

FY23 RESULTS PRESENTATION



27 June 2023

7Wise



Kristo Käärmann

Co-founder and CEO

MONEY WITHOUT BORDERS



We're building the best way to move and manage the world's money. Making it faster, cheaper, easier and more transparent for people and businesses.

~ £2t+

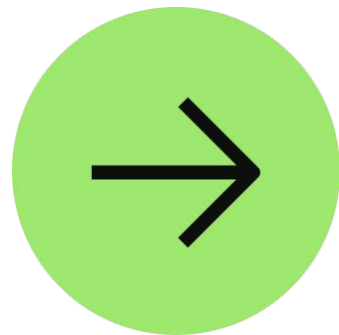
**moved cross currency
annually by people**

~ £9t+

**moved
annually by SMBs**

What customers are saying

**Sending money
across borders**



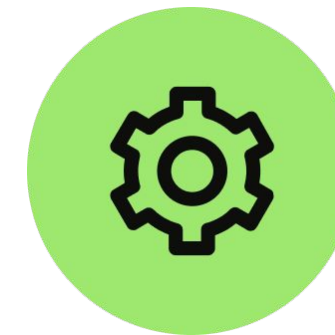
**Traditionally slow,
expensive and hard
to do**

**International
banking**



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

**Underlying
technology**



**Infrastructure has
not evolved in
decades**

What we're doing about it

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

**We're building Wise
Account**

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

We're building a valuable product.

	Active customers	Volume	Income	Adj. EBITDA
FY19	3.3m	£27bn	£179m	£26m
FY23	10.0m	£105bn	£964m	£239m
	3.0x	3.9x	5.4x	9.3x

5%

**Personal
market share**

<1%

**SMB
market share**

What makes Wise a generational company?

**A massive
problem for people
and businesses**



Large addressable
market

**We have
evangelical
customers**



Word of mouth
led growth

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



International
bank accounts do
not really exist

**Wise is growing
fast and profitable**



Creating a
valuable company

EVANGELICAL CUSTOMERS

02

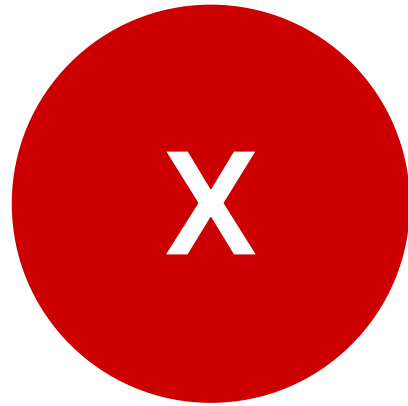
**We create virality
led growth.**

66%

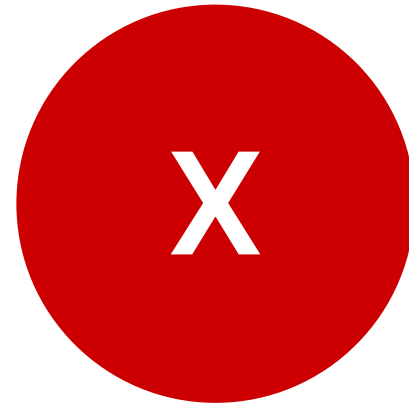
**of customers join through
Word of Mouth**

We build products customers love

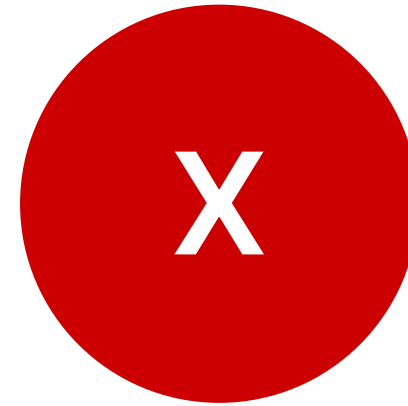
What customers say about their traditional options (e.g. their bank)



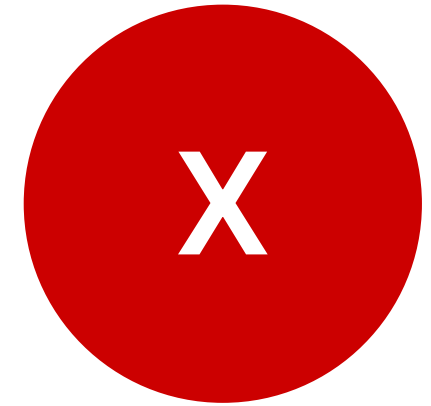
Slow



Expensive



Opaque



Inconvenient

Wise



Instant



Low cost

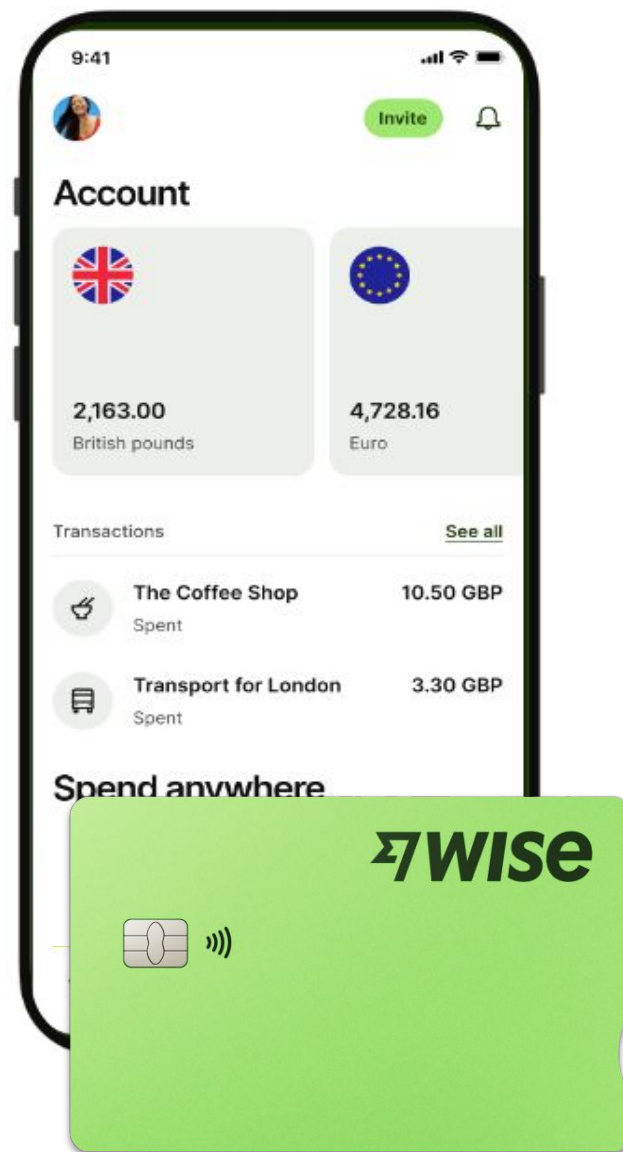


Trusted



**Convenient
Low-friction**

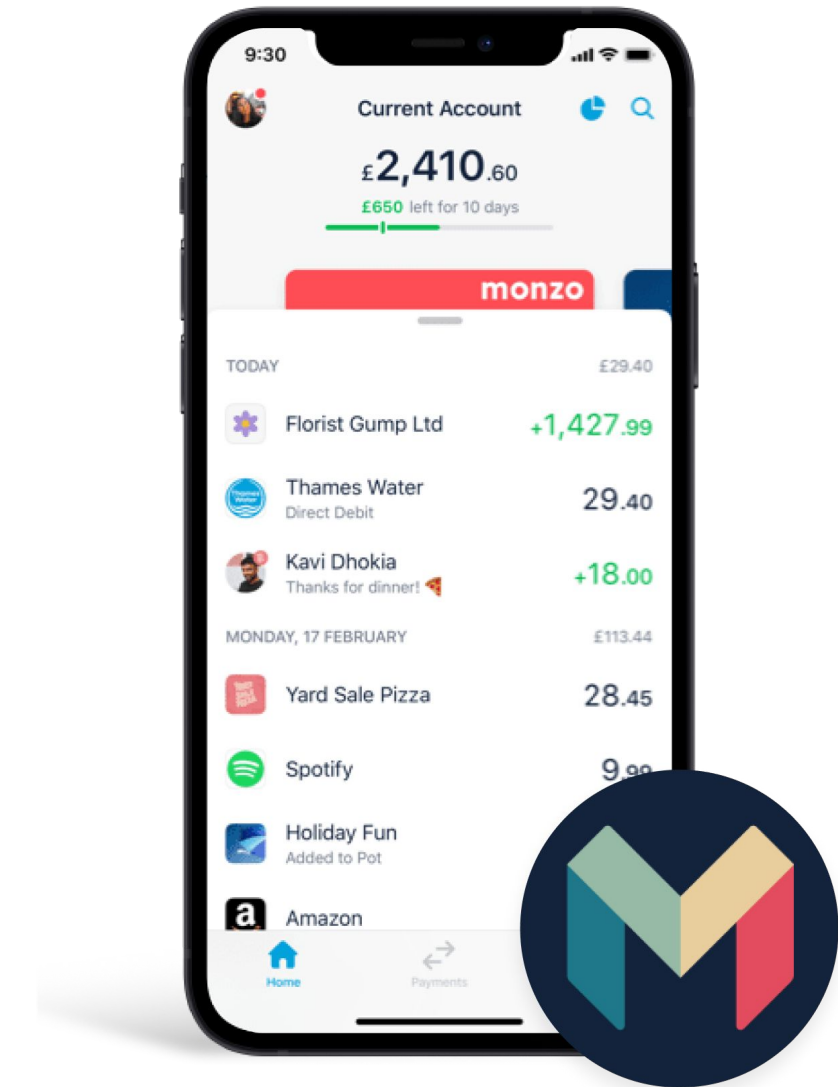
We are investing in three products



Wise Account



Wise Business



Wise Platform

It's expensive to hold money in a traditional UK current account



**4.12% ON
GBP**



**4.55%
ON USD**



**2.71% ON
EUR**

Read more from our Mission Updates



The screenshot shows the top navigation bar of the Wise website. On the left is the Wise logo. In the center are two buttons: 'Personal' (highlighted in blue) and 'Business'. On the right are links for 'Features', 'Pricing', 'Help', 'Log in', and a blue 'Register' button.

The main content area features a central image of a globe with a blue Wise card overlaid on it. Below the image, the text reads: 'Mission Update Q1 2023' followed by the large, bold headline 'BIG WORLD. EVEN BIGGER MISSION'. At the bottom, a sub-headline states: 'Read how much closer we got to our mission from January to the end of March 2023.'

> 50%

**of all new customers
now joining to use
multiple features...**

> 80%

**...for new
Brazil-based
customers**



36%

Wise Account
(vs. 24% FY22)

55%

Wise Business
(vs. 49% FY22)

