income on customer balances, and any interest expense on customer balances. It does not include interest income above the first 1% gross yield or benefits paid on customer balances.
[6] Total fees on cross-border transfers as a % of volume.

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An update from Kristo, our Co-founder and CEO

We're building the best way to move and manage the world's money, making Wise increasingly useful and valuable to people and businesses globally

At Wise, we're solving a massive problem for people and businesses. It is estimated that people around the world move £2 trillion worth of money across borders each year, while businesses move an additional £9 trillion.

Most of this money moves on a slow, expensive, inconvenient and opaque legacy financial system. We're fundamentally changing this. Making it faster and easier to move money around the world, at a much lower and more transparent price. We've done this by building an alternative infrastructure and network for cross-border transactions.

In 2011, we started by building the infrastructure needed to send money from one country to another. Guided by our customers' feedback, we've built more products they need and love. Today, with their Wise accounts, people and businesses can send, spend and hold money in over 40 currencies, receive money using domestic account details, and use a debit card to spend like a local. And via Wise Platform, we're also able to offer people and businesses this same Wise experience through their local bank.

This customer-led approach is driving our growth. 12.8m customers used Wise to move money across borders in FY2024, 29% more than last year. Driven by customer growth, account adoption, and higher interest rates, we have seen underlying income grow by a CAGR of 41% and underlying profit before tax by a CAGR of 83% over the last three years.

We continue to grow quickly but sustainably. We remain well-controlled; reinvesting and generating a growing level of profitability.

Infrastructure that sets us apart
Our products and services are powered by our unique and increasingly powerful infrastructure as a replacement to the traditional correspondent system. We do this by connecting directly to local payment systems, and working with 90+ banking and payment partners around the world to ensure our service is effective and always available.

This network is connected in real time through our proprietary technology and global operations, as we operate under our 65+ regulatory licences around the world. We moved over £118bn across borders through this network last year.

We continue to invest in the network. This year we completed our integration with the New Payments Platform in Australia — meaning we are now directly connected to a total of 5 domestic payment systems globally.

We also continue to deepen our global licensing footprint. This year we completed a rigorous multi-year process to obtain a Type 1 Funds Transfer Service Provider licence in Japan. We are one of the first international financial services companies operating in the country to be granted this kind of licence, removing the 1 million yen limit on individual transfers we were subject to under the previous licence.

Operationally, we serve our customers at speed, with greatest convenience and, critically, with controls in place to protect both them and us from financial crime. This includes the design of our products, the checks completed when onboarding new customers and the continuous real-time monitoring of all transactions using machine learning to support the team.

The components of our infrastructure combine to enable a service which is reliable, fast (with more than 62% of transfers completed instantly in Q4 FY2024), and low cost (at an average price of 0.67% in FY2024).

Delivering products and features our customers love

We serve our customers with cross-border transfers and other services through three products: the Wise Account for personal customers, Wise Business for small and medium-sized businesses and Wise Platform for banks and other enterprises.

In FY2024 we continued to expand our products' availability. This includes launching a service for expats in China to send money home, removing charges for holding balances in Australia, enabling businesses in Brazil to receive up to 10,000 USD from Wise customers and increasing limits on transfers to Indonesia to 2bn IDR.

We rolled out Wise Assets 'Interest' into 5 European countries in FY2024, allowing more customers to earn an interest-like return on their euro (EUR) and sterling (GBP) balances via investments in low-risk funds backed by government assets. Wise Assets 'Stocks' launched in 11 European countries, letting customers hold their balances as ownership in the world's largest public companies.

We continued to increase functionality too. With the launch of WiseTag (a unique link or QR code) customers can now easily receive or request money from other Wise users without needing a mobile number or account details. We took it a step further for business customers, who got access to Wise Invoicing which makes it easier for businesses to receive money in more than 9 currencies.

Wise Platform enables banks, other financial institutions and enterprises to bring the benefits of the Wise infrastructure to their customers conveniently through their own existing apps and accounts. In FY2024 Wise Platform continued to grow cross-border volumes in line with the rest of the business as we added more partners including Mox, Agoda, and Webexpenses, bringing the total to more than 85. We began to expand the features we provide to Platform partners too, for example providing Wise-issued cards to Tiger Brokers customers in Singapore and Parpera's in Australia.

Championing price transparency

Recent regulatory changes in the EU and warnings from the US consumer protection body, the Consumer Financial Protection Bureau (CFPB) to operators in the US are a big step forward towards bringing price transparency to life for consumers and businesses around the world.

These changes are recognition of the value that clear and honest communication has for customers.

We believe that transparency should be non-negotiable. People and businesses should be clearly told upfront what a service is going to cost them so they can make a well-informed decision, rather than being tricked by 'fee-free' marketing or inflated exchange rates to disguise the real fees. That's why we always show customers a clear breakdown of what they will pay with Wise and why we have a fee comparison table on our homepage.

It's good to see more policymakers agree with us. We expect price transparency to become a basic expectation over time from customers and regulators. Over that time we will continue to build a great, transparent service for customers, available at the lowest cost.

Investment in growth is paying off

Investing in our growth is continuous and over the last 3 years to FY2024 we've been able to demonstrate the value of these investments with active customers growing by a 29% CAGR, cross-border volumes by 30% CAGR to £118.5 billion, and customer balances rose by a 53% CAGR to £13.3 billion.

The growing level of adoption, a growing customer base, and higher central bank rates were the drivers behind a 31% growth in underlying income to £1,172.7 million in FY2024 over FY2023.

After spending what is required to provide our services, we reinvest back into the growth of the business through marketing, better service, more products and infrastructure, and lower prices. All of which contributes to customer growth over time.

After accounting for these costs and reinvestments, we generated £241.8 million pounds of underlying profit before tax in FY2024. This represented a 226% increase over FY2023 and an underlying PBT margin of 21% in FY2024. Reported profit before tax increased significantly to £481.4 million and basic earnings per share to 34.2 pence, an increase of more than x3 over FY2023 for each.

Onwards

I'm really pleased that we were able to help 12.8 million customers move money across borders in FY2024, but that equates to less than 5% of the people who have such a need and less than 1% of businesses. We have come a long way from our first customer and already shifted people's expectations to money without borders, but we're still in the beginning of our mission. We will keep focusing on the things that make our customers evangelical about Wise, we'll continue to scale a company which creates massive value for customers and owners alike over the long-term. The best is yet to come.

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A financial update from Kingsley, our interim CFO

We're serving more people and businesses with more products and features, making Wise increasingly valuable for all.

FY2024 was another year of strong customer-led growth and progress for Wise. We continued investing in building the products and features that customers need to move and manage their money around the world. This is working. Over 12.8 million customers used Wise for cross-border transactions in FY2024 and a growing number of customers are using us for much more. This has resulted in higher levels of profitability and growth across a broad base of geographies, customers and products.

Basis of presentation

For FY2024, we made the decision to change the way we present our financial information. As part of our commitment to transparency in everything we do, we believe these changes will provide a better representation of our underlying financial performance, as well as a clearer presentation of Wise's core business performance and longer term growth trajectory.

This change of reporting consists of:

- A presentation of and focus on "underlying" financial performance, which excludes net interest income above the first 1% gross interest yield.
- The lead earnings metric in our reporting will be "underlying profit before tax". To date the lead earnings metric has been "Adjusted EBITDA".
- From underlying profit before tax, we will then report the adjustment needed to reconcile to our reported profit before tax. This consists of:
    - Interest income above the first 1% yield; less
    - Benefits paid relating to customer balances.

More customers, more growth

In FY2024 active customers grew by 29% to 12.8 million, with 5.4 million new customers joining Wise and completing their first cross-border transaction. This growth in customers drove a 13% growth in cross-border volumes to £118.5 billion (16% growth on a constant currency basis), with double-digit growth across all five of our geographical segments (Europe, United Kingdom, North America, Asia Pacific, and the rest of the world).

Active Personal customers grew 29% to 12.2 million, with Personal volumes growing by 14% to £87.2 billion. At the end of FY2024, with an adoption rate of 48%, almost half of all Personal customers are now using the Wise Account.

The roll-out and popularity of the Wise Account is driving strong growth in the smaller (<£10k per quarter) Personal volume per customer (VPC) segment. In particular, when a Wise Account customer only uses their card for cross-border activity in a quarter ('card-only', as opposed to completing transfers), they typically have a cross-border VPC of £500 to £1,000, and the proportion of these 'card-only' customers in a given quarter is growing fast.

In Q1 FY2021 the proportion of active personal customers who were 'card-only' in this way was c. 3%, compared to our most recent quarter, Q4 FY2024, when this had risen to 17%.

The Personal segment VPC in Q4 FY2024 was c£3,000, which was down 11% compared to Q4 FY2023. Excluding these fast growing, lower-VPC 'card-only' customers, Personal VPC would be c.15% higher than reported in Q4 FY2024 and would have decreased by c. 6% compared to Q4 FY2023. Approximately half of this reduction is explained by translation into GBP and the other half mainly by the slower pace of growth among higher VPC customers (e.g. >£10k per quarter) since interest rates began to rise.

Active Business customers increased by 20% to 0.63 million, with 60% having adopted the account and with Business volumes increasing by 12% to £31.3 billion. The onboarding of new business customers in the second half of FY2024 was slower compared to the first half as we temporarily paused onboarding in the UK and EU due to operational capacity constraints at a time of high demand. We re-opened on a phased basis across countries, with some initially applying refined criteria to prioritise higher quality applications. Entering FY2025, we had resumed business customer onboarding across all major markets.

In total, cross-border revenue grew by 17% to £795.2m, driven by the growth in customers and volumes in addition to a 2bps higher cross take rate of 0.67%.

Rising adoption of the account resulted in 'Card and other revenue' growing by 54% to £256.8m. Underlying interest income rose by 2.4x to £120.7m, due to a 24% growth in customer balances to £13.3 billion combined with higher interest income yields as rates began to rise mid-way through FY2023.

Underlying income, which consists of cross-border revenue, card and other revenue, and underlying interest income, increased 31% to £1,172.7 million (Revenue £1,052.0 million, up 24% over FY2023). This includes Personal and Business segments growing 30% and 37% respectively. When we look at our different regions, we see all regions growing at pace.

The appeal of the Wise Account has driven customer growth and the value of these customers is noticeable. Within a quarter, Personal Wise account customers generate on average c25% more underlying income than Personal customers who only complete cross-border transfers. For Wise Business account customers it's even higher at c100%. Account customers tend to be more active over time with longer lives too.

Underlying gross profit grew 51%, creating capacity to reinvest back into growth

Cost of sales and net credit losses reduced by 2% to £319.9 million in FY2024. The implementation of enhanced controls reduced the levels of account-related costs such as chargebacks and overdrawn balances. We also continue to refine our management of FX costs which, especially in a period of low FX volatility, resulted in significantly lower costs in FY2024. Product losses and FX costs vary over time and we consider a year-on-year reduction in absolute terms as an exception that is unlikely to be repeated given the growth of the business.

Rapid underlying income growth of 31% and falling cost of sales combined to drive underlying gross profit up 51% in FY2024 to £852.8 million. This represents an underlying gross profit margin of 73%, significantly higher than the 63% in FY2023. Reported Gross profit was £1,092.4 million, an increase of £454.2 million (71%) on FY2023.

Gross profit provides us with the capacity to cover our operating expenses, invest in building a better experience for our customers and deliver our target underlying profit margin. Through reinvestment, we deepen our competitive advantage with infrastructure and products that continually improve, attracting more and more customers which leads to more gross profit to reinvest, and so the cycle continues.

Striving to reduce prices sustainably over time is an important form of investment for Wise. In recent years we have seen more price increases than decreases as we've needed to cover growing investments in our operational capabilities and have seen certain other costs fluctuate, such as FX and product losses. Entering FY2025 we were pleased to reduce cross-border prices by over 2 basis points, sustainably reinvesting gross profit margin into lower prices - the most common reason customers choose to join Wise.

Administrative expenses for the year increased by 25% to £615.9 million. This reflects investment into future growth as well as in the capacity required to onboard and serve a fast growing active customer base who are increasingly using more features.

At 31 March 2024, we had over 5,500 Wisers, a more than 2,000 increase over the last two years. The growth in our team resulted in employee benefit expenses increasing 28% to £377.3 million in FY2024. We expect to add around 1,000 roles over the course of FY2025. These Wisers will help us on our mission; building products, improving our infrastructure, supporting our core functions and helping to attract and serve even more customers.

For example, investing in our servicing teams will help us better manage any rapid rises in demand, such as we saw earlier this year. We are also continuing to grow the teams responsible for combating financial crime, overall compliance and risk management, which remain essential in a fast-moving and ever-changing regulatory environment.

A focus on the effectiveness of incremental marketing through FY2024 resulted in spend of £36.5 million which was broadly flat on FY2023 and our marketing team growing by 27%, while the number of new customers rose by approximately 20% to 5.4 million. We expect our enhanced understanding of the incremental benefits of marketing across segments and channels to unlock greater levels of marketing investment through FY2025. This is planned to include targeted expansion into brand marketing in a couple of markets (with an initial campaign already launched in Australia in Q1 FY2025), as well as greater levels of performance marketing spend.

