Money without borders.

Annual Report and Accounts 2022

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Kristo Käärmann
Co-founder and CEO

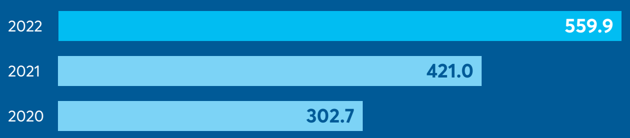
We are building the best way to move and manage money around the world.

We're now moving 3.5% of people's international transfers, saving customers what we estimate to be over £1 billion across the last year. But we know our customers need more than just transfers, so we want to help them in more ways. Changing our name from TransferWise to Wise a year ago reflects this ambition. Transfers still power our underlying infrastructure, but what we're offering today is an international banking experience.

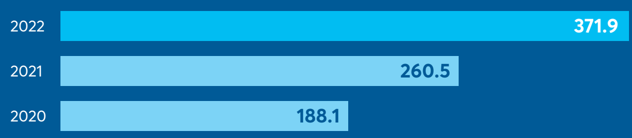
We're nowhere near mission complete, but 13 million people and businesses are now helping us get closer every day.

Highlights.

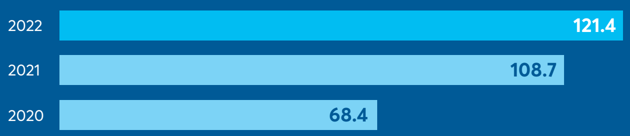
Revenue (£m)



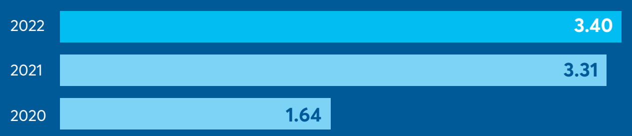
Gross profit (£m)



Adjusted EBITDA (£m)



EPS (pence per share)



Our infrastructure got leaner and faster, enabling us to reduce prices and complete 49% of transfers instantly

The Wise Account is solving international banking, and is now available in more countries with more product features

The improvements in product experience drive our growth. Customers moved £76bn of volume, 40% more than last year

So we are growing fast, at scale, and profitable. We are investing heavily in future growth whilst managing a healthy 20%+ Adjusted EBITDA margin

…But we have just got started. Whilst we now move 3.5% of personal transfers, there's still so much more to do for people and businesses around the world!

We're just getting started.

2011
Kristo Käärmann and Taavet Hinrikus start TransferWise and hire first employee

2012
First office opens in London and US$1.3 million in seed funding raised

2014
£1 billion in cross-border payments reached

2015
Launched in the United States and Australia

2016
First business product offering launched

2017
Launch of our Asia-Pacific hub in Singapore

2017
Multi-Currency Account launched (now the Wise Account)

2018
Debit Mastercard offered in the UK, EU, US, Australia, New Zealand and Singapore

2020
FCA licence to offer regulated investment activities in the UK granted

2021
TransferWise becomes Wise

Direct listing on London Stock Exchange

2022
Wise Account launched in Brazil and Malaysia

Launched Wise SWIFT Connector

Wise today.

Wise is a global technology company building the best way to move and manage money around the world.

>13m
customers around the world

67
licences across 44 countries

3.1m
physical debit cards issued

£76bn
cross currency volume processed in FY2022

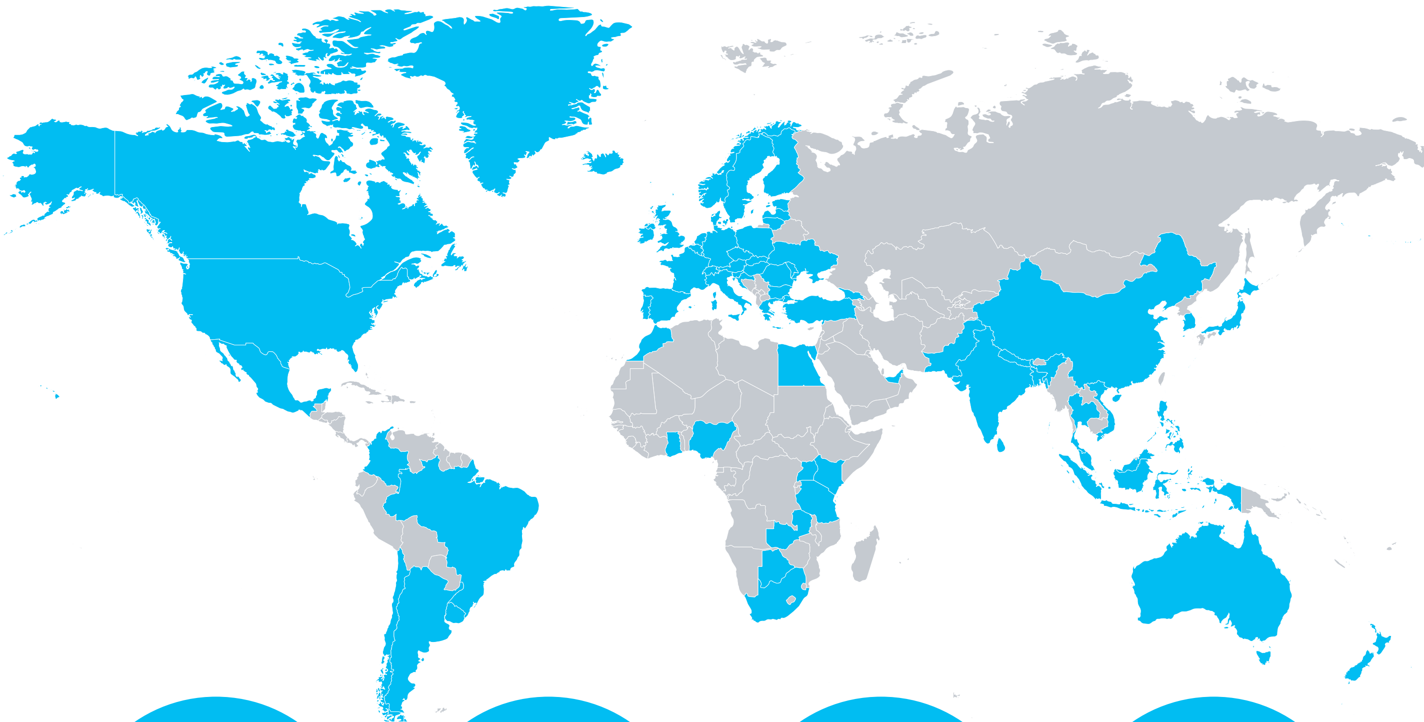
66%
of customers coming via word of mouth in FY2022