Customers that use multiple features send more money

3x

**more
transactions**

2x

**more
cross currency
volume**

**And this creates
true **virality** led
growth.**

66%

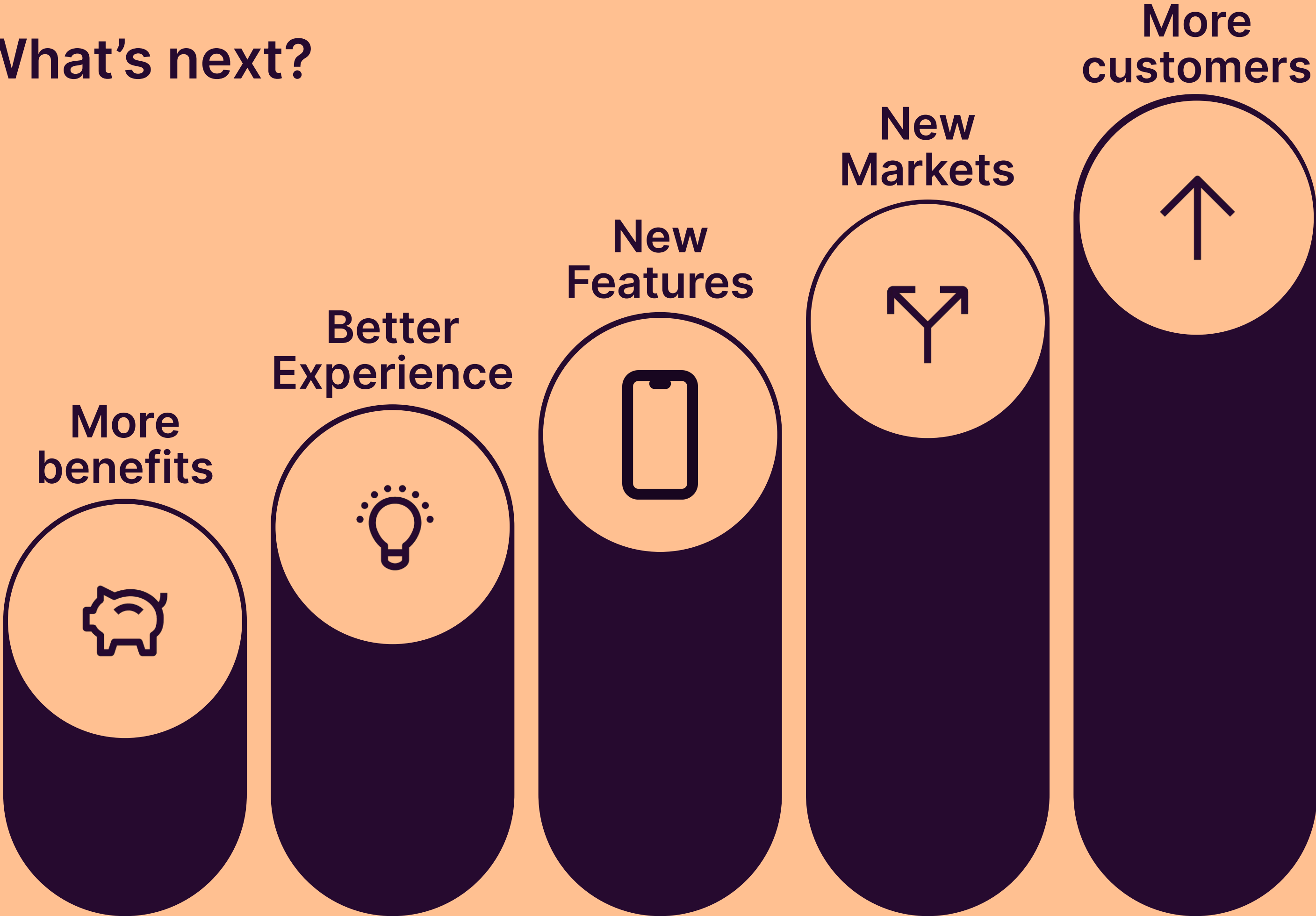
**of customers join through
Word of Mouth**

Active customer growth is the main driver of volume growth.

Growth FY19 to FY23

	Personal	Business
Active Customers	3x	4x
	↓	↓
Volumes	3x	6x

FY24: What's next?



BUILDING A NETWORK FOR THE WORLD'S MONEY



Harsh Sinha

Chief Technology Officer

03

Our global infrastructure powers our proposition

Price

Low prices is key to why more customers switch from their existing provider

Speed

55% instant¹ | >90% within 24 hours
Speed is a key reason we retain customers

Convenience

Fast and easy onboarding; excellent customer service

>90% of customers have no need to contact us

Wise accounts

Truly international account

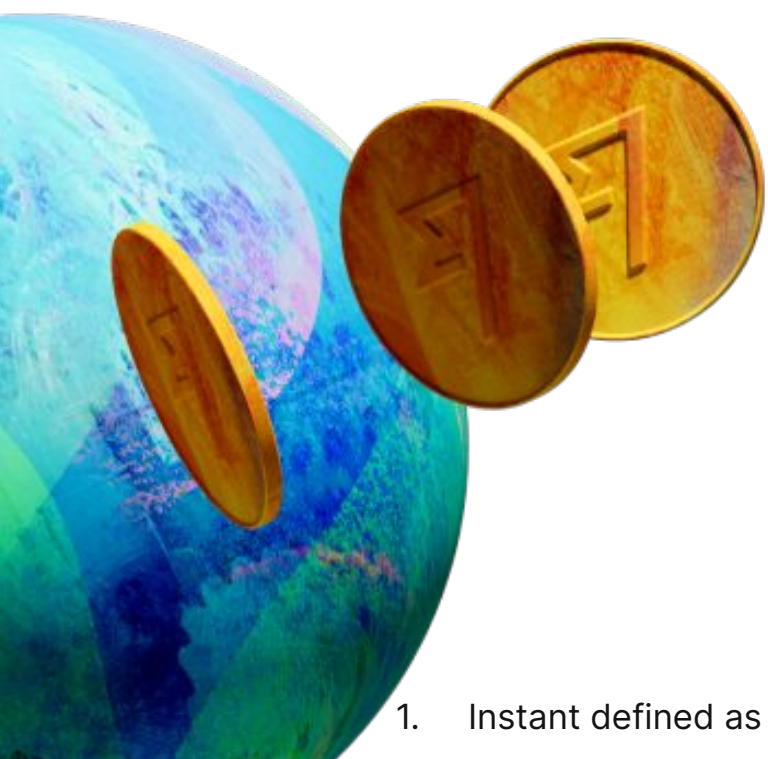
Our infrastructure enables us to offer truly global accounts to people and business, and to scale seamlessly on a global basis

Wise Platform

Businesses built on Wise

Bank and enterprise payment and international banking solutions increasingly being built on Wise

In future, could be the default for all international money movement



1. Instant defined as less than 20 seconds.

An infrastructure that redefines what's possible.

Proof points

8 - 10x cheaper than banks

Faster payments

People onboarded <1hr

SMBs onboarded <24hrs

Payment speeds: end to end payments in <20 seconds

What's so powerful

Full control of the
end-to-end payment
network

One single, global, real-time view of data

Machine learning volume
predictions

Machine learning financial
crime prevention

What enables this

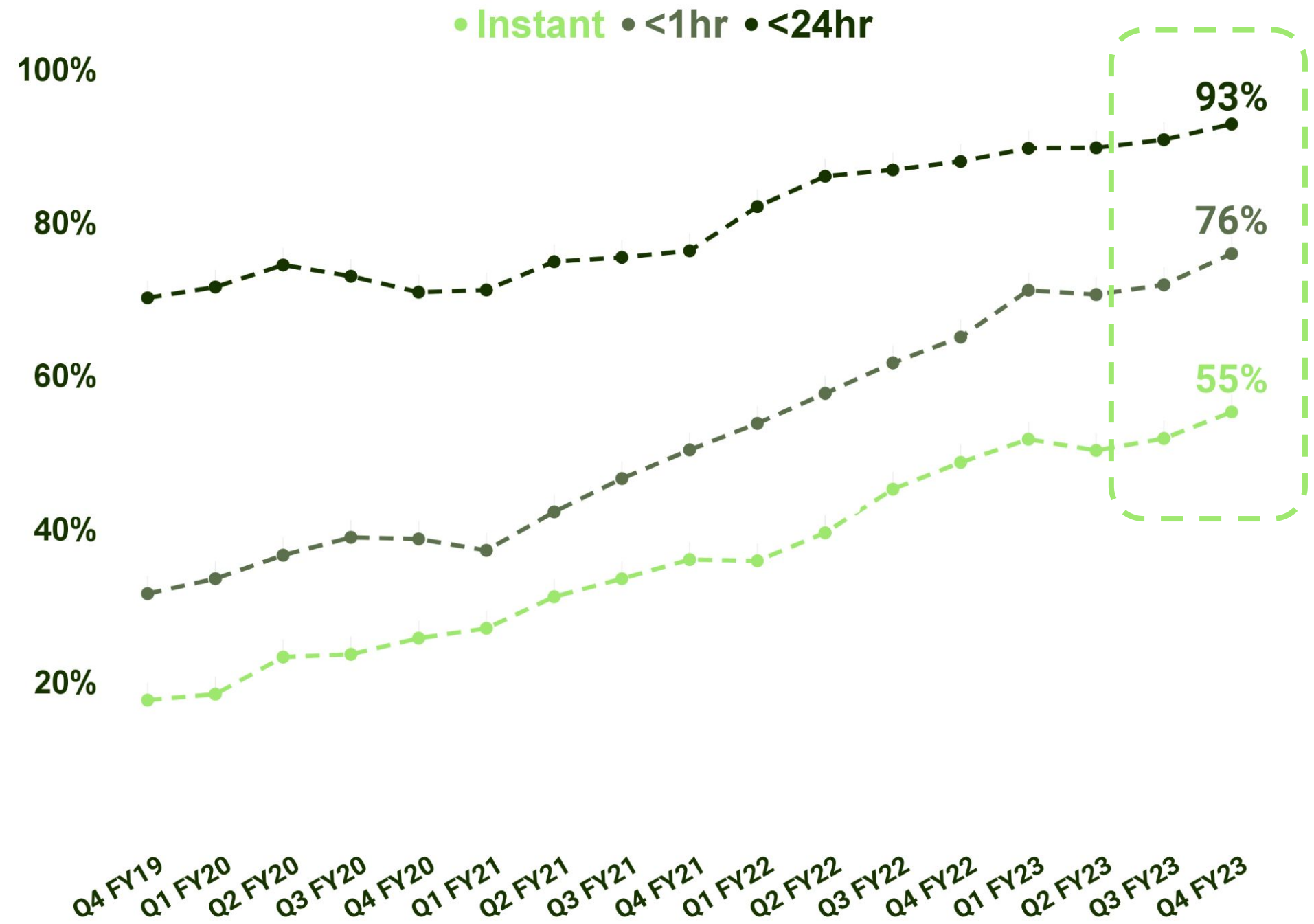
Direct connections to local
payment systems

Global treasury
management system

KYC and FinCrime engine

Unmatched payment speeds.

Speed



This will be very difficult to replicate

- >700 engineers
- 250 releases per day
- One single global treasury system

Technology

Expansions

- Direct connections into 4 payment systems
- 70+ banking partners
- Mastercard/Visa card issuing partnerships

Operations

Regulatory

69 licenses across 45 countries

>1,300 customer service agents providing 24/7 support



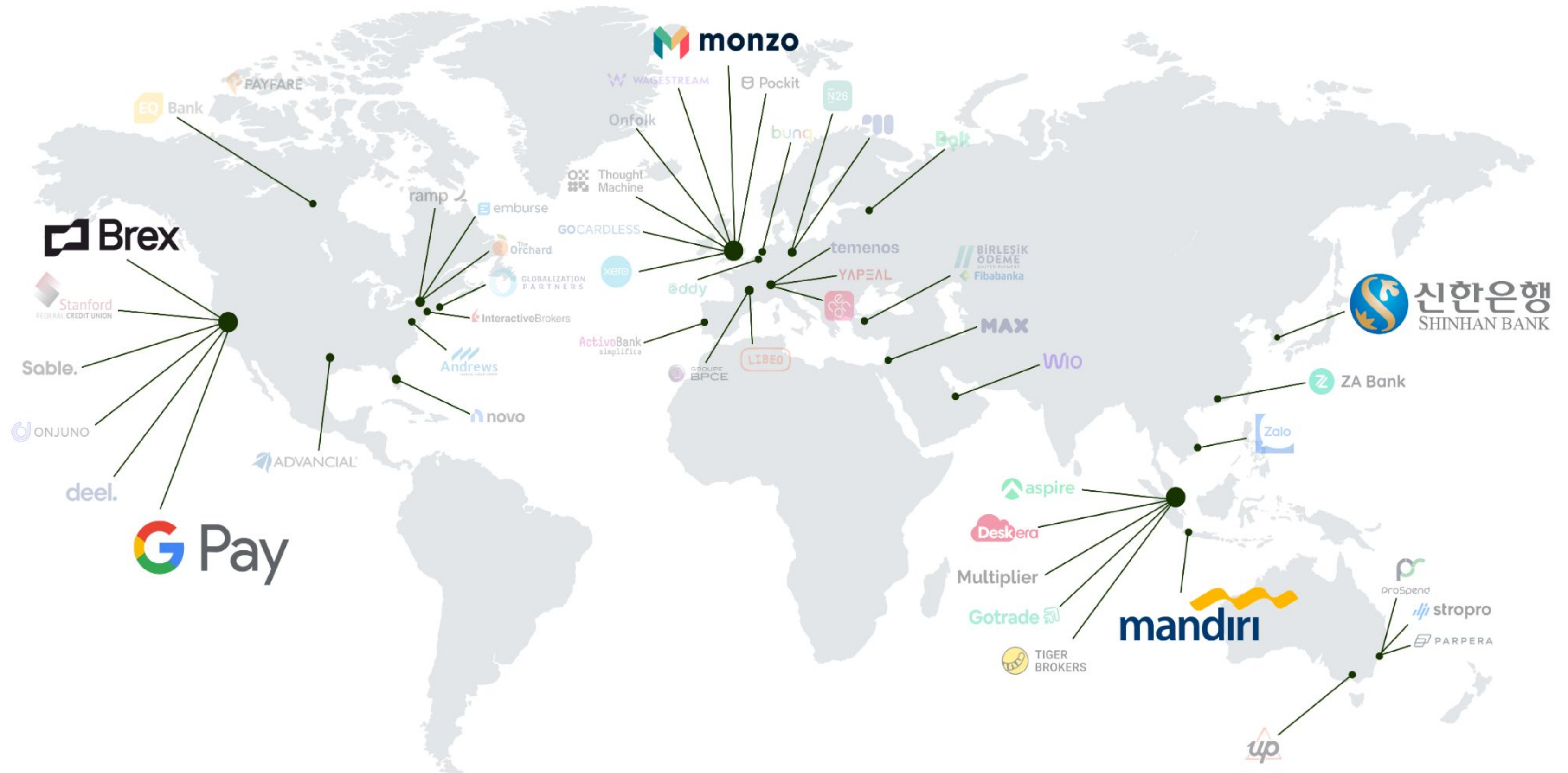
> 60

Wise Platform Partners

> 25m

**More people have access to
Wise through their Bank***

Wise Platform: gaining traction globally, in multiple verticles.