Our economics remain healthy, as the combination of products that customers love, efficient marketing and evangelical customers means that our marketing investments remain small relative to the number of customers joining Wise, with the blended payback within 6 months in FY2024.

Technology costs increased by 25% to £53.5 million and expenses relating to consultancy and outsourced services increased by 28% to £90.4 million, both reflecting the greater services required to support the growth of the business.

We remain highly profitable and well capitalised

In FY2024 we generated an underlying profit before tax of £241.8 million, a 226% increase over FY2023 with a margin that was high at 21%.

To then arrive at our reported IFRS profit before tax, our 'interest income above the first 1% yield' of £364.5 million, less the value of 'benefits paid relating to customer balances' of £124.9 million, is added to the underlying profit before tax.

As per our interest income framework, of this £364.5 million of interest income, it is intended for 20% (£72.9 million) to be retained while aiming to return the remaining 80% (£291.6 million in

FY2024) to customers. We partly achieved this with £124.9 million being paid to customers in the year, leaving £166.7 million being incidentally retained, the majority of which relates to the UK where we are currently unable to pay interest to Wise Account holders under the terms of our licence.

Reported profit before tax increased significantly to £481.4 million and earnings per share to 34.2 pence, a 2x increase over FY2023 for each.

As at 31 March 2024, we held £14.5 billion of cash and highly liquid investment grade assets, up 26% from £11.5 billion at the end of FY2023. This includes assets in respect of the £13.3 billion of customer balances. It also includes £1.1 billion of our 'own cash' (£0.7 billion at the end of FY2023), with the increase driven by the £486.6 million of reported free cash flow generated by the business (see definition in appendix). On this basis, our reported free cash flow conversion rate for FY2024 was 101% of reported profit before tax (107% in FY2023, based on comparison to reported profit before tax, rather than Adjusted EBITDA as previously).

We are well capitalised for the future and as at 31 March 2024, our Group eligible capital was £870.4 million, including the now audited FY24 profits, significantly above our minimum regulatory capital requirements.

Our capital position, built through sustained profitability, enabled us to initiate a programme in FY2023 to reduce the dilutive impact on share count that arises through stock based compensation. £10 million of our capital was used in FY2023 by our Employee Benefit Trust to fund such share purchases and this rose to £69.9 million in FY2024, covering the impact of new grants issued during the year. We intend to continue this programme into FY2025, purchasing shares to cover new grants at a broadly similar level to FY2024.

Looking beyond the short term with a relentless focus on the long term opportunity

We have grown quickly, doubling the active customers we serve over just three years, but the opportunity for Wise remains substantial; many millions of people and small businesses move trillions of pounds across-borders while over-paying for a poor service.

To further unlock this opportunity we will continue to invest into our long term growth potential. We fundamentally believe that the market leader over time will be the provider of the cheapest, fastest and most convenient service, with the broadest coverage. This can only be achieved through building the best global infrastructure while driving growth through relentlessly pursuing incremental improvements in price, speed and convenience.

We plan to continue reinvesting back into our growth each year over the medium term while organically generating the capital needed for a fast growing global financial services business.

We therefore expect to operate at an underlying profit before tax margin of 13-16% over the medium term, equivalent to targeting an underlying adjusted EBITDA margin of 20-23%.

We expect our reported profit before tax to continue to be higher than underlying profit before tax as long as the effective interest rate we achieve on customer balances is greater than 1%. Under our framework, 20% of any interest above the first 1% yield will be retained and added to profit before tax (£72.9 million in FY2024).

The other 80% will be returned to customers where possible. In FY2024, 35 percentage points (ppts) of the 80ppts were paid to customers. We were unable to return the other 45ppts for several reasons including where the deposits are in jurisdictions where we're unable to pay interest for regulatory reasons (eg the UK, c30ppts), where we do not yet pay interest on all currencies, and in some geographies such as the US where customers are required to 'opt-in' to receiving interest but have not yet done so. Where customers do not currently receive interest on their balance, our priority is to launch and promote our Assets Interest product, which provides a market rate of interest, while still providing all of the other benefits of the Wise Account. This option is currently available for UK, EU and Singapore customers.

Over the medium term, we expect our investments to drive a continuing high level of customer growth, resulting in a 15%-20% CAGR growth in underlying income from a FY2024 base.

Underlying income growth in FY2025 is also expected to be within this range of 15-20%. Improvements in efficiency were gained in FY2024 resulting in an inflated level of earnings and providing the opportunity to reduce our average cross-border pricing by more than 2 basis points, which was effective from early in Q1 FY2025. Adjusting for the connected nature of this outperformance in FY2024 and price reduction in FY2025, our expected growth would have otherwise been 20-25% in FY2025.

We have also initiated a second re-price in Q1 FY2025, off the back of a significant improvement in our cost allocation methodology, in order to ensure customers only pay in proportion to the costs we incur in providing the specific service. This is intended to be broadly revenue neutral overall, but will lead to price reductions for higher value transactions, particularly on main currency routes.

Growing fast and increasingly profitable

We have built a business with world-class fundamentals, and our rapid growth and increasing profitability is a testament to that. With continuing investment into long term growth, we are poised to capture even more of the massive market opportunity ahead. We are delivering on our mission and creating massive value for both our customers and shareholders.

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Results presentation

A presentation of the full year results will be held at 9.30am BST Thursday, 13 June 2024 at Wise's London offices in Shoreditch. We invite you to join the live stream using this https://vimeo.com/event/4289959.

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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 2024, Wise supported around 12.8 million people and businesses, processing approximately £118.5 billion in cross-border transactions, and saving customers over £1.88 billion.

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Consolidated statement of profit or loss and other comprehensive income
For the year ended 31 March 2024

	Note	2024 £m	2023 £m
Revenue	3	**1,052.0**	846.1
Interest income on customer balances	4	**485.2**	140.2
Interest expense on customer balances		**-**	(3.7)
Benefits paid relating to customer balances	5	**(124.9)**	(18.4)
Cost of sales	6	**(307.4)**	(308.2)
Net credit losses on financial assets	6	**(12.5)**	(17.8)
Gross profit		**1,092.4**	**638.2**
Administrative expenses	7	**(615.9)**	(494.5)
Net interest income from corporate investments		**19.7**	2.8
Other operating income, net		**5.7**	10.7
Operating profit		**501.9**	**157.2**
Finance expense	9	**(20.5)**	(10.7)
Profit before tax		**481.4**	**146.5**
Income tax expense	10	**(126.8)**	(32.5)
Profit for the year		**354.6**	**114.0**
Other comprehensive income/(loss)			
Items that may be reclassified to profit or loss:			
Fair value gain/(loss) on investments, net		**10.9**	(5.5)
Currency translation differences		**(7.0)**	3.0
Total other comprehensive income/(loss)		**3.9**	**(2.5)**
Total comprehensive income for the year		**358.5**	**111.5**
Earnings per share			
Basic, in pence	11	**34.20**	11.07
Diluted, in pence	11	**33.73**	10.94

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Alternative performance measures		
Income[1]	**1,412.3**	964.2
Underlying income[2]	**1,172.7**	892.0
Underlying PBT[3]	**241.8**	74.3

[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] Underlying Income is a measure of income retained from customers and it is comprised of revenue from customers and the first 1% yield of interest income on customer balances that Wise retains.
[3] Underlying PBT is a profitability measure calculated as profit before tax using Underlying Income and excluding Benefits paid relating to customer balances.

All results are derived from continuing operations.
The accompanying notes form an integral part of these Group consolidated financial statements.

Consolidated statement of financial position
As at 31 March 2024

	Note	2024 £m	2023 £m
Non-current assets			
Deferred tax assets	10	**103.0**	113.2
Property, plant and equipment	12	**34.3**	21.1
Intangible assets	13	**6.5**	11.4
Trade and other receivables	14	**32.1**	17.9
Total non-current assets		**175.9**	**163.6**
Current assets			
Current tax assets		**4.0**	6.7
Trade and other receivables	14	**442.8**	250.0
Short-term financial investments	18	**4,033.9**	3,804.5
Derivative financial assets	18	**1.6**	-
Cash and cash equivalents	15	**10,479.2**	7,679.4
Total current assets		**14,961.5**	**11,740.6**
Total assets		**15,137.4**	**11,904.2**
Non-current liabilities			
Trade and other payables	16	**46.1**	29.7
Provisions		**2.3**	2.7
Deferred tax liabilities		**2.4**	1.1
Borrowings	17	**14.8**	7.8
Total non-current liabilities		**65.6**	**41.3**
Current liabilities			
Trade and other payables	16	**13,872.7**	11,022.9
Derivative financial liabilities	18	**1.6**	-
Provisions		**2.2**	2.5
Current tax liabilities		**6.0**	4.0
Borrowings	17	**209.4**	256.6
Total current liabilities		**14,091.9**	**11,286.0**
Total liabilities		**14,157.5**	**11,327.3**
Equity			

Share capital	19	**10.2**	10.2
Equity merger reserve		**(8.0)**	(8.0)
Share-based payment reserve		**306.5**	247.4
Own shares reserve		**(55.5)**	(10.4)
Other reserves		**(12.4)**	(23.3)
Currency translation reserve		**(3.8)**	3.2
Retained earnings		**742.9**	357.8
Total equity		**979.9**	**576.9**
Total liabilities and equity		**15,137.4**	**11,904.2**

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

Consolidated statement of changes in equity
For the year ended 31 March 2024

	Note	Share capital	Equity merger reserve[1]	Share-based payment reserves	Own shares reserve	Other Reserves[2]	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		-	-	-	-	-	-	114.0	**114.0**
Fair value loss on investments, net		-	-	-	-	(5.5)	-	-	**(5.5)**
Currency translation differences		-	-	-	-	-	3.0	-	**3.0**
Total comprehensive income for the year		**-**	**-**	**-**	**-**	**(5.5)**	**3.0**	**114.0**	**111.5**
Issue of share capital		-	-	-	-	-	-	-	-
Shares acquired by ESOP Trust	20	-	-	-	(10.1)	-	-	-	**(10.1)**
Share-based compensation expense	21	-	-	58.0	-	-	-	(0.3)	**57.7**
Tax on share-based compensation	10	-	-	8.0	-	-	-	-	**8.0**
Employee share schemes	21	-	-	(19.1)	0.1	-	-	19.6	**0.6**
At 31 March 2023		**10.2**	**(8.0)**	**247.4**	**(10.4)**	**(23.3)**	**3.2**	**357.8**	**576.9**

Profit for the year		-	-	-	-	-	-	354.6	**354.6**
Fair value loss on investments, net		-	-	-	-	10.9	-	-	**10.9**
Currency translation differences		-	-	-	-	-	(7.0)	-	**(7.0)**
Total comprehensive income for the year		**-**	**-**	**-**	**-**	**10.9**	**(7.0)**	**354.6**	**358.5**
Issue of share capital		-	-	-	-	-	-	-	-
Shares acquired by ESOP Trust	20	-	-	-	(69.9)	-	-	-	**(69.9)**
Share-based compensation expense	21	-	-	72.5	-	-	-	-	**72.5**
Tax on share-based compensation	10	-	-	40.8	-	-	-	-	**40.8**
Employee share schemes	21	-	-	(54.2)	24.8	-	-	30.5	**1.1**
At 31 March 2024		**10.2**	**(8.0)**	**306.5**	**(55.5)**	**(12.4)**	**(3.8)**	**742.9**	**979.9**

1. The merger reserve arises from the Group pre-listing reorganisation accounted for as a capital reorganisation. Upon the reorganisation, the Group's Ordinary Shares have been represented as those of Wise plc. The difference between Wise Payments Limited net assets and the nominal value of the shares in issue is recorded in the merger reserve.
2. Other reserves predominantly relate to investments into highly liquid bonds measured at FVOCI. For these investments, changes in fair value are accumulated within the FVOCI reserve within equity. On disposal of these debt investments, any related balance within the FVOCI reserve is reclassified to profit or loss. During the year £10.9m of fair value gains were recognised in the other comprehensive income (2023: fair value losses of £5.5m), including £3.5m of tax credit (2023: £2.4m tax charge). Refer to note 10 for further information on the tax recognised on bonds.

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

Consolidated statement of cash flows
For the year ended 31 March 2024

	Note	2024 £m	2023 £m
Cash generated from operations	22	**2,994.9**	3,847.1
Interest received		**344.4**	103.9
Interest paid		**(16.7)**	(12.4)
Corporate income tax paid		**(73.7)**	(18.7)
Net cash generated from operating activities		**3,248.9**	**3,919.9**
Cash flows from investing activities			
Payments for property, plant and equipment		**(10.6)**	(3.6)
Payments for intangible assets		**(2.4)**	(5.2)
Payments for financial assets at FVOCI		**(9,552.3)**	(8,655.9)
Proceeds from sale and maturity of financial assets at FVOCI		**9,422.6**	6,077.2
Proceeds from sublease		**0.1**	0.2
Net cash used in investing activities		**(142.6)**	**(2,587.3)**
Cash flows from financing activities			
Funding relating to share purchases and employee share schemes		**(68.4)**	(10.1)
Proceeds from issues of shares and other equity		**1.0**	0.6
Proceeds from borrowings	17	**420.0**	529.0
Repayments of borrowings	17	**(470.0)**	(359.0)
Principal elements of lease payments	17	**(7.1)**	(5.9)
Interest paid on leases	17	**(1.1)**	(0.7)
Net cash generated (used in)/from financing activities		**(125.6)**	**153.9**
Net increase in cash and cash equivalents		**2,980.7**	1,486.5
Cash and cash equivalents at beginning of the year	15	**7,679.4**	6,056.3
Effects of exchange rate changes on cash and cash equivalents		**(180.9)**	136.6
Cash and cash equivalents at end of the year	15	**10,479.2**	7,679.4

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

Notes to the Group consolidated financial statements
For the year ended 31 March 2024

Note 1. Presentation of the consolidated financial statements

1.1 General information

Wise plc (the 'Company') is a public limited company and is incorporated and domiciled in England. The address of its registered office is 6th Floor, Tea Building, 56 Shoreditch High Street, London E1 6JJ. The principal activity of the Company and its subsidiaries (the 'Group') is the provision of cross-border and domestic financial services. Further information on the Group's operations and principal activities is presented in the Strategic Report.