We're building the replacement infrastructure for the world's money.

**Underlying
technology**



**Infrastructure has
not evolved in
decades.**

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

International by default; enables the scaling of a global proposition

Allowing customers to make instant international payments at low cost

What makes Wise a generational company?

**A massive
problem exists**



Large addressable
market

**We have
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Creating a
valuable company

GROWING FAST, INVESTING, AND PROFITABLE



Matthew Briers

Chief Financial Officer

04

FY23 Financial Results.

10m	c.£105bn	£10.7bn	£964m	£239m
Active customers	Volume	Customer balances	Income	Adj. EBITDA
+34%	+37%	+57%	+73%	+97%

We're building a business with world class fundamentals.

**True customer led
growth into a huge
opportunity**

Growing fast...

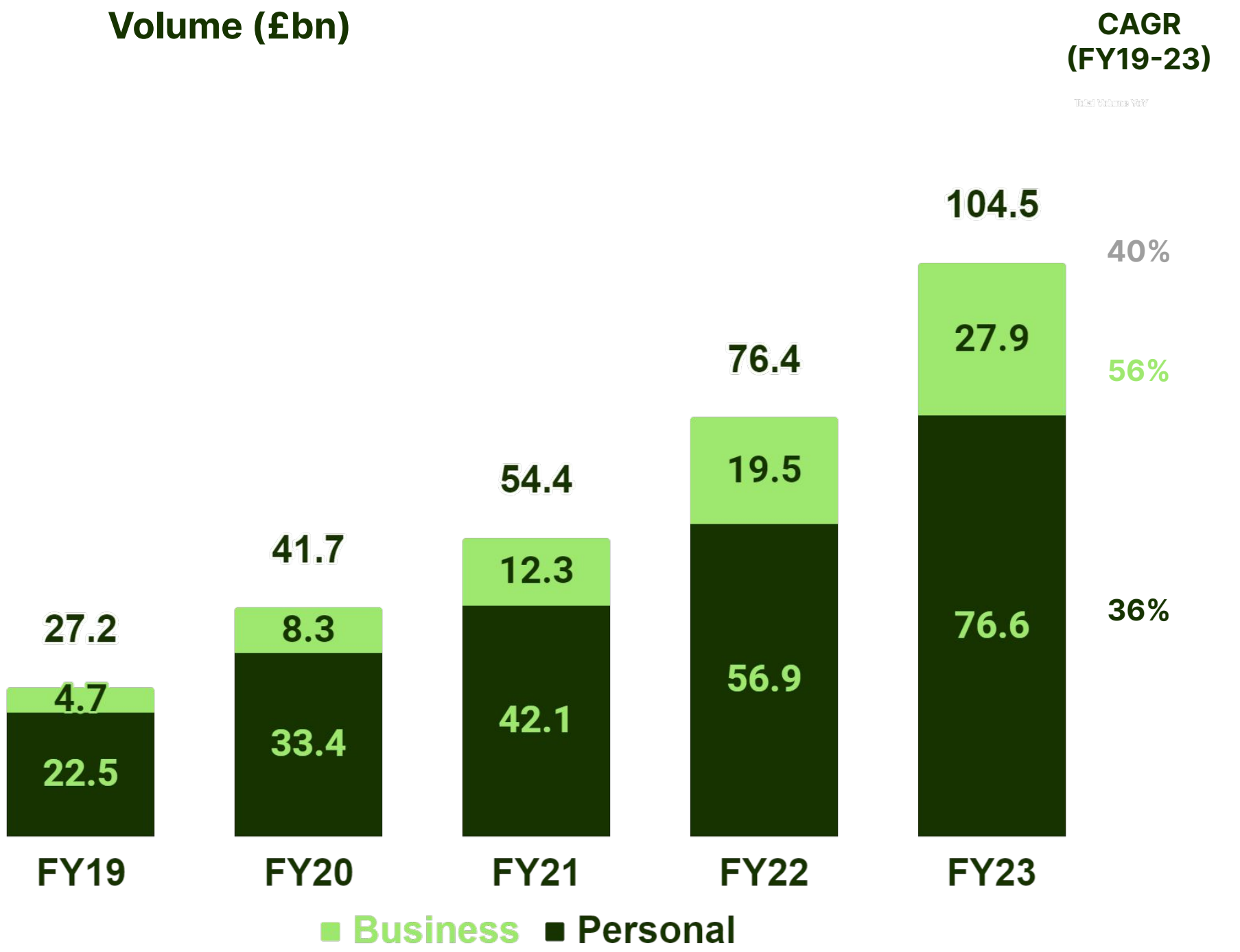
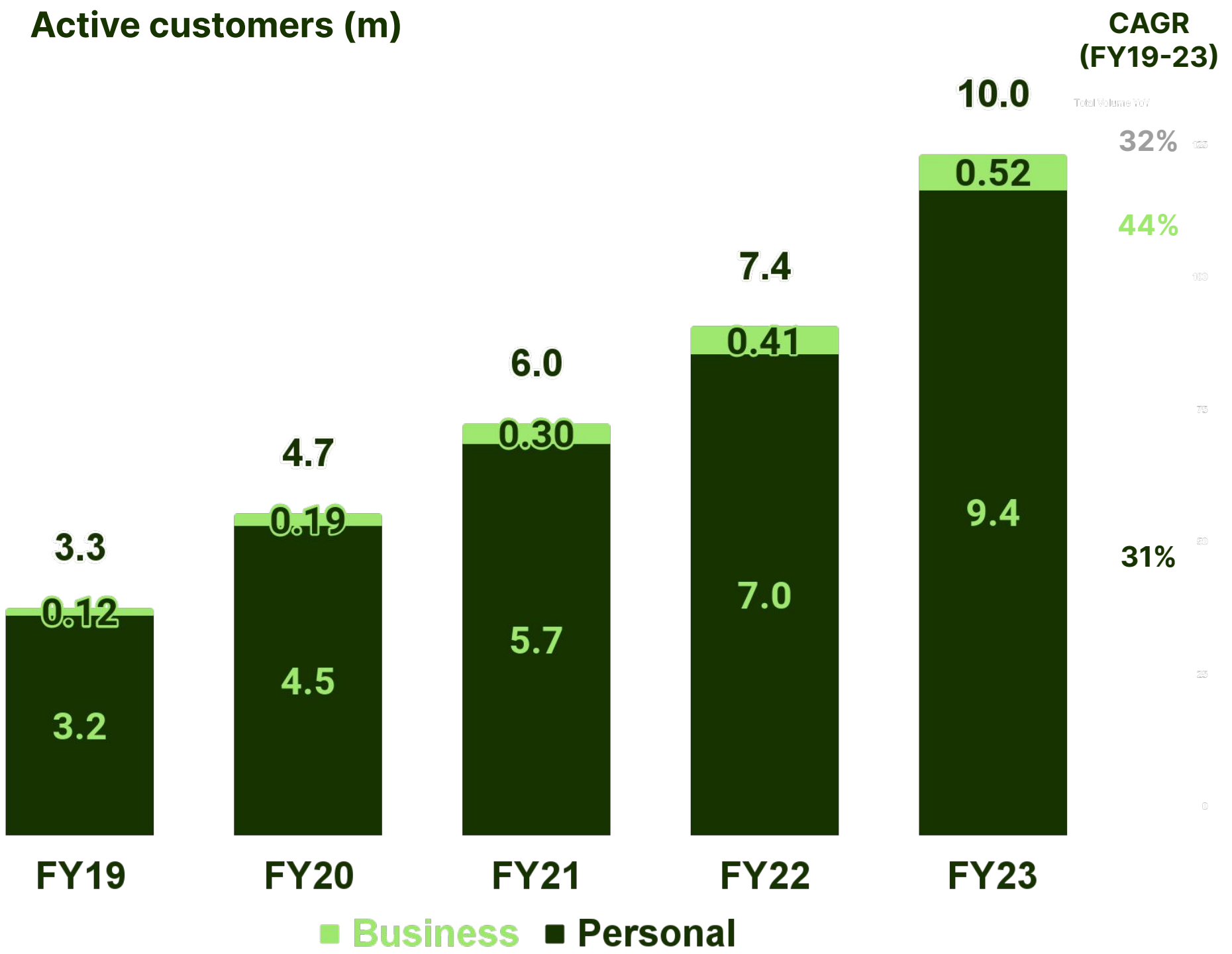
**Hyper efficient
growth investment
economics**

... investing for long term

**Wise Account
features powering
growth and higher
profitability**

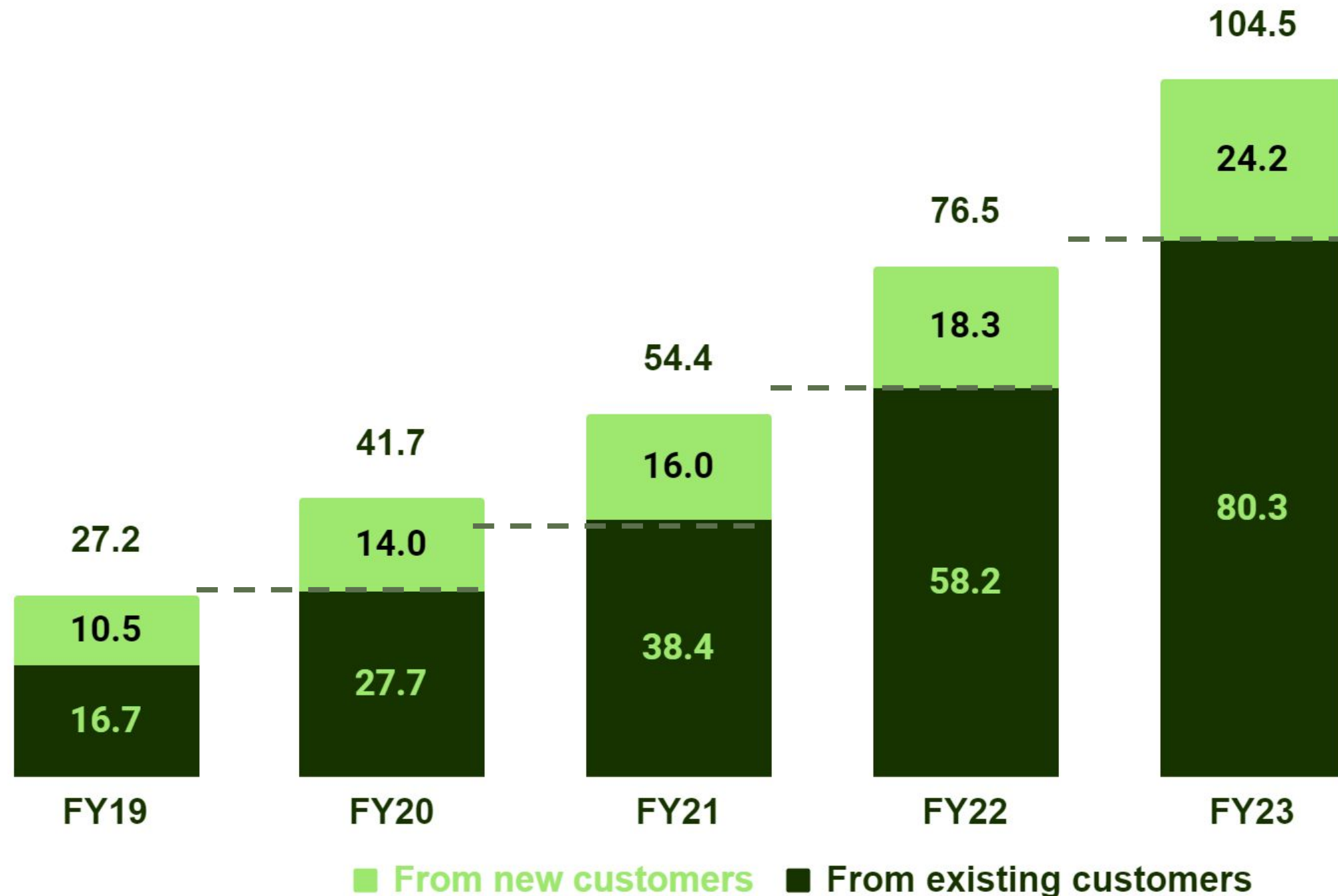
... and highly profitable

Active customer growth drives volume growth.



More customers join each year, and they stay with us.

Volume (£bn)



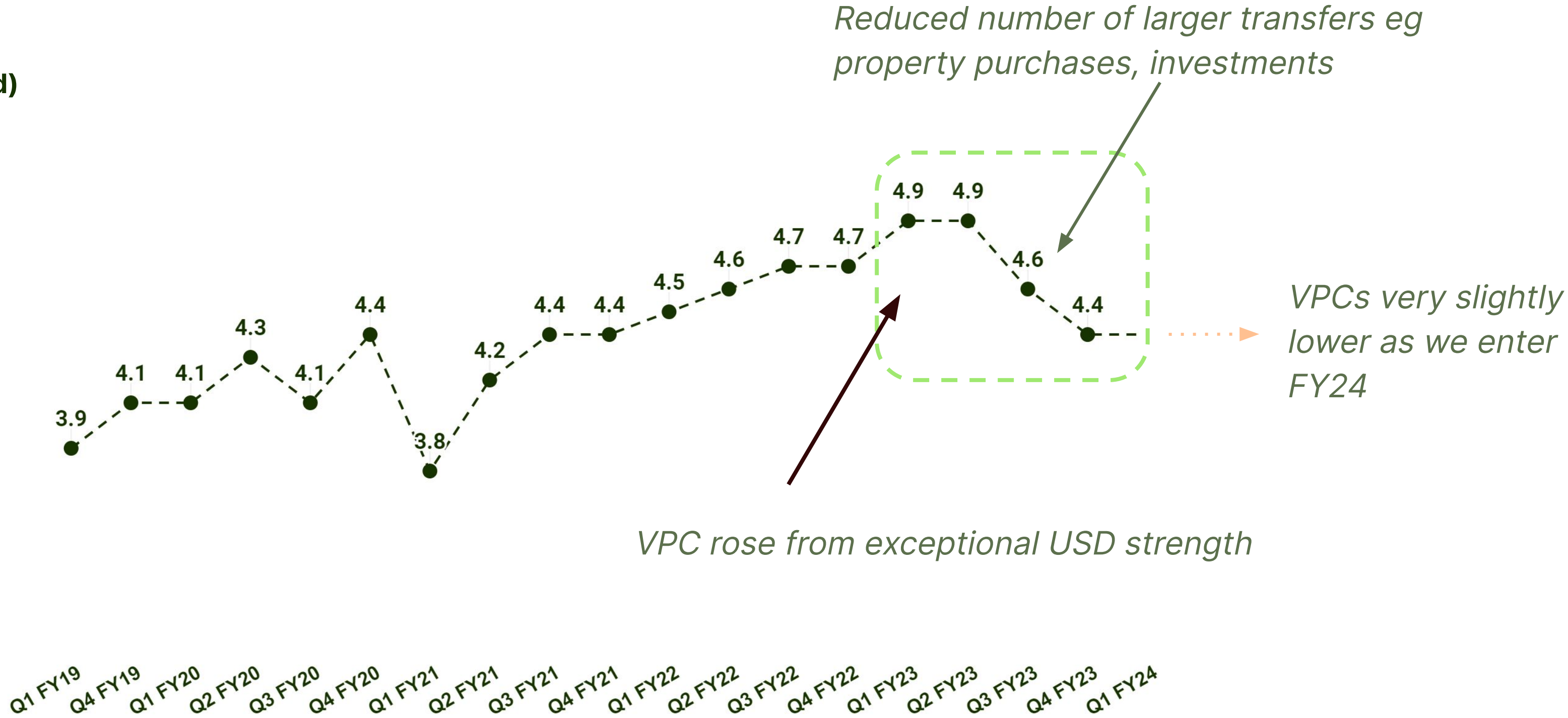
4.5m
customers joined in FY23
(+c.40% YoY)

>100%
volume retention
(average FY19-23)¹

¹ Volume retention measured as the volume moved in a fiscal year by existing customers who joined Wise before that year, compared to the total volume moved in the preceding year.

VPCs: stable long term but more volatile in the short term.

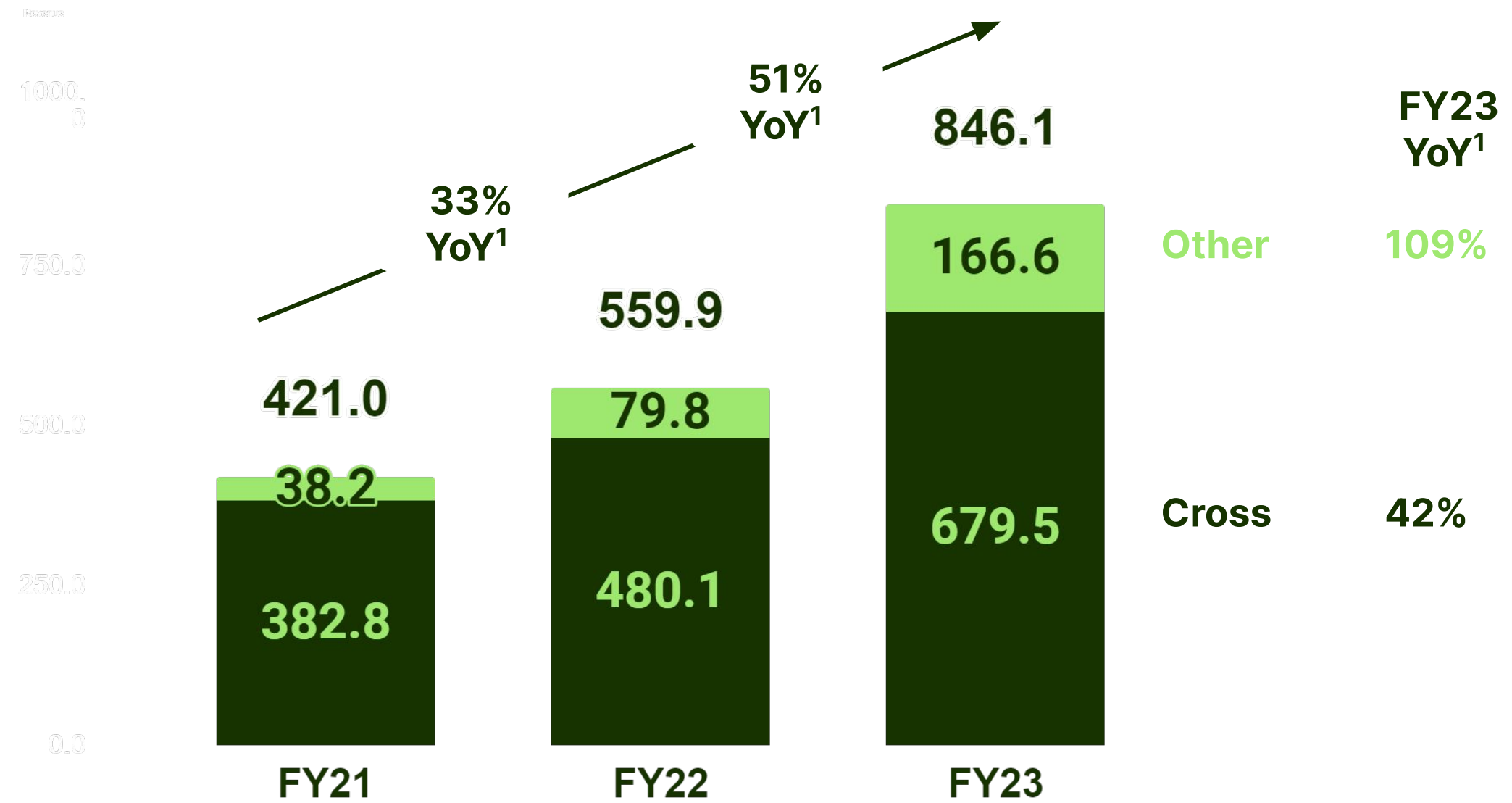
VPC (£ thousand)



Notes: ¹Average central bank rate calculated as simple average of ECB, BoE, and FED rates only; given the significant proportion of customer balances held in the respective corresponding currencies.

Customer growth underpinned 51% YoY revenue growth.

Revenue (£m)



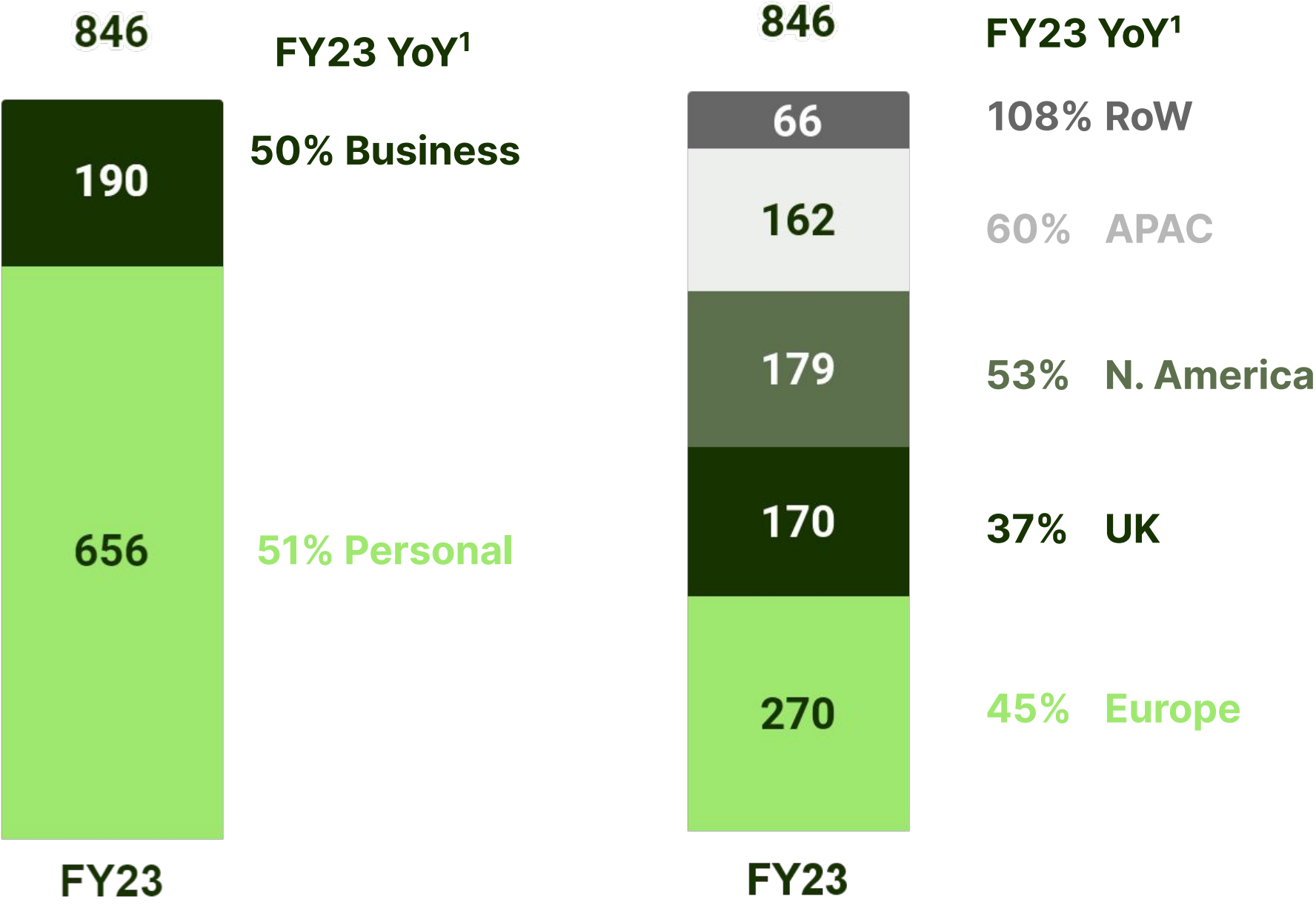
Take rates:

Cross	0.70%	0.63%	0.65%
Other fees	0.07%	0.10%	0.16%

Notes: ¹Comparison is FY23 to FY22 and FY22 to FY21.

Revenue growing across customer segments and geographies.