1.2 Accounting information and policies

Introduction
This section describes the basis of preparation of the consolidated financial statements and the Group's accounting policies that are applicable to the financial statements as a whole. The Group's material accounting policies and critical accounting estimates and judgements specific to a note, are included in the note to which they relate. Furthermore, the section details new accounting standards, amendments and interpretations, that the Group has adopted in the current financial year or will adopt in subsequent years.

(a) Basis of preparation

The consolidated financial statements of the Group have been prepared in accordance with the UK-adopted International Accounting Standards in conformity with the applicable legal requirements of the Companies Act 2006. The accounting policies applied are consistent with those of the preceding financial year, unless otherwise stated.

The financial statements are prepared on a going concern basis. All financial information is presented in millions of pounds sterling ('£'), which is the Group's presentation currency, rounded to the nearest £0.1m, unless otherwise stated. The financial statements have been prepared under the historical cost convention modified to include the fair valuation of particular financial instruments, to the extent required or permitted under IFRS as set out in the relevant accounting policies.

(b) Going concern

The Group's business activities together with the factors likely to affect its future development and position are set out in the Strategic report.

The 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 the foreseeable future.

The going concern assessment is based on the detailed forecast prepared by management and approved by the Board (base plan). As part of the going concern review, the Directors have considered severe, but plausible, 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. Appropriate assumptions have been made in respect to revenue growth and profitability, based on the economic outlook over the forecast period. Appropriate sensitivities have been applied in order to stress test the base plan, considering situations with lower revenue growth and profitability compared to the base plan, where future trading is less than forecasted. Management expects that sufficient liquidity and regulatory capital requirement headroom are maintained throughout the forecast period.

The Directors have made inquiries of management and considered forecasts for the Group and have, at the time of approving these financial statements, a reasonable expectation that the Group has adequate resources to continue in operations for the foreseeable future. Further details are contained in the Viability Statement of the Strategic Report.

(c) Basis of consolidation

The financial statements comprise the consolidated financial statements of Wise plc and its subsidiaries as at 31 March 2024.

Subsidiaries are all entities over which the Group has control. The Group controls an entity when it is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity.

Subsidiaries are fully consolidated from the date on which control is obtained by the Group and are de-consolidated from the date that control ceases.

Inter-company transactions, balances and unrealised gains on transactions between companies within the Group are eliminated on consolidation. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the transferred asset. Group accounting policies are consistently applied to all entities and transactions.

(d) Current versus non-current classification

The Group presents assets and liabilities in the statement of financial position based on current or non-current classification.

An asset is current when it satisfies any of the following criteria:

- expected to be realised or intended to be sold or consumed in the normal operating cycle;
- held primarily for the purpose of trading;
- expected to be realised within 12 months after the reporting period;
- cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

All other assets are classified as non-current.

A liability is current when it satisfies any of the following criteria:

- it is expected to be settled in the normal operating cycle;
- it is held primarily for the purpose of trading;
- it is due to be settled within 12 months after the reporting period;
- there is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period.

The Group classifies all other liabilities as non-current. Deferred tax assets and liabilities are classified as non-current assets and liabilities.

(e) Foreign currencies translation

The Group's consolidated financial statements are presented in pounds sterling. Items included in the financial statements of each of the Group's entities are measured using the currency of the primary economic environment in which the entity operates ('the functional currency').

Transactions and balances
Transactions in foreign currencies are initially recorded by the Group's entities at their respective functional currency spot rates at the date the transaction is recognised.

Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation of monetary assets and liabilities denominated in foreign currencies at year-end exchange rates are recognised in profit or loss (either as cost of sales or administrative expenses).

Non-monetary assets and liabilities are translated at historical exchange rates if held at historical cost, or year-end exchange rates if held at fair value, and the resulting foreign exchange gains or losses are recognised in either the income statement or shareholders' equity depending on the treatment of the gain or loss on the asset or liability.

Group companies
On consolidation, the results and financial position of foreign operations (none of which has the currency of a hyperinflationary economy) are translated into pounds sterling as follows:

- assets and liabilities for each balance sheet presented are translated at the closing exchange rate at the reporting date;
- income and expenses are translated at average monthly exchange rates; and
- all resulting exchange differences are recognised in other comprehensive income.

(h) Changes in material accounting policies and disclosures

Adoption of new or revised standards and interpretations
The following new or revised standards and interpretations became effective for the Group from 1 April 2023:

a. Amendments to IAS 1 and IFRS Practice Statement 2 – Disclosure of Accounting Policies

Although the amendments did not result in any changes to the accounting policies themselves, they impacted the accounting policy information disclosed in the financial statements. The amendments require the disclosure of 'material', rather than 'significant', accounting policies. Management reviewed the accounting policies and made updates to the information disclosed in the annual report in line with the amendments.

b. Amendments to IAS 12- International Tax Reform—Pillar Two Model Rules

Pillar Two legislation has been enacted or substantively enacted in certain jurisdictions in which the Group operates. The Group has applied a temporary mandatory exception from deferred tax accounting for the impacts of the top-up taxes and accounts for it as a current tax when it is incurred. The Group has performed an initial assessment of the potential exposure to Pillar Two income taxes. This assessment is based on the most recent information available regarding the financial performance of the constituent entities in the Group. Based on the initial assessment performed, the Group does not expect any material top up taxes. The Group is continuing to monitor potential future implications.

c. Other amendments:

- IFRS 17 – Insurance Contracts
- Amendments to IAS 8 – Definition of Accounting Policies
- Amendments to IAS 12 – Deferred Tax related to Assets and Liabilities arising from a Single Transaction

The adoption of the other amendments did not have a material impact on the Group. There are no other new or revised standards or interpretations that are effective for the first time for the financial year beginning on or after 1 April 2023 that would be expected to have a material impact on the Group.

New standards, amendments and interpretations not yet adopted

The following amendments have been published by the IASB and are effective for annual periods beginning on or after 1 January 2024; the amendments have not been early-adopted by the Group:

a. Amendment to IAS 1 – Classification of Liabilities as Current or Non-current and Non-current Liabilities with Covenants

The amendments, as issued in 2020, aim to clarify the requirements on determining whether a liability is current or non-current, and apply retrospectively for annual reporting periods beginning on or after 1 January 2024. It is anticipated that the application of those amendments may have an impact in the Group's consolidated financial statements in future periods.

b. New standard issue - IFRS 18 Primary financial statements

The new standard will become effective, in the consolidated Group financial statements, for annual reporting periods beginning on or after 1 January 2027 and its impact is under assessment.

c. Other amendments:

- Amendments to IFRS 16- Lease Liability in a Sale and Leaseback
- Amendments to IAS 7 and IFRS 7 – Supplier Finance Arrangements
- Amendments to IAS 21 – Lack of Exchangeability
- Amendments to IFRS 10 and IAS 28 – Sale of contribution of assets between an investor and its associate or joint venture

None of the other amendments are expected to have a material impact on the Group in the current or future reporting periods or on foreseeable future transactions.

1.3. Critical accounting judgements and key sources of estimation uncertainty

Details of critical judgments which the Directors consider could have a significant impact on these financial statements are set out in the following notes:

- Customer balances (recognition of the financial assets and their respective liabilities on the balance sheet) - note 15 and note 16
- Net gains and losses from foreign exchange differences (accounting) - note 6

Management has concluded that there are no critical accounting areas of estimation.

Note 2. Segment information

Accounting policy

The Group is managed on the basis of a single segment.The information regularly reported to the Chief Operating Decision Maker (‘CODM’), which is currently the Board of Directors of the Group, 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 provision of cross-border and domestic financial services.

The Group’s revenue, assets and liabilities for the reportable segment can be determined by reference to the statement of comprehensive income and the statement of financial position. The analysis of revenue by type of customer and geographical region is set out in note 3.

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

	2024	2023
	£m	£m
Non-current assets by geographical region*		
United Kingdom	**40.5**	34.8
Rest of Europe	**13.9**	8.6
Rest of the world	**15.6**	4.6
Total non-current assets	**70.0**	**48.0**

* Non-current assets exclude deferred tax assets and financial instruments.

Note 3. Revenue

Accounting policy

The Group primarily generates revenue from money transfers, conversion services and debit card services.

A customer enters into the contract with the Group at the time of opening a Wise Account or initiating a money transfer. The customer agrees to the contractual terms by formally accepting the terms and conditions of the respective service, on Wise's website or the App. For debit card services, a customer enters into the contract with the Group at the time the card, either virtual or physical, is made available for use and the customer is able to either make a payment or a withdrawal.

The fees charged to customers for Wise's services are shown to them upfront prior to a transaction, or conversion being initiated. The applicable fees depend on a number of factors, including the currency route, the transaction size, the type of transaction being undertaken and the payment method used. The fees for card transactions are in accordance with the agreed terms and conditions.

The revenue is recognised at the point in time the performance obligation has been satisfied. For money transfers, the revenue is recognised upon delivery of funds to the recipient and for money conversions, when a customer balance is converted into a different currency in their account. For cards, the revenue is recognised upon transaction capture, unless it relates to the provision or replacement of physical cards, in which case the revenue is recognised over time throughout the period the debit card services are provided.

The time required for the Group to process the payment to the recipient and therefore to satisfy its performance obligations, largely depends on the processing time its banking partners require to deliver funds to the recipient. As such the revenue is deferred until the funds are delivered. Transactions in certain jurisdictions, where the Group has settlement accounts with Central Banks, transfers between Wise accounts or conversions within a Wise Account, are generally fulfilled instantly.

Rebates
Wise offers certain rebates in the form of a fee refund or cashback for eligible revenue generating transactions. The rebate is recognised as a liability at the time of completion of the eligible transaction and is deducted from revenue.

Other - Assets revenue
The Group also generates revenue from its multi-currency investment feature, Wise Assets ('Assets'). This feature allows customers to purchase units in investment funds, provided by fund managers, using their Wise account balance. The Group generates revenue from charging a fee based on the value of the assets under custody. The revenue is accrued on a daily basis and is recognised over time, in line with the period the Group provides its services to Assets customers. The Group acts as a matched principal broker and does not retain control nor benefits from the Assets, thus it does not recognise the financial assets and the respective liabilities for the Assets, and derecognises customer funds on purchase.

Below is the revenue split by customer type:

	Year ended 31 March	
	2024	2023
	£m	£m
Revenue by customer type		
Personal	**815.3**	656.3
Business	**236.7**	189.8
Total revenue	**1,052.0**	**846.1**

The revenue split by customer type, personal or business, represents the underlying users of Wise products. Wise Account and standalone money transfers are attributed to personal, Wise Business to business, and Wise Platform is attributed to either, based on the ultimate customers of the partner that Wise is contracted with.

Disaggregation of revenues

In the following table, revenue is disaggregated by major geographical market:

	Year ended 31 March	
	2024	2023
	£m	£m
Revenue by geographical region		
Europe (excluding UK)	**323.9**	269.6
United Kingdom	**202.5**	170.1
North America	**214.5**	179.0
Asia-Pacific	**216.2**	161.6
Rest of the world	**94.9**	65.8
Total revenue	**1,052.0**	**846.1**

The geographical market depends on the type of the service provided and is based either on customer address or the source currency.

No individual customer contributed more than 10% to the total revenue in 2024 and 2023.

Note 4. Interest income on customer balances

Accounting policy

Interest income on customer balances is earned from holding customer funds as cash and cash equivalents or investing them into highly liquid permitted financial assets. These amounts are recognised in the income statement using the effective interest rate method.

	Year ended 31 March	
	2024	2023
	£m	£m
Interest income		
Interest income from cash at banks	**162.2**	53.0
Interest income from investments in money market funds (MMFs)	**153.7**	16.2
Interest income from investments in listed bonds	**169.3**	71.0
Total interest income	**485.2**	**140.2**

Note 5. Benefits paid relating to customer balances

Accounting policy

Benefits paid relating to customer balances include incentives and other benefits provided to customers for holding eligible balances in their Wise accounts. These are calculated as a percentage of those eligible balances and they are recognised in the income statement in the period for which the customer receives the benefit.