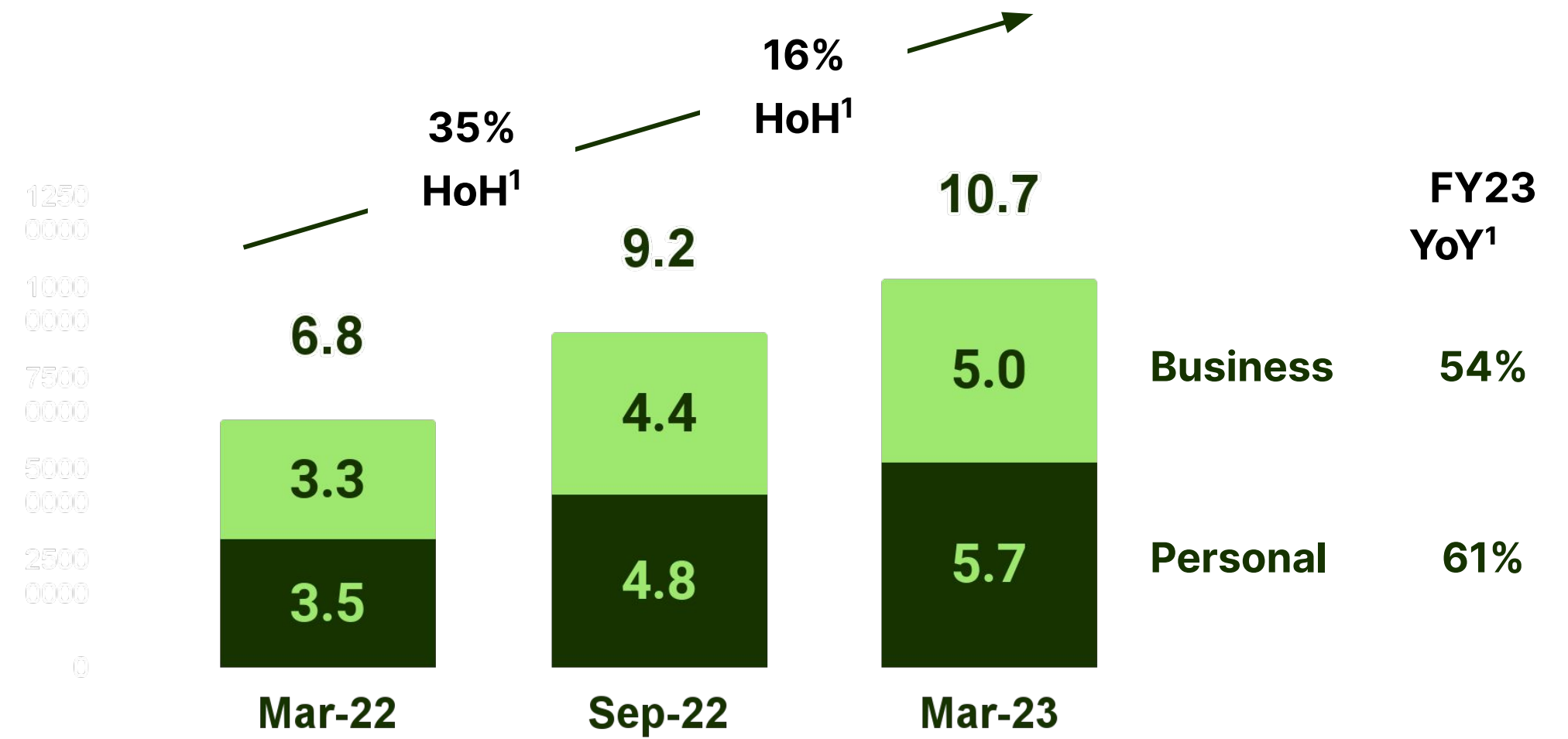
Revenue by Segment and Region (£m)



Notes: ¹Comparison is FY23 to FY22.

Customer balances continue to grow.

Customer balances (£bn)



Notes: ¹Comparison is Mar-23 to Sep-22 and Sep-22 to Mar-22.

We exit FY23 with a 2.8% gross yield; we returned 0.6% to customers.

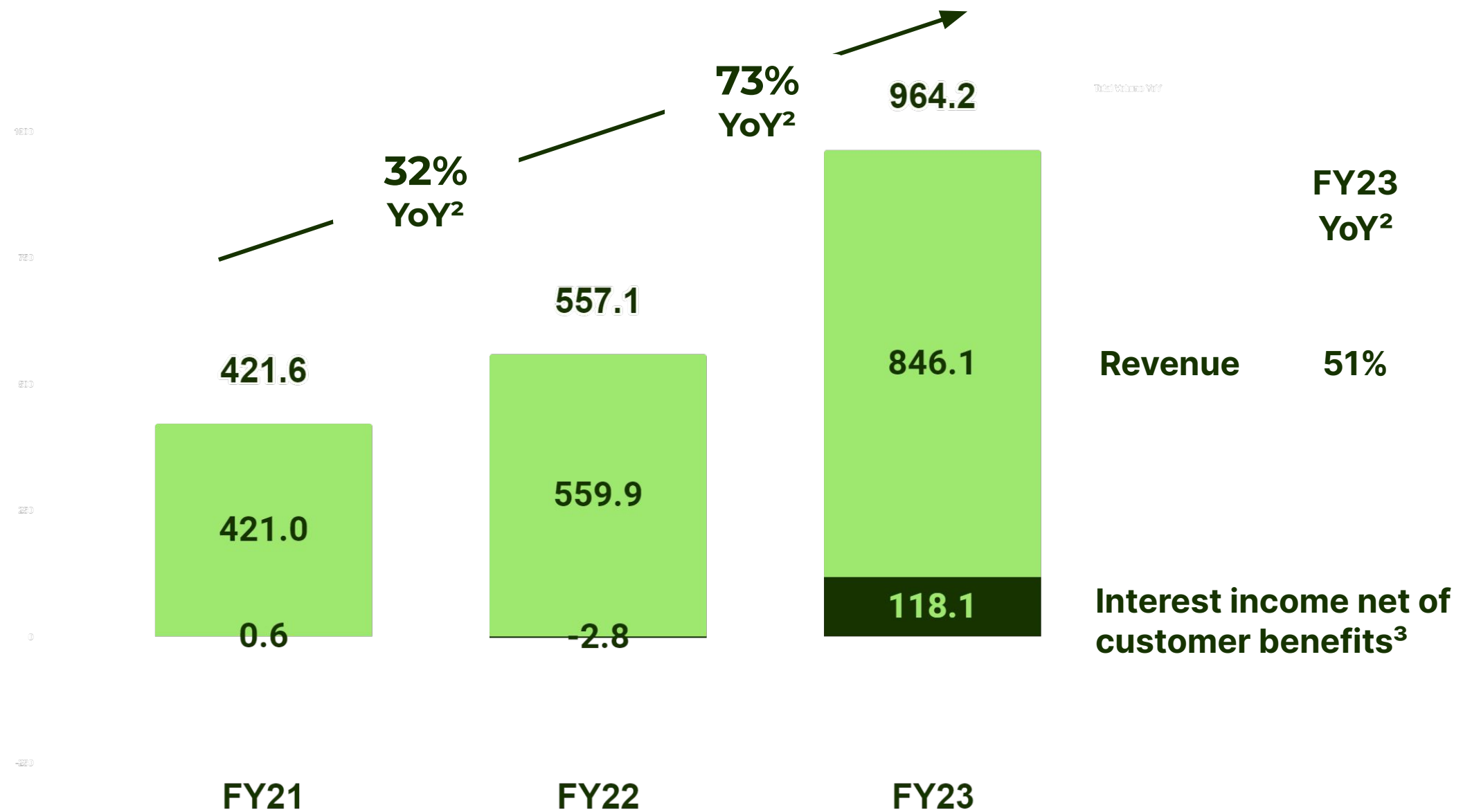
£m	FY23	Q4 FY23
Interest income	£140m	£72m
<i>Customer benefits paid & interest expense</i>	<i>£(22)m</i>	<i>£(16)m</i>
Interest income net of customer benefits ²	£118m	£56m

Yield %		
Gross interest yield ¹	1.6%	2.8%
<i>Customer benefits paid & interest expense</i>	<i>(0.2%)</i>	<i>(0.6%)</i>
Interest income net of customer benefits ²	1.3%	2.2%

Notes: ¹Gross yield is interest income as a percentage of average customer balances in the period. ² Interest income net of benefits on customer benefits is interest income less interest expense and benefits relating to customer balances

Income, which includes interest, grew 73% YoY.

Income¹ (£m)



Notes: ¹Includes revenue and net interest income on customer balances. ²Comparison is FY23 to FY22 and FY22 to FY21. ³Interest income net of customer benefits includes interest income on customer balances, interest expense on customer balances and benefits paid relating to customer balances.

**We generated
£638m of gross
profit, +73% YoY.**

Gross profit (£m)

Gross profit margin

62%

66%

66%

Total income

1000

750

500

250

0

160.5

262.1

FY21

188.0

369.1

FY22

326.0

638.2

FY23

COS²

**FY23
YoY¹**

73%

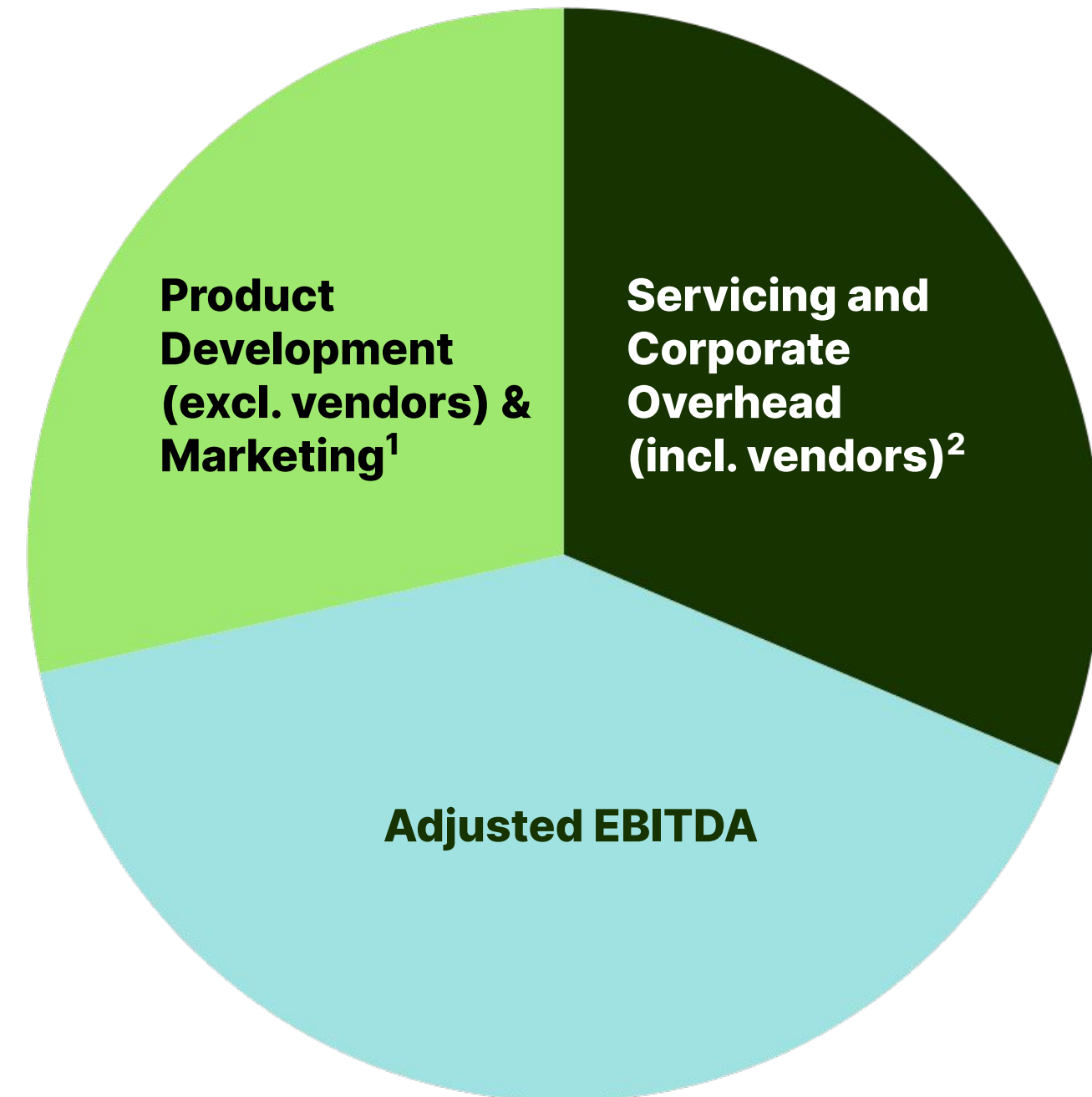
**Gross
Profit**

73%

Notes: ¹Comparison is FY23 to FY22 and FY22 to FY21. ²This includes Cost of sales and Net credit losses on financial assets.

We invest a significant share of gross profit in our growth.

Use of FY23 Gross Profit



Notes: ¹Product Development and Marketing includes all employee related expenses allocated to Product, Engineering, Design, Banking, Compliance and Treasury and all expenses allocated to Marketing. ²Relates to all other administrative expenses above EBITDA including Product Development vendor costs.

How we invest

Investment

Impact

Marketing

c. £37m, +33% YoY

- 1.5m new customers from marketing in FY23
- High return investments: Payback < 12 months

Product Development

+33% headcount YoY¹

- 3m new customers from word of mouth in FY23
- New geographies and products launched
- Increasingly competitive infrastructure

Servicing

+65% headcount YoY¹

- Onboarded 4.5m customers, +40% YoY
- Improved service, helping reduce churn and drive virality

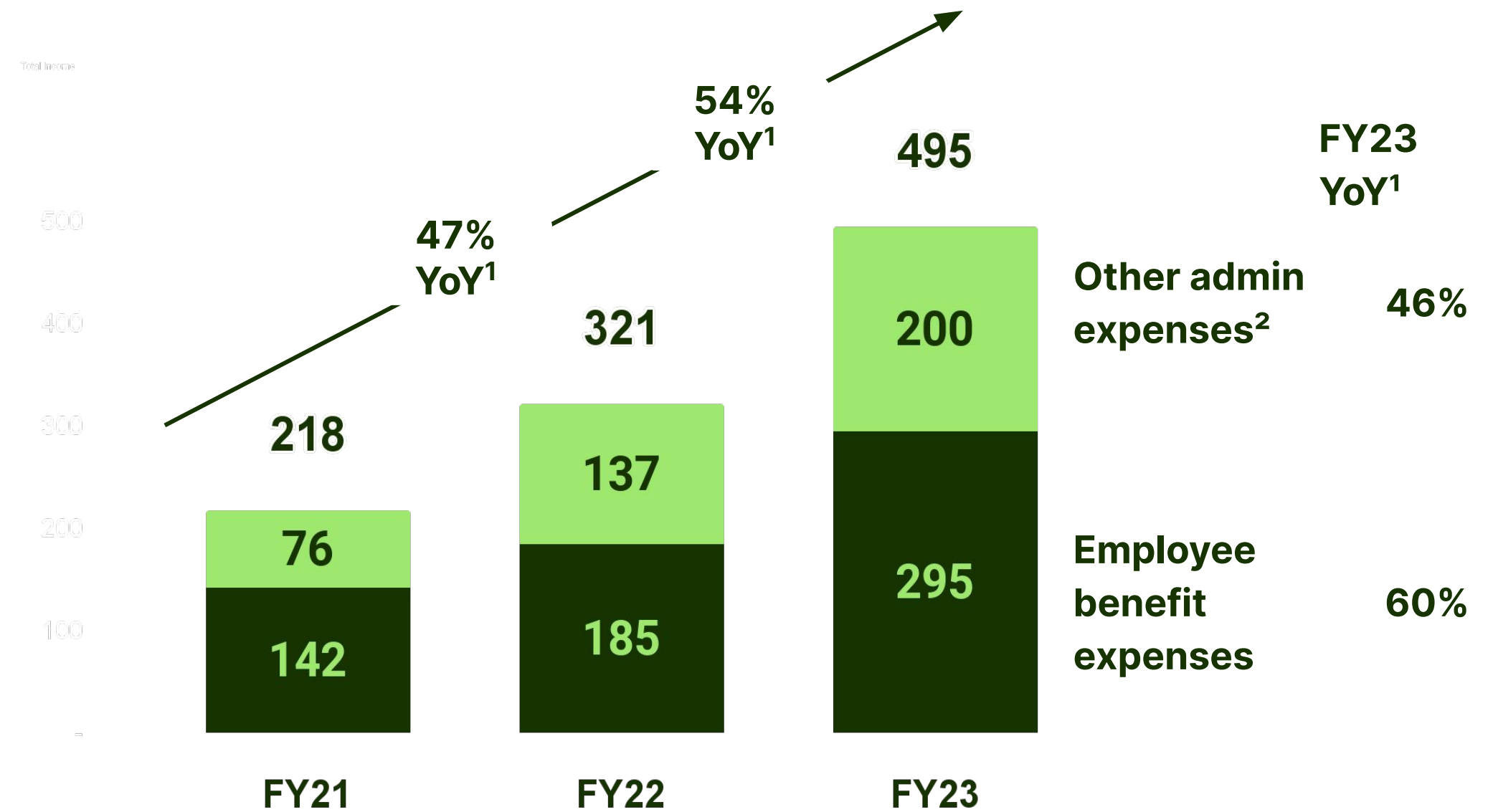
Functions

+38% headcount YoY^{1,2}

- Enable us to scale globally
- Improved risk management and controls

We grew our team to invest in growth and service customer demand.

Administrative expenses (£m)

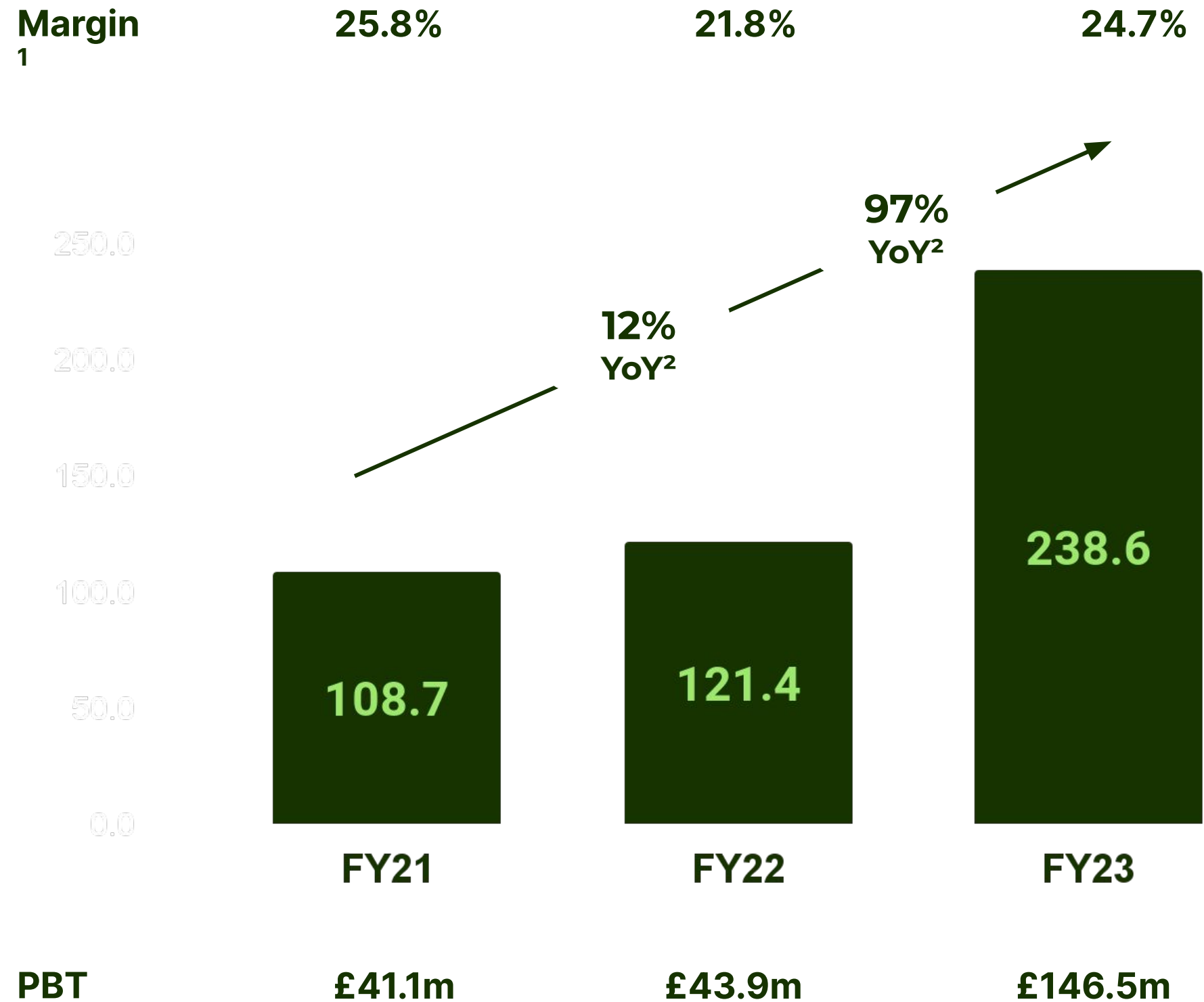


Notes: ¹Comparison is FY23 to FY22 and FY22 to FY21.

²Other admin expenses comprise Marketing, Technology and development, Consultancy and outsourced services , Other administrative expenses, Depreciation and amortisation, Capitalisation.

Adj. EBITDA margin was higher due to significant interest income.

Adjusted EBITDA (£m)



Notes: ¹Margin is adjusted EBITDA as a percentage of income. ²Comparison is FY23 to FY22 and FY22 to FY21.

Stepping back: We're building a business with world class fundamentals

True customer led growth into a huge opportunity

- Highly viral customers
- >100% retention

Hyper efficient growth investment economics

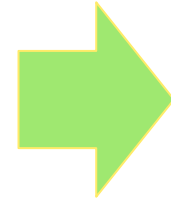
- 66% gross margin
- .. funds high ROI Product Development investment
- .. and best in class Marketing payback

Wise Account features powering growth and higher profitability

- >50% new customers on Wise Account
- Customers more engaged
- ... driving up margins through interest earned

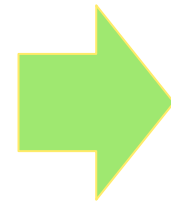
Looking ahead: Time to double down

Product and infrastructure



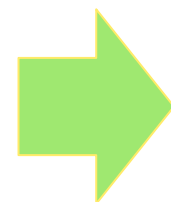
Continue to invest in Product Development teams and Marketing *(not funded by interest)*

Sustainably disrupt cross border pricing



Continue to run our cross border volume at a ~20% margin, dropping prices where we can to 'extend the moat' *(not funded by interest)*

Use interest income to power growth with a better Wise Account proposition



Use of interest income:

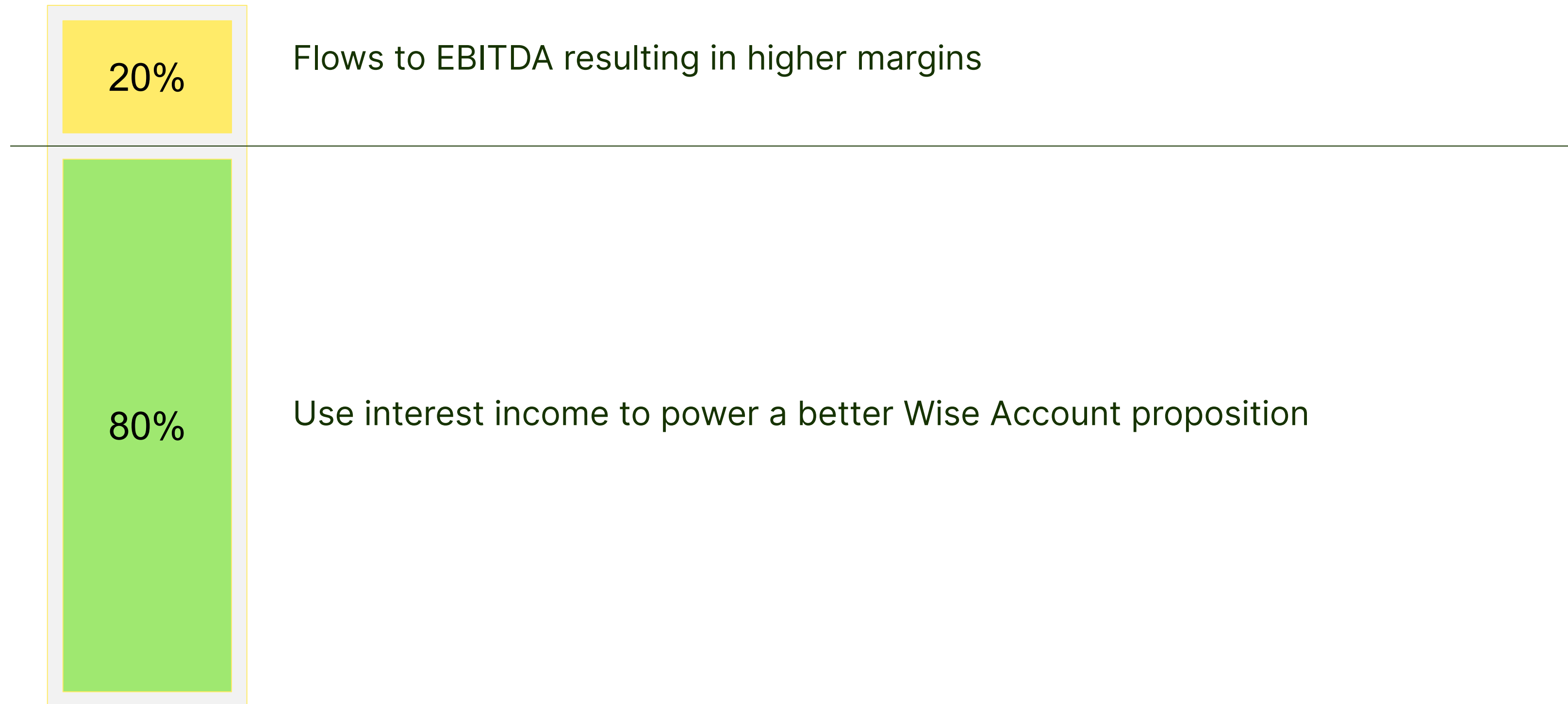
- Use up to 80% of interest to strengthen the Wise Account customer proposition
- Remaining 20% of gross interest flows to EBITDA