	Year ended 31 March	
	2024	2023
	£m	£m
Benefits paid relating to customer balances		
Cashback (EU)	**107.9**	18.1
Interest (US)	**17.0**	0.3
Total benefits paid relating to customer balances	**124.9**	**18.4**

Note 6. Cost of sales and net credit losses on financial assets

Accounting policy

Cost of sales comprises the costs that are directly associated with the Group’s principal revenue stream of money transfer, conversion services and debit card services. This includes:

- banking and other fees, net of applicable rebates, incurred in processing customer transfers and

the costs of providing cards to customers;
• net foreign exchange costs generated due to customer transactions. Within the same line are included the net foreign exchange differences from the revaluation of customer balances at period end. Other product costs include product losses that are directly generated from consumer transactions, including chargeback losses, as well as taxes directly attributable to customer activity.

Critical accounting judgement

Net gains and losses from foreign exchange differences
Management applied judgement in classifying net foreign exchange gains and losses from customer transactions, including the costs related to the difference between the published mid-market rate offered to customers and the rate obtained by the Group in acquiring currency, as cost of sales. The Group considers these costs as directly related to and incurred as part of providing services to customers.

Breakdown of expenses by nature:

	Year ended 31 March	
	2024	2023
	£m	£m
Cost of sales		
Banking and customer related fees	**252.5**	225.5
Net foreign exchange loss and other product costs	**54.9**	82.7
Total cost of sales	**307.4**	**308.2**
Net credit losses on financial assets		
Amounts charged to credit losses on financial assets	**12.5**	17.8
Total net credit losses	**12.5**	**17.8**

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 immaterial in both current and prior year.

Within cost of sales are included £4.6m of net losses arising from changes in foreign exchange rates related to the translation of customer balances (2023: £24.5m).

Note 7. Administrative expenses

	Year ended 31 March	
	2024	2023
	£m	£m

Administrative expenses		
Employee benefit expenses*	**377.3**	294.8
Marketing	**36.5**	37.4
Technology	**53.5**	42.7
Consultancy and outsourced services	**90.4**	70.4
Other administrative expenses	**42.0**	30.6
Depreciation and amortisation	**18.3**	23.2
Less: Capitalisation of staff costs	**(2.1)**	(4.6)
Total administrative expenses	**615.9**	**494.5**

* For further details on employee benefit expenses including accounting policies, refer to note 8.

During the year, the Group (including its overseas subsidiaries) obtained the following services from the Company's auditors:

	Year ended 31 March	
	2024	2023
	£m	£m
Audit fees		
Fees payable to the Company's auditors and its associates for the audit of Company and Group consolidated Financial Statements	**2.7**	2.8
Audit of the financial statements of the Company's subsidiaries	**1.8**	1.5
Total audit fees	**4.5**	**4.3**
Non-audit fees		
Assurance services other than the auditing of the Company's accounts	**0.8**	0.5
Total non-audit fees	**0.8**	**0.5**

Note 8. Employee benefit expenses

The aggregate remuneration of employees for the year ended 31 March 2024 was as follows:

	Year ended 31 March	
	2024	2023

	£m	£m
Salaries and wages	**248.9**	194.6
Share-based payment compensation expense	**72.5**	58.2
Social security costs	**37.7**	29.6
Pension costs	**8.6**	6.3
Other employment taxes and insurance cost	**9.6**	6.1
Total employee benefit expense	**377.3**	**294.8**

Refer to note 21 for details on awards granted to employees and the accounting policy for share-based payments.

Remuneration of key management personnel is disclosed in note 24.

The monthly average number of employees during the year ended 31 March 2024 was as follows:

	2024	2023
	Number of employees	Number of employees
Product development	**1,341**	1,170
Servicing	**3,396**	2,593
Marketing	**270**	212
Other functions	**492**	436
Total average number of employees	**5,499**	**4,411**

Note 9. Finance expense

Accounting policy

Interest expense related to the revolving credit facility is recognised in finance expense over the term of the facility using the effective interest method. The effective interest rate represents the true cost of borrowing and is the rate that discounts the estimated future cash payments through the expected life of the revolving credit facility.

	Year ended 31 March	
	2024	2023
Finance expense	**£m**	£m
Interest expense related to revolving credit facility	**19.2**	9.3
Interest on lease liabilities	**1.1**	0.7

Other financial expenses	**0.2**	0.7
Total finance expense	**20.5**	**10.7**

Note 10. Tax

Accounting policy

The tax expense for the year comprises current and deferred tax. Tax is recognised in the income statement, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case, the tax is also recognised in other comprehensive income or directly in equity, respectively.

The current **tax charge** is calculated on the basis of the tax laws enacted or substantively enacted at the balance sheet date in the countries where the Company and its subsidiaries operate and generate taxable income. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

Deferred tax is recognised on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the Group financial statements. Deferred tax is determined using tax rates (and laws) that have been enacted or substantively enacted by the balance sheet date and are expected to apply when the related deferred tax asset is realised, or the deferred tax liability is settled.

Deferred tax assets are recognised only to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilised. Deferred tax assets on share-based payments are recognised for the share options not exercised at the balance sheet date. The deferred tax assets on share-based payments are determined based on the share price at the balance sheet date. The impact of recognition is split between income tax expense in profit or loss for the year, for the element up to the cumulative remuneration expense; and the share-based payment reserve, recognised directly in equity, for the element in excess of the related cumulative remuneration expense.

The impact of the recognition of deferred tax assets on losses is split between the share-based payment reserve, for the element of the tax deduction on exercise in excess of the related cumulative remuneration expense, and the income tax expense in profit or loss for the balance of the loss.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets against current tax liabilities and when the deferred tax assets and liabilities relate to income taxes levied by the same taxation authority on either the same taxable entity or different taxable entities and there is an intention to settle the balances on a net basis.

Tax expense:

	Year ended 31 March	
	2024	2023
	£m	£m

Current income tax for the year		
UK corporation tax	78.5	17.7
Foreign corporation tax	13.4	9.0
Adjustment in respect of prior years	2.3	(1.3)
Total current tax expense for the year	**94.2**	**25.4**
Deferred income tax for the year		
Increase in deferred tax	36.4	6.9
Adjustment in respect of prior years	(3.8)	0.2
Total deferred tax expense for the year	**32.6**	**7.1**
Total tax expense for the year	**126.8**	**32.5**

Factors affecting tax expense for the year:

	Year ended 31 March	
	2024 £m	2023 £m
Profit before taxation	481.4	146.5
Profit multiplied by the UK tax rate of 25% (2023: 19%)	120.4	27.8
Adjustments in respect of prior periods	(1.5)	(1.1)
Effect of expenses not deductible	0.4	0.7
Movement in tax provisions	3.1	1.5
Employee option plan	0.8	1.2
Difference in overseas tax rates	3.7	3.7
Change in rate of recognition of deferred tax	(0.1)	(1.3)
Total tax expense for the year	**126.8**	**32.5**

The Group's effective tax rate (ETR) before other comprehensive income (OCI) is a 26% charge (2023: 22% charge).

This equates to the applicable UK corporation tax rate of 25%, adjusted for a number of factors such as non-deductible employee option plans, movements in provisions and higher overseas tax rates.The prior year ETR can be explained by the same key factors, but was lower for the year-ended 31 March 2023 as the applicable UK corporate tax rate was 19%.

Amounts recognised in other comprehensive income:

	2024 £m	2023 £m
Current tax		
Recognition of current tax liability on listed bonds	0.1	(0.1)
Deferred tax		
Recognition of deferred tax asset on listed bonds	(3.6)	2.5
Total amounts recognised in other comprehensive income	**(3.5)**	**2.4**

Amounts recognised directly in equity:

	2024 £m	2023 £m
Current tax		
Deduction for exercised options	15.7	5.0
Deferred tax		
Recognition of deferred tax asset on share-based payments*	25.1	3.0
Total amounts recognised directly in equity	**40.8**	**8.0**

* Recognition of deferred tax on share-based payments consists of future share-based payments deductions and carry forward losses generated by share-based payments.

The deferred tax asset in relation to share-based payments was recognised based on the share price at the balance sheet date which was £9.29 (2023: £5.40).

Deferred tax assets and liabilities
Movements during the year

Year ended 31 March 2024

	1 April 2023	Recognised in income	Recognised in equity/OCI	FX	31 March 2024
	£m	£m	£m	£m	£m
Property, plant and equipment	0.3	0.8	-	-	1.1
Share-based payments	61.6	6.1	25.1	(0.2)	92.6
Intangibles	(1.0)	(0.6)	-	-	(1.6)
Provisions	3.0	2.0	-	-	5.0
Tax losses	40.2	(38.9)	-	-	1.3
Other	8.0	(2.1)	(3.6)	(0.1)	2.2
Closing deferred tax asset	**112.1**	**(32.7)**	**21.5**	**(0.3)**	**100.6**
Represented by:					
Deferred tax assets	113.2				103.0
Deferred tax liabilities	(1.1)				(2.4)
Total	**112.1**				**100.6**

Year ended 31 March 2023

	1 April 2022	Recognised in income	Recognised in equity/OCI	FX	31 March 2023
	£m	£m	£m	£m	£m
Property, plant and equipment	0.1	0.4	-	(0.2)	**0.3**
Share-based payments	49.9	8.4	3.1	0.2	**61.6**

Intangibles	(2.2)	1.2	-	-	**(1.0)**
Provisions	2.7	0.3	-	-	**3.0**
Tax losses	57.2	(17.5)	-	0.5	**40.2**
Other	5.4	0.1	2.5	-	**8.0**
Closing deferred tax asset	**113.1**	**(7.1)**	**5.6**	**0.5**	**112.1**
Represented by:					
Deferred tax assets	113.6				**113.2**
Deferred tax liabilities	(0.5)				**(1.1)**
Total	**113.1**				**112.1**

The deferred tax asset is predominantly generated in the UK and the US and mainly comprises unexercised share options which are forecast to be exercised within four years and as such are less sensitive to changes in long-term profit forecasts.

The deferred tax assets are reviewed at each reporting date to determine recoverability and to determine a reasonable time frame for utilisation. To determine this, the Group uses the approved Group forecast used for the viability statement and going concern analysis. The Group considers it is probable that there will be sufficient taxable profits in the coming years to realise the deferred tax asset. Consequently, the Group has unrecognised deductible temporary differences of £nil (2023: £nil), with the net deferred tax asset being recognised in full as at 31 March 2023 and 2024.

Both the UK and the US utilised brought forward losses in FY2023 and in FY2024, with the UK taxable losses fully utilised as at 31 March 2024. Therefore, there are no deferred tax assets in respect of losses recognised in the UK as at 31 March 2024. The Group expects deferred tax assets of £30.1m to unwind within 12 months which will predominantly relate to exercised share options in the UK and US. The deferred tax asset on share options will also be impacted by the future share price.

The Organisation for Economic Co-operation and Development (OECD)/G20 Inclusive Framework on Base Erosion and Profit Shifting published on 20 December 2021 the Pillar Two model rules designed to address the tax challenges arising from the digitalisation of the global economy.

The Group operates in the United Kingdom (amongst other locations), which have enacted or substantively enacted new legislation to implement the global minimum top-up taxes by 31 March 2024. The earliest period for which substantively enacted legislation is effective for the Group is the year ended

31 March 2025, therefore there is no current tax impact of Pillar Two income taxes for the year ended 31 March 2024. The Group has performed an assessment of the Group's potential exposure to Pillar Two income taxes. This assessment is based on the most recent information available regarding the financial performance of the constituent entities in the Group. Based on the assessment performed, the Group does not expect any material top up taxes. The Group is continuing to monitor potential future implications.

Note 11. Earnings per share

Basic earnings per share has been calculated by dividing the profit attributable to the owners of the Group by the weighted average number of ordinary shares outstanding during the financial year, after deducting shares held by the Employee Share Ownership Plan (ESOP) Trust.

Diluted earnings per share has been calculated after adjusting the weighted average number of shares used in the basic calculation to assume the conversion of all potentially dilutive shares. For the purposes of diluted earnings per share it is assumed that any performance conditions attached to the schemes have been met at the balance sheet date.

	Year ended 31 March	
	2024	2023
Profit for the year (£m)	354.6	114.0
Weighted average number of ordinary shares for basic EPS (in millions of shares)	1,036.7	1,029.4
Plus the effect of dilution from Share options (in millions of shares)	14.7	13.0
Weighted average number of ordinary shares adjusted for the effect of dilution (in millions of shares)	**1,051.4**	**1,042.4**
Basic EPS, in pence	34.20	11.07
Diluted EPS, in pence	33.73	10.94

Note 12. Property, plant and equipment

Accounting policy

Property, plant and equipment is stated at historical cost less accumulated depreciation and any accumulated impairment losses. Items of property, plant and equipment are derecognised on disposal or when no future economic benefits are expected to arise from the continued use of the asset.

Computer equipment is not recorded in property, plant and equipment, but expensed as low-value short-lived equipment in the Group.

The accounting policy for right-of-use assets is included in note 17.

Depreciation

Depreciation is charged on a straight-line basis from the time the asset is available for use, so as to allocate the cost of assets less their residual value over their estimated useful lives. The estimated useful lives assigned to principal categories of assets are as follows:

- Right-of-use assets: lease term (1-7 years)
- Leased office improvements: shorter of 5 years or lease term
- Office equipment: 2 years

Impairment of property, plant and equipment

Reviews are carried out if there is an indication that assets may be impaired, to ensure that property, plant and equipment are not carried at above their recoverable amounts.

	Right-of-use assets	Leased office improvements	Office equipment	Assets under construction	**Total**
	£m	£m	£m	£m	£m
At 1 April 2022					
Cost	25.8	10.5	4.9	0.2	41.4
Accumulated depreciation	(11.6)	(4.8)	(2.4)	-	**(18.8)**
Net book value	14.2	5.7	2.5	0.2	**22.6**
Additions	3.3	0.9	1.5	1.7	7.4
Reclassifications	-	1.4	-	(1.4)	**-**
Depreciation charge	(5.7)	(2.3)	(1.6)	-	**(9.6)**
Write-offs	-	(0.1)	-	-	**(0.1)**
Foreign currency translation differences	0.1	0.2	0.5	-	**0.8**
At 31 March 2023					
Cost	29.4	13.0	6.6	0.5	49.5
Accumulated depreciation	(17.5)	(7.2)	(3.7)	-	**(28.4)**
Net book value	11.9	5.8	2.9	0.5	**21.1**

Additions	15.3	0.1	-	10.3	25.7
Reclassifications	**-**	**3.4**	**2.0**	**(5.4)**	**-**
Depreciation charge	**(7.3)**	**(2.5)**	**(1.6)**	**-**	**(11.4)**
Write-offs	**-**	**(0.8)**	**-**	**-**	**(0.8)**
Foreign currency translation differences	**(0.4)**	**-**	**0.2**	**(0.1)**	**(0.3)**
At 31 March 2024					
Cost	39.0	15.4	8.1	5.3	67.8
Accumulated depreciation	**(19.5)**	**(9.4)**	**(4.6)**	**-**	**(33.5)**
Net book value	**19.5**	**6.0**	**3.5**	**5.3**	**34.3**

Refer to note 18 for disclosure of security.

Note 13. Intangible assets

Accounting policy

Intangible assets predominantly relate to internally generated software and other intangible assets and are stated at cost less accumulated amortisation.

Internally generated software

The Group develops software used in the provisioning of its services. Only the development costs that are directly attributable to the design, development and testing of new software controlled by the Group are capitalised. Other development expenditures that do not meet the recognition criteria under IAS 38 are recognised as an expense as incurred. Development costs previously recognised as an expense are not recognised as an asset in a subsequent period.

Costs associated with maintaining computer software are recognised as an expense as incurred. Directly attributable costs that are capitalised as part of the software product comprise software development employee costs.

Other intangible assets

Other intangible assets primarily include licences and domain purchases. They are amortised on a straight-line basis over their useful economic life or the term of the contract.

Amortisation

The Group amortises intangible assets on a straight-line basis over 3 years, except for mobile applications which are amortised over 2 years and licence purchases that are amortised over a period of 2-10 years.

Impairment of intangible assets

Intangible assets are assessed for impairment whenever there is an indicator that they might be impaired, for example when the assets are no longer in use and need to be decommissioned.

	Software	Other intangible assets	**Total**
	£m	£m	**£m**
At 1 April 2022			
Cost	39.0	4.9	**43.9**

Accumulated amortisation	(23.0)	(0.6)	**(23.6)**
Net book value	**16.0**	**4.3**	**20.3**
Additions	4.6	0.1	**4.7**
Amortisation charge	(11.4)	(2.2)	**(13.6)**
At 31 March 2023			
Cost	28.3	5.0	**33.3**
Accumulated amortisation	(19.1)	(2.8)	**(21.9)**
Net book value	**9.2**	**2.2**	**11.4**
Additions	**2.0**	**-**	**2.0**
Amortisation charge	**(6.5)**	**(0.4)**	**(6.9)**
At 31 March 2024			
Cost	**11.0**	**4.6**	**15.6**
Accumulated amortisation	**(6.3)**	**(2.8)**	**(9.1)**
Net book value	**4.7**	**1.8**	**6.5**

In addition to the capitalised amounts as software, the Group expensed £115.8m of product engineering costs for the year ended 31 March 2024 (2023: £91.8m). These costs directly relate to the development of the Group's product offerings and primarily comprise employee costs of the engineering and product teams that do not meet the capitalisation criteria.

During the year, the Group removed from the asset register intangible assets with a total cost of £19.7m (2023: £15.3m), that have been fully amortised.

Note 14. Trade and other receivables

Accounting policy

Trade and other receivables primarily consist of amounts due from payment processors, partners, customers and collateral deposits the Group holds with its counterparts. Trade and other receivables are initially recognised at fair value and subsequently measured at amortised cost less impairment for expected credit losses. The carrying values of current trade receivables approximate their fair values due to their short maturity.

The Group recognises impairment loss allowances for expected credit losses ('ECL') on financial assets that are measured at amortised cost. The Group's receivables are considered to qualify for the simplified approach, which requires expected lifetime credit losses to be recognised from the initial recognition of the receivables.

Refer to note 18 for further information on expected credit losses.

The impairment loss allowance recognised during the year, relates to chargebacks and negative customer balances. For chargebacks, the Group has established a provision matrix that is based on its historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment. For overdrafts, if an active non fraudulent account goes more than 30 days past due, according to the Group policy, it is perceived as an indication of a significant increase in credit risk and the receivable is provided in full.

	2024	2023
	£m	£m
Non-current trade and other receivables		
Office lease deposits	**2.8**	2.4
Other non-current receivables	**29.3**	15.5
Total non-current trade and other receivables	**32.1**	**17.9**
Current trade and other receivables		
Receivables from payment processors	**95.6**	86.8
Receivables from partners	**93.6**	41.0
Collateral deposits	**25.0**	44.8
Prepayments	**30.1**	19.4
Receivables from customers*	**131.6**	23.9
Receivables from broker	**19.9**	15.2
Interest receivable	**30.9**	11.7
Other receivables	**16.1**	7.2

Total current trade and other receivables	**442.8**	**250.0**

*Receivables from customers disclosed are net of expected credit loss provision of £41.3m as at 31 March 2024 (2023: £31.5m). The movement in the year is predominantly related to increased activity and the related increase in customer balances, which resulted in the increase of negative customers' balances older than 30 days. Customer chargebacks decreased by £1.6m to £2.5m at 31 March 2024 (31 March 2023: £4.1m) and negative customer balances increased by £11.5m to £38.9m (31 March 2023: £27.4m).

Note 15. Cash and cash equivalents

Accounting policy

Cash and cash equivalents include cash on hand, on-demand deposits, term deposits used for meeting short term cash commitments, money market funds (MMFs) and other short-term high quality liquid investments with original maturities of 3 months or less, and e-money held with payment processing partners. Due to the short duration of the cash and cash equivalents (less than 3 months), the fair value approximates the carrying value at each reporting period.

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.

Cash collateral deposits the Group holds with its counterparties are recognised under 'Trade and other receivables' in the statement of financial position.

Customer deposits
As disclosed above, the Group recognises financial assets and liabilities for the funds customers hold in their Wise accounts and the funds collected from customers, as part of the money transfer settlement process, that have not yet been processed. The liability is recognised upon receipt of cash or capture confirmation (depending on pay-in method), and is derecognised when cash is delivered to the beneficiary.

Principles to determine the point of delivery are the same as applied in revenue recognition, see note 3.

Critical accounting judgement

Customer balances
The Group recognises financial assets and corresponding liabilities for the funds customers hold in their Wise Accounts and the funds the Group receives as part of the money transfer settlement process. At the point that the cash is received from the customer, the Group becomes party to a contract and has a right and an ability to control the economic benefit from the cash flows associated with this balance. Additionally, pursuant to IAS 32, the Group considers it does not have a legally enforceable right to set off these financial assets and liabilities, or an intention to settle them on a net basis or settle them simultaneously. Therefore, Management has concluded that the recognition of the financial assets and their respective liabilities on the balance sheet is appropriate.

	2024	2023

	£m	£m
Cash and cash equivalents		
Cash at banks, in hand and in transit between Group bank accounts	**6,570.3**	4,827.8
Cash in transit to customers	**132.8**	182.0
Investment into money market funds	**3,776.1**	2,669.6
Total cash and cash equivalents	**10,479.2**	**7,679.4**

Cash at banks, in hand and in transit between Group bank accounts include term deposits of £285.8m (2023: £nil). Their settlement date is three months or less.

Of the £10,479.2m (2023: £7,679.4m) cash and cash equivalents at the year end, £1,061.1m (2023: £671.1m) is the corporate cash balance of the Group. This balance is not related to customer funds, which are held in Wise Accounts, or collected from customers as part of the money transfer settlement process.

The Group is subject to various regulatory safeguarding compliance requirements with respect to customer funds. Such requirements may vary across the different jurisdictions in which the Group operates. As at 31 March 2024, the Group held £5,290.5m (2023: £3,832.9m) of customer funds as cash in segregated, safeguarding bank accounts at investment grade banking institutions and term deposits. The remainder of safeguarded customer deposits were held across highly liquid global money market funds (MMFs), treasury bonds and investment grade corporate paper, as allowed by local regulations.

Note 16. Trade and other payables

Accounting policy

Accounts payable consist of obligations to pay for goods and services that have been acquired in the ordinary course of business from suppliers on the basis of normal credit terms and do not bear interest.

Wise Accounts relate to the funds customers hold in their Wise accounts and the funds the Group receives as part of the money transfer settlement process. They are non-derivative liabilities to individuals or business customers for money they hold with the Group and do not constitute borrowings. Refer to note 15 for details of the judgement Management has exercised in relation to customers' balances and the recognition of the financial assets and their respective liabilities on the balance sheet.

Outstanding money transmission liabilities represent transfers that have not yet been paid out or delivered to a recipient.

Payables are initially recognised at fair value and subsequently measured at amortised cost.

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.

	As at 31 March 2024 £m	As at 31 March 2023 £m
Non-current trade and other payables		
Accounts payable and accrued expenses	7.4	4.6
Other payables	38.7	25.1
Total non-current trade and other payables	**46.1**	**29.7**
Current trade and other payables		
Outstanding money transmission liabilities	235.9	191.3
Wise Accounts	13,261.0	10,676.4
Accounts payable	7.9	8.2
Accrued expenses	76.3	52.2
Deferred revenue	12.9	8.0
Payables to payment processors	216.8	53.6
Other taxes	22.7	11.1
Other payables	39.2	22.1
Total current trade and other payables	**13,872.7**	**11,022.9**

Wise Accounts

The table below illustrates the currencies in which Wise Accounts are held:

	2024 £m	2023 £m
Wise accounts		
USD	4,881.8	3,892.6
EUR	4,717.6	3,571.8
GBP	2,092.2	2,058.4
AUD	338.0	222.8
CAD	205.1	155.6
CHF	183.9	183.2
JPY	182.7	83.0
Other	659.7	509.0

Total	**13,261.0**	**10,676.4**

Note 17. Borrowings

Accounting policy

Revolving credit facility (RCF)
The RCF is recognised initially at fair value, net of transaction costs incurred, and is subsequently carried at amortised cost. Any difference between the proceeds (net of transaction costs) and the redemption value is recognised as interest expense using the effective interest method over the term of the borrowing. Fees paid on the establishment of loan facilities are recognised as transaction costs of the loan to the extent that it is probable that some or all of the facility will be drawn down. In this case, the fee is deferred and treated as a transaction cost when the draw-down occurs. The Group presents the impact of transaction costs as part of financing cash flows.

The Group uses the facility primarily for short-term funding, as such the facility has been recorded as a current liability on the balance sheet.

Leases
Where the Group is the lessee, the right-of-use of assets are recorded within the 'Property, plant and equipment' line in the statement of financial position and are measured at an amount equal to the lease liability. They are related to office spaces leased in various locations and depreciated on a straight-line basis with the charge recognised in administrative expenses. The liability, recognised as part of borrowings, is measured at a discounted value and any interest is charged to finance charges. The Group presents the payments of principal and interest on lease liabilities as part of financing cash flows.

The Group has elected not to apply the requirements of IFRS 16 to short-term leases (leases with a lease term of 12 months or less) and leases for which the underlying asset is of low value. Low-value assets comprise IT and office equipment with a purchase price under £5,000. Payments associated with short-term and low-value assets are recognised on a straight-line basis as an expense in profit or loss.

Extension and termination options are included in a number of property and equipment leases across the Group and they are exercisable only by the Group and not by the lessors. The Group initially assesses at lease commencement whether it is reasonably certain it will exercise the options and subsequently reassesses if there is a significant event or significant changes in circumstances within its control. The Group has concluded it is not reasonably certain that the options will be exercised.