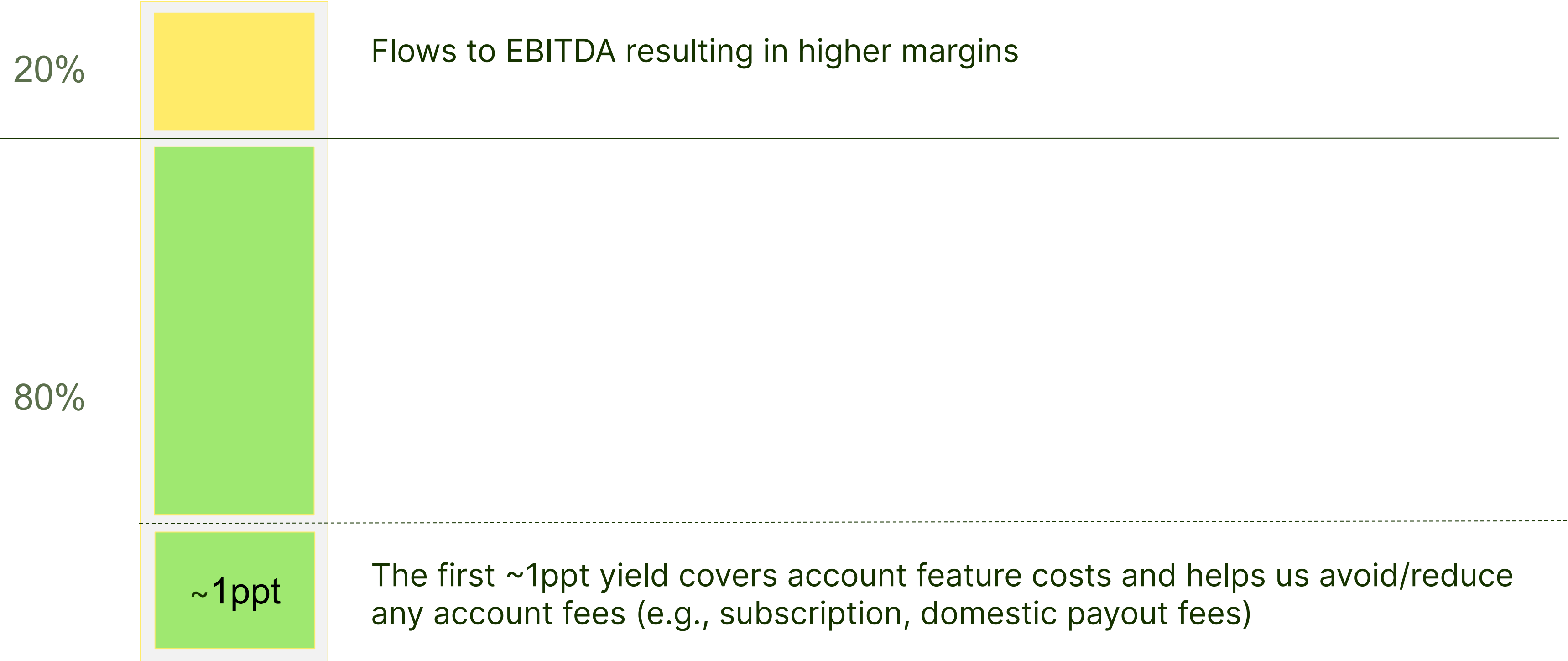
We're building a business that's not dependent on interest income

Interest makes the Wise Account proposition stronger, and leads to higher profitability

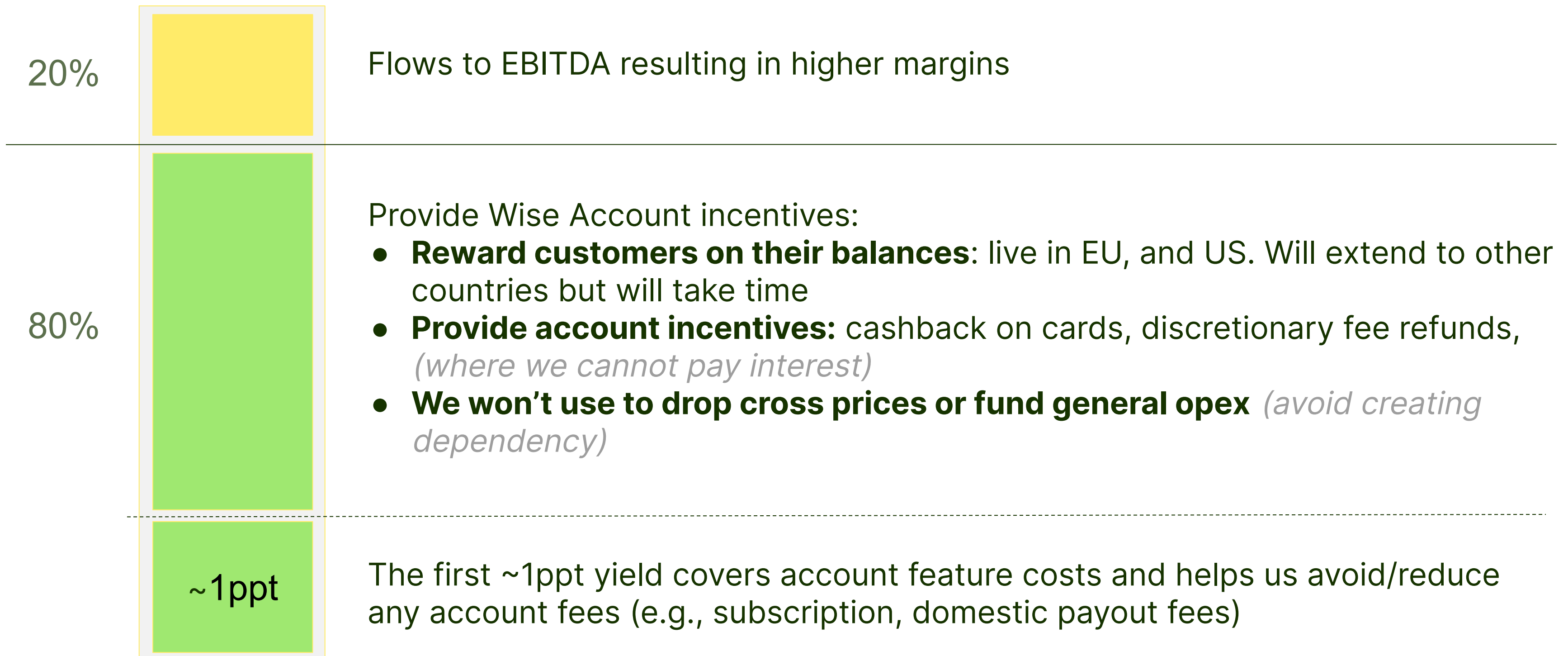
So how will we utilise this interest income?



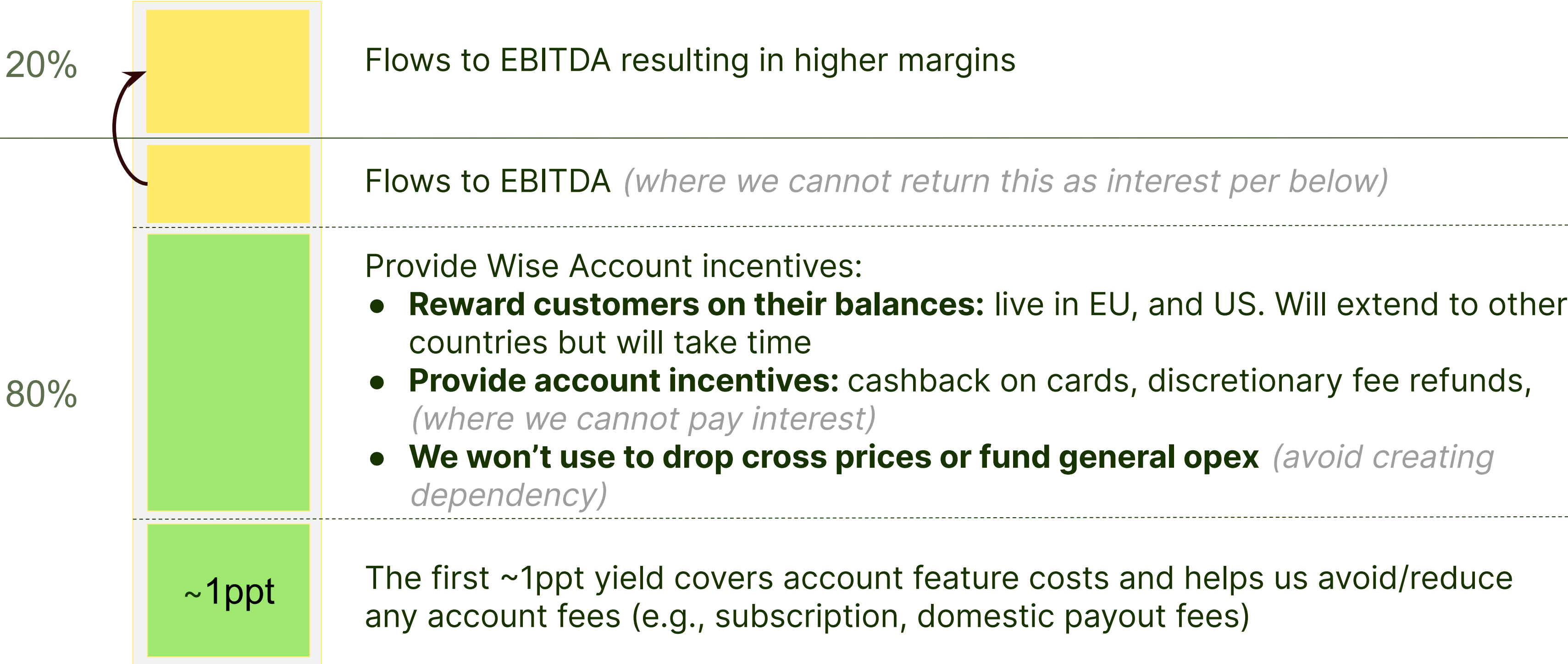
So how will we utilise this interest income?



So how will we utilise this interest income?



So how will we utilise this interest income?



This interest dynamic will drive higher adjusted EBITDA margins.