	2024 **£m**	2023 £m
Current		
Revolving credit facility	202.7	249.9
Lease liabilities	6.7	6.7

Total current borrowings	**209.4**	**256.6**
Non-current		
Lease liabilities	14.8	7.8
Total non-current borrowings	**14.8**	**7.8**
Total borrowings	**224.2**	**264.4**

Debt movement reconciliation:

	Revolving credit facility £m	Lease liabilities £m	Total £m
As at 31 March 2022	**78.5**	**17.2**	**95.7**
Cash flows:			
Proceeds	529.0	-	**529.0**
Transaction costs related to revolving credit facility	(1.5)	-	**(1.5)**
Repayments	(359.0)	(5.9)	**(364.9)**
Interest expense paid	(6.4)	(0.7)	**(7.1)**
Non-cash flows:			
New leases	-	3.2	**3.2**
Interest expense	9.3	0.7	**10.0**
As at 31 March 2023	**249.9**	**14.5**	**264.4**
Cash flows:			
Proceeds	420.0	-	**420.0**
Transaction costs related to revolving credit facility	(0.5)	-	**(0.5)**
Repayments	(470.0)	(7.1)	**(477.1)**
Interest expense paid	(15.8)	(1.1)	**(16.9)**
Non-cash flows:			
New leases	-	15.3	**15.3**
Interest expense	19.2	1.1	**20.3**

Foreign currency translation differences	(0.1)	(0.2)	**(0.3)**
Other lease movements	-	(1.0)	**(1.0)**
As at 31 March 2024	**202.7**	**21.5**	**224.2**

Revolving credit facility (RCF)

The Group has access to a multi-currency revolving facility offered by a syndicate of eight lenders, namely: HSBC Innovation Banking Limited, National Westminster Bank Plc, Citibank N.A., London Branch, JP Morgan Chase Bank N.A., London Branch, Goldman Sachs Lending Partners LLC, Barclays Bank Plc, Morgan Stanley Senior Funding Inc., and The Governor and Company of the Bank of Ireland. In December 2023, the Group exercised an accordion feature within the agreement to increase the total available committed funding capacity by an additional £100.0m, increasing the total facility size from £300.0m to £400.0m. The maturity date of the facility is in August 2025, and the agreement offers two, one year, extension options.

The facility bears interest at a rate per annum equal to SONIA plus a margin determined by reference to adjusted leverage (calculated as a ratio of debt to adjusted EBITDA). The agreement contains certain customary covenants, including to maintain a maximum total net leverage ratio not in excess of 3:1 and interest cover (calculated as a ratio of adjusted EBITDA to finance charges in accordance with the terms of the agreement) not less than a ratio of 4:1 in respect of any relevant period.

The Group monitors compliance with the covenants throughout the reporting period and has complied with all financial covenants for this and all reporting periods. The undrawn available committed funds as at 31 March 2024 was £200.0m (2023: £50.0m).

The facility is secured by certain customary security interests and pledges including over shares in certain Group entities (Wise plc, Wise Financial Holdings Ltd, Wise Payments Limited, Wise US Inc., Wise Europe SA and Wise Australia Pty Ltd), and fixed and floating pledges over assets and undertakings of Wise Payments Limited, excluding customer and partner funds, share capital or equity contributions maintained for regulatory purposes, cash paid into a bank or collateral account in connection with, and for the benefit of, relevant card scheme providers and assets held in safeguarded accounts or otherwise segregated for regulatory purposes.

Lease liabilities

As at 31 March 2024, the lease liabilities are £21.5m (2023 £14.5m) and relate to the expected terms remaining on UK, US, Estonia, Hungary, Singapore, Belgium and Brazil office space leases discounted at between 2.21% and 15.75%. The leases expire between 2024-2030.

The total expense, relating to short-term leases to which the lessee recognition and measurement requirement have not been applied, for the year ended 31 March 2024 is £1.0m (2023: £1.4m).

The Group has extension options in office leases, which have not been exercised as at 31 March 2024. The potential future lease payments, should the Group exercise the extension options, would result in an increase in the lease liability of £3.6m.

The Group has a termination option in an office lease, which has not been exercised as at 31 March 2024. The potential future lease payments, should the Group exercise the termination option, would result in a decrease in the lease liability of £0.5m.

Note 18. Financial instruments and risk management

Accounting policy

Financial assets

The Group classifies its financial assets, at initial recognition, and subsequently measures them at:

- amortised cost;
- fair value through profit or loss (FVTPL); and
- fair value through other comprehensive income (FVOCI).

The classification of financial assets at initial recognition depends on the financial asset's contractual cash flows and the Group's business model for managing them. The Group's business model for managing financial assets refers to how they are used in order to generate cash flows. The business model determines whether cash flows will result from collecting contractual cash flows, selling the financial assets, or both. Cash flows in relation to purchase or sale of these instruments are classified as investing activities in the consolidated cash flow statement.

Financial assets at amortised cost
The Group classifies its financial assets at amortised cost only if both of the following criteria are met:

- the asset is held within a business model whose objective is to collect the contractual cash flows; and
- the contractual terms give rise to cash flows that are solely payments of principal and interest.

Financial assets at amortised cost are subsequently measured using the effective interest method and are subject to impairment. Gains and losses are recognised in the profit or loss when the asset is derecognised, modified or impaired. Financial assets measured at amortised cost are predominantly trade and other receivables and cash and cash equivalents.

Financial assets at fair value through other comprehensive income (FVOCI)
The Group classifies debt securities (e.g. bonds) as FVOCI, as the contractual cash flows are solely payments of principal and interest, and the objective of the Group's business model is achieved both by collecting contractual cash flows and selling financial assets.

Financial assets through profit or loss (FVTPL)
Financial assets are classified at fair value through profit or loss where they do not meet the criteria to be measured at amortised cost or fair value through other comprehensive income. Financial assets through profit or loss include derivative assets.

Impairment of financial assets
The Group recognises impairment loss allowances for expected credit losses ('ECL') on financial assets that are measured at amortised cost or fair value through other comprehensive income. The ECL assessment considers both the 12-month Expected Credit Loss (ECL) and the lifetime ECL, as per IFRS 9 requirements.

For debt instruments held at FVOCI, collateral deposits the Group holds with its counterparties and receivable from payment processors, the Group applies the low credit risk simplification. The Group's policy only allows exposures to financial institutions with sound credit quality rating and limits the exposure to a maximum amount. Furthermore, as per Group's investment policy, the debt instruments held at FVOCI consist solely of quoted bonds that are graded in the top investment categories (rated A- and above) and, therefore, are considered to be low credit risk investments.

ECLs on such instruments are measured on a 12-month basis; nevertheless, when there has been a significant increase in credit risk since initial recognition, the allowance will be based on the lifetime ECL. At every reporting date, the Group evaluates whether or not these financial instruments are considered to have low credit risk using all reasonable and supportable information that is available without undue cost or effort. The Group uses external credit ratings if available both to determine whether the financial instrument has significantly increased in credit risk and to estimate ECLs. If a bank or other financial institution has no external credit rating, the Group evaluates its credit quality, where necessary, by analysing its financial position, past experience, and other factors.

The Group's remaining trade and other receivables qualify for the simplified approach in calculating ECLs, as they do not contain a significant financing component. Therefore, the Group does not track changes in credit risk, but instead recognises a loss allowance based on lifetime ECLs at each reporting date. To measure the ECLs, trade receivables have been grouped based on shared credit risk characteristics and the days past due. The Group's expected credit loss policy is to reassess all trade receivables over 30 days past due, and provide an ECL allowance if the balance is deemed to be at risk.

In calculating the ECL on the receivable recognised for chargebacks, the Group has established a provision matrix that is based on its historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment. For negative customer balances, if an active - non fraudulent account goes more than 30 days past due, according to the Group policy, it is perceived as an indication of a significant increase in credit risk and the receivable is provided in full.

Financial liabilities
Financial liabilities are measured at amortised cost, except for the derivative liabilities, which are classified as financial liabilities measured at fair value through profit or loss.

Derivative financial instruments
Derivative financial instruments are used to manage exposure to market risks. The principal derivative instruments used by the Group are foreign currency swaps, foreign exchange forwards and non-deliverable foreign exchange forwards. Such derivative financial instruments are initially recognised at fair value on the date on which a derivative contract is entered into and are subsequently remeasured at fair value through profit and loss at each reporting date.
The Group does not hold or issue derivative financial instruments for trading or speculative purposes.

The fair value of the derivative financial instruments are determined by mark-to market valuation technique. The key inputs in the valuation model are the observable foreign exchange rates for the currencies involved. These inputs are considered level 2 within the fair value hierarchy, as they are observable, but may not be quoted directly for the specific instruments.

In the course of its business, the Group is exposed to the main financial risks: liquidity, credit, and market risk from its use of financial instruments. The Group's financial risk management programme seeks to minimise potential adverse effects on the Group's financial performance.

a. Liquidity risk

Liquidity risk is the risk that the Group cannot meet its financial obligations as they fall due. Management monitors rolling forecasts of the Group's liquidity requirements to ensure it has sufficient cash to meet operational needs.

The Group's approach to managing liquidity risk is to ensure that it always has enough liquid resources to meet its liabilities when due, under both normal and stressed conditions, without incurring losses or risking damage to the Group's position above the Group's liquidity risk appetite. The Group utilises an internal liquidity adequacy assessment process to assess the Group's liquid resources; this process includes an assessment of net stressed liquidity outflows over a number of severe yet plausible stress scenarios. This ensures the Group maintains prudent levels of liquid resources at all times to meet both regulatory and the internal liquidity risk requirements.

The Group assessed the concentration risk associated with refinancing its debt and concluded that it is low. This conclusion is based on the diverse mix of available liquidity sources available to Wise alongside robust internal cash reserves. The Group has not experienced any difficulties in sourcing additional liquidity over the past twelve months.

The breakdowns of trade payables and borrowings into current and non-current are shown in notes 16 and 17. See also note 18 (e) for the maturity profile of the Group's financial liabilities based on contractual undiscounted payments.

b. Credit risk

Credit risk is the risk of financial loss to the Group if a customer or counterparty to a financial instrument fails to meet its contractual obligations. The credit risk exposure is managed at Group level against the Group's credit risk appetite. Wise actively manages credit concentration risk and it is Wise's policy to impose credit limits in order to control the exposure (amount and period) Wise has with each counterparty considering their level of risk. These limits are set based on the credit rating or perceived credit quality of each counterparty and approval must be obtained from the Asset - Liability Committee (ALCO).

The Group's maximum exposure to credit risk by class of financial asset is as follows:

	2024	2023
	£m	£m
Asset category		
Cash and cash equivalents	**10,479.3**	7,679.4
Short-term financial investments	**4,033.9**	3,804.5
Trade and other receivables	**415.4**	233.1
Derivative financial assets	**1.6**	-
Total assets subject to credit risk	**14,930.2**	11,717.0

Credit risk is mitigated as the majority of these financial assets are held with investment grade financial institutions or invested in highly rated financial instruments with credit ratings assigned by reputable credit rating agencies such as Moody's, Standard & Poor's and Fitch Ratings.

The Group's financial assets breakdown by credit ratings is as follows:

External Credit rating (Moody's)	2024 £m	2023 £m
Cash and cash equivalents		
AAA	3,776.1	2,669.6
AA/Aa	1,978.2	2,887.8
A	4,114.5	1,658.7
BBB/Baa	80.0	83.4
BB/Ba,B	56.0	28.4
CCC/Caa	2.1	3.1
Unrated *	201.4	76.0
Cash in transit	271.0	272.4
Total cash and cash equivalents subject to credit risk	**10,479.3**	**7,679.4**
Short-term financial investments		
Aa, A	4,033.9	3,804.5
Total short-term financial instruments subject to credit risk	**4,033.9**	**3,804.5**
Trade and other receivables and derivative financial assets		
AA/Aa	130.6	12.4
A	83.4	85.9
BBB/Baa	4.8	2.7
BB/Ba,B	-	41.6
Unrated*	198.2	90.5
Total trade and other receivables and derivative financial assets subject to credit risk	**417.0**	**233.1**

* 'Unrated' includes payment providers, banks and customers with no public credit rating.

c. Market risk

Interest rate risk
The Group is exposed to interest rate risk from floating interest rate borrowings (refer to note 17) and manages the potential that financial expenses increase when interest rates increase. Sensitivity analysis is used to assess the interest rate risk.

The Group is exposed to interest rate risk from fixed rate interest rate assets and liabilities on Wise's balance sheet. The main fixed interest rate exposure for Wise is driven by the safeguarded assets (mainly sovereign bonds) held as part of the investment portfolio. The interest rate risk is measured and monitored through an interest rate stress (175 basis points move in interest rates) applied on the bond assets, with an impact of £38.4m across all bond holdings.

Foreign exchange risk
The Group is exposed to foreign exchange rate movement from holding assets and liabilities in different currencies and guaranteeing customers a foreign exchange rate on their international transfers for a short period of time. Wise actively monitors foreign exchange risk, and exposures are managed through a combination of natural hedging and treasury products hedging.

The Group uses a combination of foreign currency swaps, foreign exchange forwards and non-deliverable foreign exchange forwards to hedge its exposure to foreign currency risk:

	2024			2023		
	Carrying amount assets	**Carrying amount liabilities**	**Notional amount**	Carrying amount assets	Carrying amount liabilities	Notional amount
	£m	£m	£m	£m	£m	£m
Derivative financial instruments						
Foreign currency swaps	1.2	0.8	494.9	-	0.1	196.0
Foreign exchange forwards	0.4	0.5	486.5	0.2	-	143.3
Non-deliverable foreign exchange forwards	-	0.3	45.6	-	0.1	26.9
Total derivative financial instruments	**1.6**	**1.6**	**1,027.0**	**0.2**	**0.2**	**366.2**

The remaining maturity of all open treasury positions as at 31 March 2024 is between 1 to 19 days (31 March 2023: between 3 to 11 days).