H2 FY23 Adjusted EBITDA margin

As reported 27%

... with 1ppt interest yield 20%

Continuing growth and profitability in FY24

28-33% YoY

Income growth in FY24

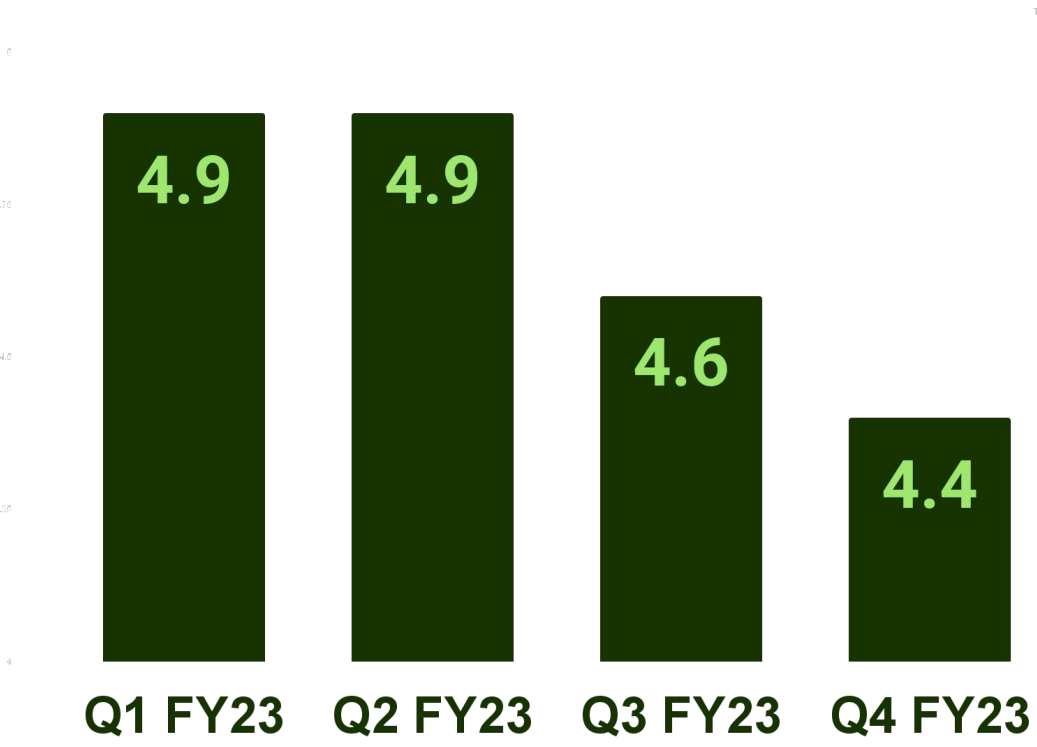
Key Driver:
Strong active customer growth

Considerations

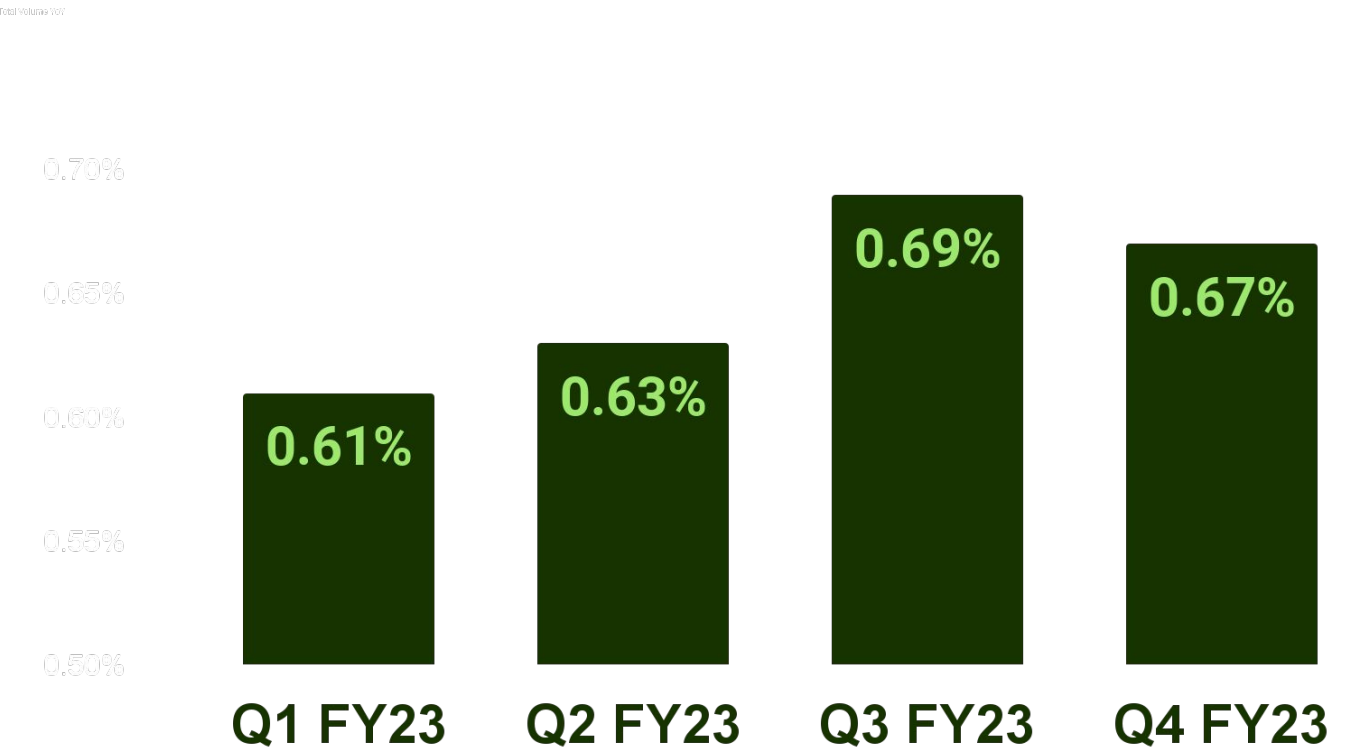
- VPCs very slightly lower as we enter FY24; soft/uncertain macro outlook
- Interest: Increasing rates, more returned to customers; EBITDA remains elevated

Lapping material trends from FY23 as we move through FY24.

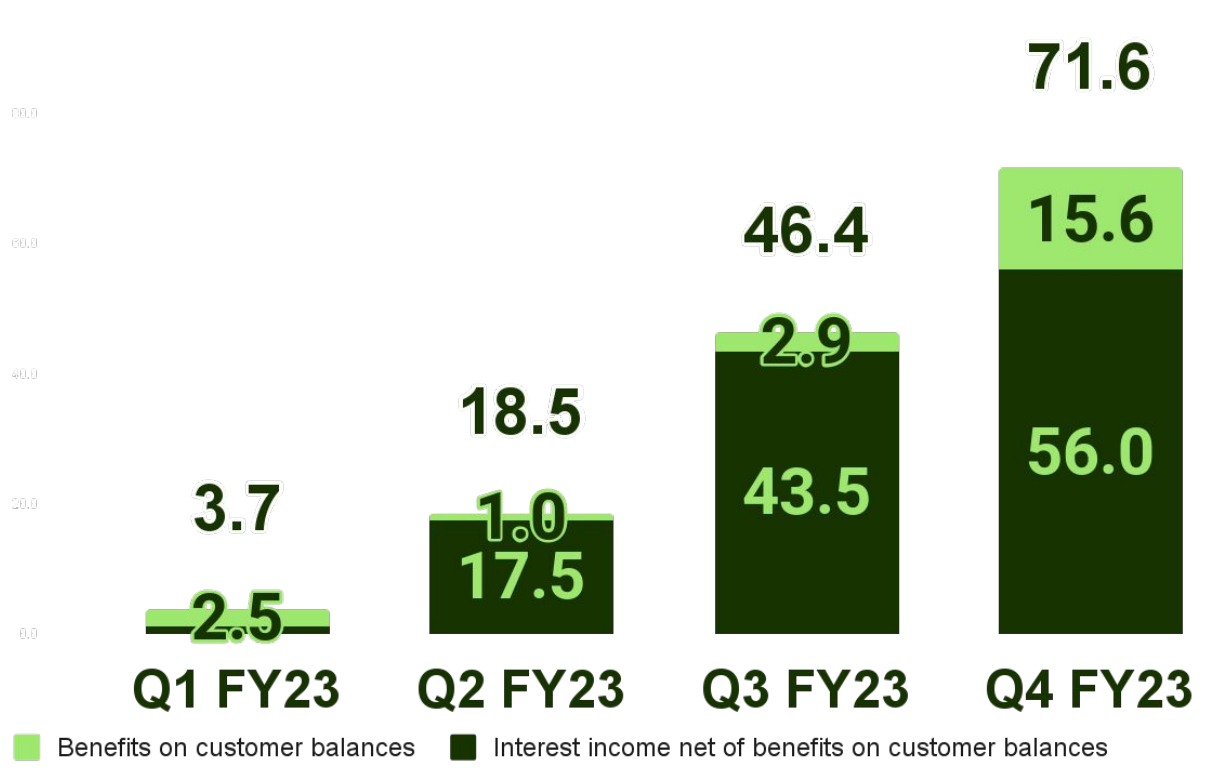
VPC (£ thousand)



Cross Take Rate (% of Volume)



Gross and net interest income (£m)



Medium-term guidance reiterated

Income growth >20% (CAGR)

Supported by active customer momentum into a huge market opportunity

Adj. EBITDA margin at or above 20%

Sustaining our levels of investment in the long-term growth

Maintaining discipline on price for competitive advantage

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Growing fast...

... investing for long-term

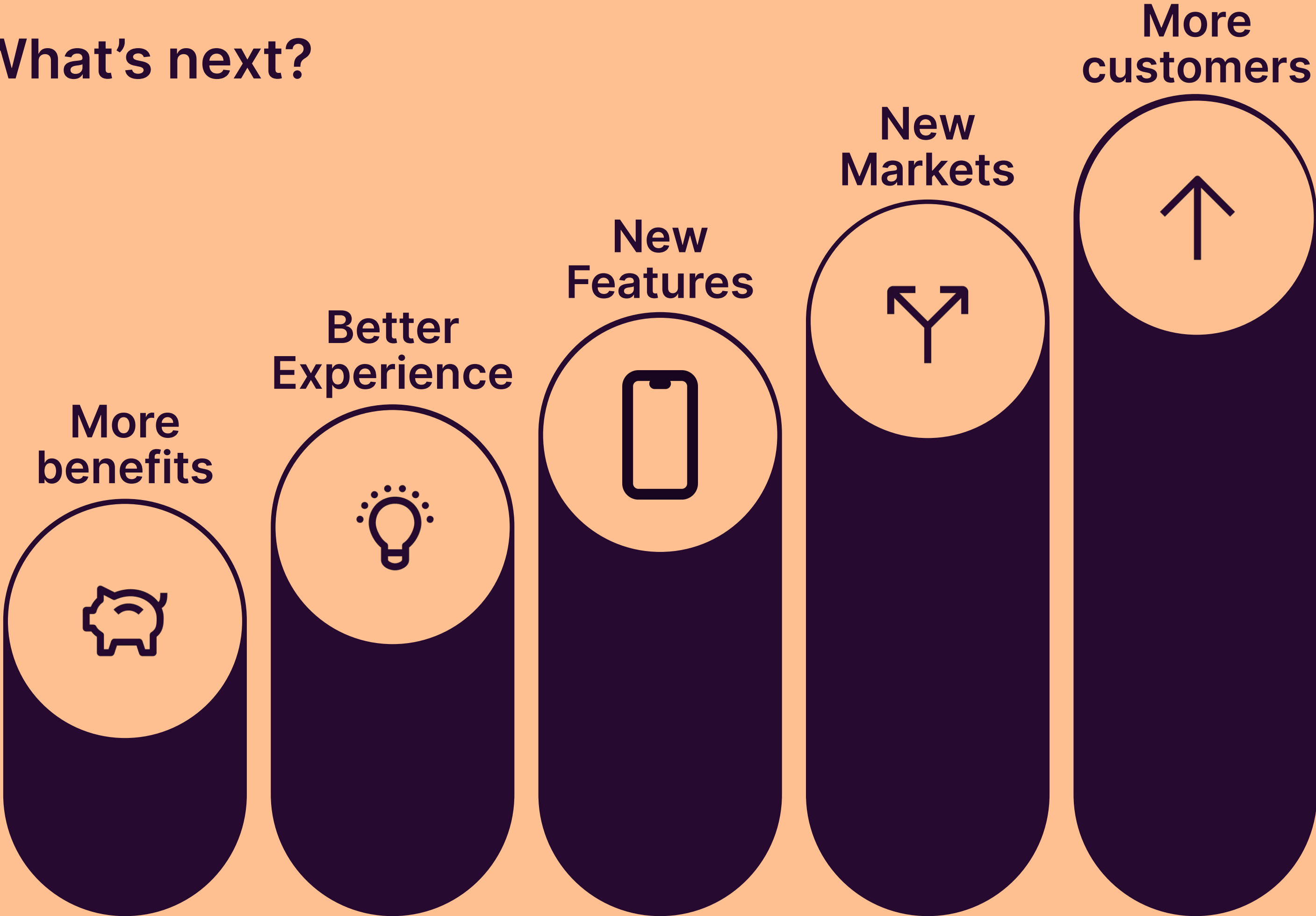
... and highly profitable



Kristo Käärmann

Co-founder and CEO

FY24: What's next?



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Q&A



σ7