The notional contract amounts of those derivatives held to manage the foreign exchange exposure indicate the nominal value of transactions outstanding at the balance sheet date. They do not represent amounts at risk. Post balance sheet date all open treasury positions have been realised or settled.

The Group's exposure to foreign exchange risk by currency
The table below presents the Group's net position (difference between financial assets and liabilities) across its main currencies at the end of each reporting period

	2024	2023
	£m	£m
Net exposure by currency		
HUF*	**(96.6)**	(2.1)
USD*	**60.8**	18.0
AUD*	**59.3**	(8.2)
BRL	**52.6**	22.6
EUR*	**(45.2)**	(56.8)
THB*	**(43.1)**	17.0
SGD*	**37.3**	13.6
JPY*	**(16.5)**	(17.0)
PHP	**15.2**	16.9
CAD*	**11.1**	(7.8)
Other currencies	**(4.8)**	(30.9)

	2024	2023
	£m	£m
Sensitivity to 5% exchange rate change		
HUF	**(4.8)**	(0.1)
USD	**3.0**	0.9
AUD	**3.0**	(0.4)
BRL	**2.6**	1.1
EUR	**(2.3)**	(2.8)
THB	**(2.2)**	0.9
SGD	**1.9**	0.7
JPY	**(0.8)**	(0.9)
PHP	**0.8**	0.8
CAD	**0.6**	(0.4)
Other currencies	**(0.2)**	(1.5)

*The Group mitigates the exposure to foreign exchange risk from movements in these currencies with a combination of treasury products. For further information on the instruments the Group utilises to manage its foreign exchange risk, refer to the 'Foreign exchange risk' section above.

The Group's sensitivity to foreign exchange fluctuations by currency is as follows:

A 5% strengthening or weakening of GBP against all other currencies, with all other variables being constant, would result in a foreign exchange loss or gain of £1.6m (2023: £1.7m), excluding the tax effect.

The Group considers a 5% strengthening or weakening of the functional currency against the non-functional currency of its subsidiaries as a reasonably possible change in foreign exchange rates.

d. **Capital risk**

Capital risk is the risk that the Group has an insufficient level or composition of capital to support its normal business activities and to meet its regulatory capital requirements, both under normal operating environments and stressed conditions.

The Group's capital comprises ordinary share capital, other reserves and retained earnings.

The Group's objectives when managing capital risk are to:

- safeguard the Group's ability to continue as a going concern, so that the Group can continue to provide returns for shareholders and benefits for other stakeholders;
- maintain an optimal capital structure to reduce the cost of capital;
- adhere to regulatory requirements in each jurisdiction; and
- fund an orderly wind-down in an adverse reverse scenario.

Further information on the Group's policies and processes for managing capital, along with the disclosure requirements under MIFIDPRU 8, can be found on our Owner relations website: https://wise.com/owners/.

The Group is subject to prudential regulatory consolidation which follows the rules in the sourcebook for MIFID investment firms ('MIFIDPRU'). This is the case due to the existence of TINV Ltd, a group UK FCA-regulated investment firm subject to the same rules.

Both TINV Ltd (MIFID investment firm) and the Group (MIFID investment group) are classified as Non-small and Non-interconnected investment firms ('non-SNI').

The Group has complied with all external regulatory requirements in relation to capital in the year.

Overall own funds requirement

The Group own funds requirement is subject to the variable own funds requirement that is the highest of :

1. its permanent minimum capital requirement (i.e. its initial capital requirement);

2. its fixed overheads requirement ('FOR'); and
3. its K-factor requirement ('KFR').

The Group also follows and adheres to the Overall Own Funds Threshold Requirement as this is derived by the Group's Internal Capital Adequacy Assessment ('ICARA') and approved by the board. ICARA is a continuous risk assessment process which considers the business model implication on capital and liquidity on an ongoing basis pursuant to the guidance of MIFIDPRU 7.

e. **Carrying amounts and fair values of financial instruments**

The carrying value of the Group's financial assets and liabilities by measurement basis is presented below:

	2024	2023
	£m	£m
Financial assets at amortised cost		
Long-term receivables	**2.8**	2.4
Short-term trade and other receivables	**412.6**	230.7
Cash and cash equivalents	**10,479.3**	7,679.4
Total financial assets at amortised cost	**10,894.7**	**7,912.5**
Financial liabilities at amortised cost		
Non-current lease liabilities	**(14.8)**	(7.8)
Non-current trade and other payables	**-**	(0.1)
Current lease liabilities	**(6.7)**	(6.7)
Current borrowings	**(202.7)**	(249.9)
Current trade and other payables	**(13,806.0)**	(10,979.6)
Total financial liabilities at amortised cost	**(14,030.2)**	**(11,244.1)**
Financial assets at FVOCI		
Short-term financial investments	**4,033.9**	3,804.5
Total financial assets at FVOCI	**4,033.9**	**3,804.5**
Financial assets at FVTPL		
Derivative financial assets	**1.6**	-
Financial assets at FVTPL total	**1.6**	-

Financial liabilities at FVTPL		
Derivative financial instruments	**(1.6)**	-
Financial liabilities at FVTPL total	**(1.6)**	-

Fair value hierarchy

Assets and liabilities carried at fair value or for which fair values are disclosed have been classified into three levels according to the quality and reliability of information used to determine the fair values.

- Level 1: The fair value of financial instruments traded in active markets is based on quoted market prices at the end of the reporting period. Products classified as level 1 predominantly comprise treasury bonds and investment grade corporate paper. The quoted market price used for financial assets held by the Group is the current close price at the balance sheet date.
- Level 2: The fair value of financial instruments that are not traded in an active market is determined using valuation techniques with the inputs that are observable either directly or indirectly. The Group classifies foreign exchange contracts as level 2 financial instruments. These instruments are valued by observable foreign exchange rates. There were no changes to the valuation technique during the period.
- Level 3: If one or more of the significant inputs is not based on observable market data, the instrument is included in level 3. The Group does not currently have any financial instruments in level 3.

The following table presents the Group's assets and liabilities that are measured at fair value by the level in the fair value hierarchy as at the reporting date:

	Total	Level 1	Level 2	Level 3
At 31 March 2024	**£m**	£m	£m	£m
Financial assets measured at fair value				
Short-term financial investments	**4,033.9**	4,033.9	-	-
Derivative financial assets	**1.6**	-	1.6	-
Total financial assets measured at fair value	**4,035.5**	**4,033.9**	**1.6**	**-**
Financial liabilities measured at fair value				
Derivative financial liabilities	**(1.6)**	-	(1.6)	-
Total financial liabilities measured at	**(1.6)**	**-**	**(1.6)**	**-**

fair value

At 31 March 2023	**Total** **£m**	Level 1 £m	Level 2 £m	Level 3 £m
Financial assets measured at fair value				
Short-term financial investments	**3,804.5**	3,804.5	-	-
Derivative financial assets	**-**	-	-	-
Total financial assets measured at fair value	**3,804.5**	**3,804.5**	**-**	**-**
Financial liabilities measured at fair value				
Derivative financial liabilities	**-**	-	-	-
Total financial liabilities measured at fair value	**-**	**-**	**-**	**-**

Contractual maturity of financial liabilities based on undiscounted cash flows:

	2024 **£m**	2023 £m
Less than 1 year		
Current lease liabilities	**(8.6)**	(7.3)
Current borrowings	**(209.9)**	(256.6)
Current trade and other payables	**(13,806.0)**	(10,979.6)
Total financial liabilities	**(14,024.5)**	**(11,243.5)**
Between 1 and 5 years		
Non-current lease liabilities	**(16.9)**	(8.2)
Non-current borrowings	**(1.0)**	(2.9)
Non-current trade and other payables	**-**	(0.1)
Total financial liabilities	**(17.9)**	**(11.2)**

Current and non-current borrowings include principal and interest.

Note 19. Share capital

Allotted, called up and fully paid

Class	As at 31 March 2024			As at 31 March 2023		
	Nominal value, £	Number of shares	Share capital, £	Nominal value, £	Number of shares	Share capital, £
Class A Ordinary	0.01	1,024,777,252	10,247,773	0.01	1,024,677,252	10,246,773
Class B Ordinary	0.000 000 001	398,889,814	-	0.000 000 001	398,889,814	-
Total		**1,423,667,066**	**10,247,773**		**1,423,567,066**	**10,246,773**

During the year, 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 (2023: 87,396 Class A Ordinary Shares of £0.01 related to customer shareholder programme).

Each Class A Ordinary shareholder is entitled to one vote for each Class A Ordinary Share held, subject to any restrictions on total voting rights as set out in the Company's Articles of Association. Class A Ordinary shareholders are entitled to interim or annual dividends to the extent declared and do not hold any preferential rights to dividends. Class A Ordinary Shares are non-redeemable.

Each Class B shareholder is entitled to nine votes for each Class B Share held, subject to any restrictions on total voting rights as set out in the Company's Articles of Association. Class B Shares carry no rights to distributions of dividends except on distribution of assets, up to their nominal value, on a liquidation or winding up. Class B Shares are strictly non-transferable, non-tradable and non-distributable to any person or entity whatsoever.

Note 20. Own share reserve

Accounting policy

Own share reserve
Own share reserve represents the weighted average cost of shares of Wise plc that are held by the employee share trust for the purpose of fulfilling obligations in respect of various employee share plans. Own shares are treated as a deduction from equity, and on exercising of employee awards, are transferred from own shares to retained earnings at their weighted average cost.

Employee share trust
The Group provides financing to the Employee Share Ownership Plan (ESOP) Trust to either purchase the Company’s shares on the open market, or to subscribe for newly issued share capital, to meet the Group’s obligation to provide shares when employees exercise their options or awards.

Costs of running the ESOP Trust are charged to the consolidated income statement. The Group consolidates this share trust.

Shares held by the ESOP Trust are deducted from reserves and presented in equity as own shares until such time that employees exercise their awards. The consideration paid, including any directly attributable incremental costs (net of income taxes), on purchase of Company's equity instruments is deducted from equity.

Purchase of own shares
During the financial year, Wise continued the programme, which commenced in 2023, to purchase Wise shares in the market through the ESOP Trust in order to reduce the impact of dilution from stock-based compensation. As of 31 March 2024, a total of 9,071,706 shares were purchased from the market at an average of £7.56 per share. Directly attributable costs of £0.5m have been charged to equity.

Note 21. Share-based employee compensation

Accounting policy

The Group operates a number of employee equity-settled schemes as part of its reward strategy, which are designed to provide long-term incentives for all employees to deliver long-term shareholder returns. Under the plans, participants are granted share awards of the Company, which vest gradually over the vesting period and are equity settled for shares within Wise plc.

The total amount to be expensed is determined by reference to the fair value of the awards granted and it is calculated using the closing share price at the grant date. It is recognised in employee benefit expenses together with a corresponding increase in equity (share-based payment reserve), over the period in which the service and the performance conditions are fulfilled (the vesting period). Upon exercise of share options, the impact is recognised in retained earnings.

For non-market-based awards, vesting conditions are included in the assumptions of the number of options and awards that are expected to vest. At each reporting date, the entity revises its estimates of the number of options and awards that are expected to vest. It recognises the impact of the revision to original estimates, if any, in the statement of comprehensive income, with a corresponding adjustment to the share-based payment reserve. For awards subject to a market-based performance condition, no subsequent adjustments may be made.

Employee share award plans
The awards are subject to service conditions, i.e. the requirement for recipients of awards to remain in employment with the Group over the vesting period, which typically is 4 years.

For the market-based award
For the market-based award, the vesting is conditional on achievement of the relative total shareholder return (TSR) compared to the FTSE 250 and volume growth performance measures over the 3-year performance period.

Transactions on the share award plans during the year were as follows:

	As at 31 March 2024		As at 31 March 2023	
	Weighted average exercise price per award, £	Number of awards	Weighted average exercise price per award, £	Number of awards
Beginning of year	0.08	65,648,858	0.11	58,305,023
Granted during the year	-	11,460,714	-	19,229,526
Exercised during the year	0.06	19,895,709	0.07	8,694,892
Forfeited during the year	0.01	3,623,805	0.03	3,190,799
End of year	**0.08**	**53,590,058**	**0.08**	**65,648,858**
Vested and exercisable as at end of year	**0.15**	**30,049,308**	**0.14**	**38,644,818**

The share-based payment compensation expense for the year ended 31 March 2024 is £72.5m (2023: £58.3m).

During the year £54.2m (2023: £19.1m) of share-based payments were vested and exercised and were recycled to retained earnings.

Share options outstanding at the end of the year have the following expiry dates and exercise prices:

Grant date range 12 months ended 31 March	Expiry date range 12 months ended 31 March	Weighted average exercise price	Number of awards as at 31 March 2024	Number of awards as at 31 March 2023
2014	2024	-	-	232,310
2015	2025	-	221,193	1,256,199
2016	2026	0.10	1,267,842	1,678,385
2017	2027	0.15	1,498,924	2,690,444
2018	2028	0.24	2,823,387	4,275,362
2019	2029	0.16	6,430,466	9,288,573
2020	2030	0.19	8,376,895	13,051,895
2021	2031	0.16	5,036,241	7,490,612
2022	2032	-	5,807,083	8,123,460
2023	2033	-	12,120,478	17,561,618
2024	2034	-	10,007,549	-

Total	**53,590,058**	**65,648,858**
Weighted average remaining contractual life of options outstanding at end of year	**6.8 years**	**7.1 years**

The weighted average share price at the date of exercise for share options exercised in 2024 was £7.15 (2023: £4.98).

Valuation of share awards
The assessed fair value at the grant date of share awards granted during the year ended 31 March 2024 was £6.52 per option on average (2023: £5.12). The fair value of the share awards granted is calculated using the closing share price at the grant date.

Note 22. Cash generated from operating activities

	Note(s)	**2024 £m**	2023 £m
Cash generated from operations			
Profit for the year		354.6	114.0
Adjustments for:			
Depreciation and amortisation	7,12,13	18.3	23.2
Non-cash share-based payments expense		72.5	58.2
Foreign currency exchange differences		21.5	(61.5)
Current tax expense	10	126.8	32.5
Interest income and expenses		(484.6)	(129.4)
Fair value loss on financial assets at FVOCI		0.3	-
Effect of other non-monetary transactions		2.1	1.7
Changes in operating assets and liabilities:			
Increase in prepayments and receivables		(119.2)	(66.8)
Increase in trade and other payables		58.0	23.8
Increase in receivables from customers and payment processors		(72.7)	(29.1)
Increase in liabilities to customers, payment processors and deferred revenue		228.6	78.7
Increase in Wise accounts		2,788.7	3,801.8
Cash generated from operations		**2,994.9**	**3,847.1**

Note 23. Commitments and contingencies

The Group's minimum future payments from non-cancellable agreements as at year end are detailed below:

	2024	2023
	£m	£m
Infrastructure subscriptions		
No later than 1 year	**34.3**	1.7
Later than 1 year and no later than 5 years	**64.3**	0.3
Total	**98.6**	**2.0**
Significant capital expenditure contracted		
No later than 1 year	**0.6**	-
Later than 1 year and no later than 5 years	**27.7**	16.1
Later than 5 years	**55.5**	23.3
Total	**83.8**	**39.4**

The Group does not have any other material commitments, capital commitments or contingencies as at 31 March 2024 and 31 March 2023.

Note 24. Transactions with related parties

Related parties of the Group and Wise plc include subsidiaries, key management personnel (KMP), close family members of KMP and entities that are controlled or jointly controlled by KMP or their close family members. Wise identifies the Board of Directors as KMP.

Balances and transactions between the Company and its subsidiaries, which are related parties, have been eliminated on consolidation and are not disclosed in this note.

Details of the Directors' remuneration and interest in shares are disclosed in the Remuneration report. Additional information for key management compensation and particulars of transactions with related parties are presented below, in accordance with IAS 24 Related Party Disclosures requirements.

	2024	2023
	£m	£m
Compensation of KMP of the Group		
Short-term employee benefits	0.6	0.5
Share-based payment expense	0.8	2.1
Non-Executive Directors' fees	1.2	0.3

Total compensation paid to key management personnel	**2.6**	**2.9**

Short-term employee benefits include salaries for KMP. Refer to the Remuneration report for the remuneration of each Director.

Share-based payment expense is related to employee share option plans (more information about the plans is provided in note 21).

In the financial year ended 31 March 2024, the KMP of the Group held deposits of £5.6m (financial year ended 2023: 0.9m) in Wise Accounts or Wise Assets.

Note 25. Post balance sheet events

No material post balance sheet events have been identified.

Preliminary results for the financial year ended 31 March 2024
13 June 2024

Alternative performance measures

The Group uses a number of alternative performance measures (“APMs”) within its financial reporting. These measures are not defined under the requirements of IFRS and may not be comparable with the APMs of other companies.

The Group believes these APMs provide stakeholders with additional useful information in providing alternative interpretations of the underlying performance of the business and how it is managed and they are used by the Directors and management for performance analysis and reporting. These APMs should be viewed as supplemental to, but not a substitute for, measures presented in the financial statements which are prepared in accordance with IFRS.

Underlying interest income	The first 1% yield of interest income on customer balances that Wise plans to retain	
Income	Income is calculated as revenue plus interest income on customer balances, less interest expense on customer balances and benefits paid relating to customer balances	
Underlying income	The measure of income that will be retained from customers, which is calculated as revenue plus ’Underlying Interest Income’	
Underlying operating profit	The calculation of underlying operating profit using ‘underlying income’ and excluding the Benefits paid relating to customer balances	
Underlying profit before tax	Measure of profitability which is calculated as profit for the year, excluding the impact of interest income from customer balances above the first 1% yield and benefits paid relating to customer balances. The Group believes that Underlying profit before tax is a useful measure for investors as it provides a measure of underlying performance and growth that is not inflated by the excess interest income that we will look to pass back to our customers	See definition in Annual Report for calculation method
Underlying profit before tax margin	Underlying profit before tax as a percentage of underlying Income	
Adjusted EBITDA	Measure of profitability which is calculated as profit for the year excluding the impact of income taxes, finance income and expense, depreciation and amortisation, share-based payment compensation expense as well as exceptional items. At the time of our listing in 2021, stock-based compensation was satisfied through the issuance of new shares and we therefore elected to remove this non-cash expense from our chosen lead metric for earnings (‘Adjusted EBITDA’). Our strong cash generation and capital position has allowed us to initiate a programme of purchasing Wise shares through our Employee Benefit Trust to reduce the dilutive impact of stock-based compensation. Therefore the Adjusted EBITDA measure of earnings has, in our view, become less useful in understanding	See definition in Annual Report for calculation method

	the performance of the underlying business and as a result our reporting going forward will focus to a greater extent on ‘underlying profit before tax’ and its representation as a margin of underlying income.	
Adjusted EBITDA margin	Adjusted EBITDA as a percentage of income	
Underlying adjusted EBITDA	Measure of profitability which takes ‘Adjusted EBITDA’ and adjusts the calculation to remove the excess Interest Income on Customer Balances above the amount of ’Underlying Interest Income’ and also removes benefits paid relating to customer balances.	
Underlying adjusted EBITDA margin	Underlying adjusted EBITDA as a percentage of underlying income	
Free cash flow (FCF)	Measure of cash flow which takes into account the net cash flows from operating activities less the change in working capital (excluding timing differences for receipts of interest income, income tax payments, change in collateral and pass-through items), the costs of purchasing property, plant and equipment, intangible assets capitalisation and payments for leases. It is a non-statutory measure used by the Board and the senior management team to measure the ability of the Group to support future business expansion, distributions or financing	See definition in Annual Report for calculation method
FCF conversion	Free cash flow as a percentage of profit before tax	
Underlying free cash flow (UFCF)	Free cash flow as defined but starting from underlying profit before tax	
Underlying FCF conversion	Free cash flow as a percentage of Underlying profit before tax	
Corporate Cash	Corporate cash represents cash and cash equivalents that are not considered customer-related balances. Measure of the Group’s ability to generate cash and maintain liquidity	See Corporate Cash APM for calculation detail
Cross border fees saved	Fees saved by our personal customers when using Wise for cross- currency transfers versus other providers. This measure is used by the Group to demonstrate the value proposition to stakeholders	See definition in Annual Report for calculation

Underlying profit before tax

£m	2024 £m	2023 £m
Revenue	**1,052.0**	**846.1**
Interest expense on customer balances	-	(3.7)
Underlying interest income (first 1% yield)	120.7	49.6
Underlying income	**1,172.7**	**892.0**
Cost of sales	(307.4)	(308.2)
Net credit losses on financial assets	(12.5)	(17.8)
Underlying gross profit	**852.8**	**566.0**
Administrative expenses	(615.9)	(494.5)
Net interest income from corporate investments	19.7	2.8
Other operating income, net	5.7	10.7
Underlying operating profit	**262.3**	**85.0**
Finance expense	(20.5)	(10.7)
Underlying profit before tax	**241.8**	**74.3**
Underlying profit before tax margin	20.6%	8.3%
Interest income above the first 1% yield	364.5	90.6
Benefits paid relating to customer balances	**(124.9)**	**(18.4)**
Reported profit before tax	481.4	146.5
Income tax credit/(expense)	**(126.8)**	**(32.5)**
Profit for the year	***354.6***	***114.0***

Preliminary results for the financial year ended 31 March 2024
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Free cash flow

	2024	2023
	£m	**£m**
Underlying profit before tax	**241.8**	**74.3**
Underlying income	**1,172.7**	**892.0**
Underlying profit before tax margin	**20.6%**	**8.3%**
Corporate cash working capital change excluding collaterals	8.2	3.7
Adjustment for exceptional and pass-through items in the working capital	(0.2)	(2.0)
Depreciation and amortisation	18.3	23.2
Payments for lease liabilities	(8.1)	(6.6)
Capitalised expenditure - Property, plant and equipment	(10.6)	(3.6)
Capitalised expenditure - Intangible assets	(2.4)	(5.2)
Underlying free cash flow (UFCF)	**247.0**	**83.8**
UFCF conversion (UFCF as a % of Underlying profit before tax)	*102.1%*	*113.1%*
Adjustments to Profit before tax		
Interest income above the first 1% yield	364.5	90.6
Benefits paid relating to customer balances	(124.9)	(18.4)
Profit before tax	**481.4**	**146.5**
Free cash flow (FCF)	**486.6**	**156.0**
FCF conversion (FCF as a % of reported profit before tax)	*101.1%*	*106.6%*

Income

	2023 £m	2022 £m
Revenue	1,052.0	846.1
Interest income on customer balances	485.2	140.2
Interest expense on customer balances	-	(3.7)
Benefits paid relating to customer balances	(124.9)	(18.4)

Income	**1,412.3**	**964.2**

Adjusted and Underlying adjusted EBITDA

	2024 £m	2023 £m
Profit for the year	**354.6**	**114.0**
Adjusted for:		
Income tax expense	126.8	32.5
Finance expense	20.5	10.7
Net interest income from operating assets*	(19.7)	(2.8)
Depreciation and amortisation	18.3	23.2
Share-based payment compensation expense	72.5	58.2
Adjusted EBITDA	**573.0**	**235.8**
Income	**1,412.3**	**964.2**
Adjusted EBITDA margin	**40.6%**	**24.4%**
Interest income net of customer benefits	(360.3)	(118.1)
Underlying interest income	120.7	49.6
Underlying adjusted EBITDA	**333.4**	**167.3**
Underlying income	**1,172.7**	**892.0**
Underlying adjusted EBITDA margin	**28.4%**	**18.7%**

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

	2024 £m	2023 £m
Operating Cashflow		
Net Profit	**354.6**	**114.0**
Adjustments for non-cash transactions:		
Interest income net of customer benefits	(360.3)	(121.8)
Current tax expense	126.8	32.5
Non-cash share-based payments expense	72.5	59.1
Depreciation and amortisation	18.3	23.2
Effect of other non-monetary transactions	24.7	(22.1)
Change in corporate working capital (including collaterals)	27.8	(8.8)
Cash generated from operations:	**264.4**	**76.1**
Receipt of interest	344.4	103.9
Unwind portion of bond premium/discount	140.8	23.3
Benefits paid to customers	(118.3)	(11.6)
Payment of income tax and interest charges	(90.4)	(31.0)
Net corporate cash generated from operating activities	**540.9**	**160.7**
Capitalised expenditure – property, plant and equipment	(10.6)	(3.6)
Capitalised expenditure – for intangible assets	(2.4)	(5.2)
Proceeds from sublease	0.1	0.2
Net corporate cash (used in) investing activities	**(12.9)**	**(8.6)**
Funding of share purchases by Employee Benefit Trust	(68.4)	(10.1)
Proceeds from issues of shares and other equity	1.0	0.6
Proceeds from borrowings	420.0	529.0
Repayment of borrowings	(470.0)	(359.0)
Principal elements of lease payments	(7.1)	(5.9)
Interest paid on leases	(1.1)	(0.7)
Net corporate cash from financing activities	**(125.6)**	**153.9**
Total increase / (decrease) in corporate cash	**402.4**	**306.0**

Corporate cash at beginning of year	**671.1**	**357.8**
Effect of exchange rate differences on corporate cash	(12.4)	7.3
Corporate cash at end of year	**1,061.1**	**671.1**

	2024	2023
	£m	£m
Breakdown of corporate and customer cash		
Cash and cash equivalents and short-term financial investments	14,513.2	11,483.9
Receivables from customers and payment processors	287.7	129.7
Adjustments for:		
Outstanding money transmission liabilities and other customer payables	(479.4)	(266.1)
Wise accounts	(13,260.4)	(10,676.4)
Corporate cash at end of the year	**1,061.1**	**671.1**

Corporate cash includes some elements of current trade and other receivables which are due to Wise and this includes 'Receivables from payments processors' as disclosed in note 14, as well as receivables from customers and partners. Those balances are reported under 'Other receivables' in note 14, but exclude those elements which are considered customer related balances.

Similarly, corporate cash includes the 'Outstanding money transmission liabilities' and the payables reported under 'Deferred revenue' and 'Other payables' in note 16, which are not considered customer related balances.