10
local account details giving customers the ability to receive money

£6.8bn
held in the Wise accounts

40%
FY2022 volume growth

Our products are trusted worldwide



Low cost
0.61%*

Fast
49% instant**

Convenient
send, spend, receive, invest in few taps

Transparent
No hidden fees

* Average fees we charge our customers as at Q4 FY2022.
** % of transfers which moved instantly in Q4 FY2022 – instant defined as less than 20 seconds.

Fixing international money.

I am very pleased to be the Chair of Wise as we publish our first Annual Report as a public company. With a mission to build the best way to move money internationally, Wise continues to improve international money services for millions of people and businesses every day.

It's been just over a decade since Wise was founded; it's been a long journey, and there's much more still to do. This includes building trust with even more customers and regulators, and scaling increasingly complex operations across new regions – each with their unique challenges. But 11 years since Wise was conceived, the momentum for the mission is still as inspiring as ever.

Wise's mission to fix international money, coupled with the deepening interconnectedness of our global economy, led us to an early appreciation for our stakeholders around the world, including customers, regulators and owners. As part of this, we have spent the last five years developing a world-class Board of Directors with broad functional, scaling, and geographic experience to support Wise's continued growth as a newly public company.

With this faster growth comes more challenges, but in working through these we'll sustain a competitive advantage in the industry. And maintaining this is a key role of the Board.

40%
FY2022 volume growth

£559.9m
FY2022 revenue

And so the Board happily takes on this challenge to help Wise scale, and to meet the ever-growing but appropriately high standards of our stakeholders around the world.

Part of the magic is that we believe we have a rare alignment across customer, regulator, and shareholder. Customer usability and speed of service can sometimes be at odds with customer and financial crime protection. Our products, management team, and Board try to strike the right balance. Our role as a Board is to help maintain this alignment and continue to keep our stakeholders pleased over the coming decades.

But we don't exist in a vacuum. The world is changing fast in front of our eyes, and this past year has been sadly marked by war and the ongoing pandemic. Both presented immense challenges for our Wisers and our customers. The team at Wise has worked hard through all of this to deliver on the mission – to build a world-class infrastructure that provides a fast, cheap and convenient way to move money.

What we're doing is working.

Over seven million people and businesses from around the world used Wise over the last year. Our growth has been significant, with 24% more customers using Wise this year, completing more transactions across more products than ever. The average price our customers now pay has reduced by 12% over the year.

This is reflected in the 40% increase in the amount of money transferred by Wise from one currency to another, reaching £76 billion for the year.

All of this was delivered whilst maintaining a healthy and sustainable adjusted EBITDA margin of 22%. This reflects our investment in our future, which saw the expansion of the Wise team by c. 950 to almost 3,400 Wisers working to deliver for our customers.

What have we done as a Board to help build a larger, stronger Wise?

Firstly, we've built out our Board, significantly enhancing the calibre and diversity of experience. It was a privilege to become Chair during this most recent financial year, building on my experience with Wise as having served as Senior Independent Non-Executive Director on the Board since 2019. We also welcomed several new Board members: Clare Gilmartin, Hooi Ling Tan and Terri Duhon. Our new Directors bring many years of experience in the growth and governance of technology and financial businesses (see more in the Corporate Governance section).

Our Board, with existing and new Directors, is entirely committed to providing the leadership and governance needed to support Wise on its mission. My sincere thanks go to our departing Director, Taavet Hinrikus, for his substantial contributions to making Wise the company that it is today.

Secondly, we've helped Wise break new ground and tackle growth challenges. As a Board we've spent time providing the support and challenge needed to develop the strategy by which the business will pursue its mission. The growth numbers speak for themselves and our work together is intended to support this for years to come.

We also spent time helping the business navigate the expected risk and compliance challenges. You'll read more in our Audit and Risk Committee Report how we've helped focus on managing these exposures and vulnerabilities as we grow, as well as building and maintaining enduring regulatory relationships. We've also started to adapt our remuneration so it's consistent with what's expected of a public company – and importantly one that operates in financial services; see our Remuneration Committee Report for more details. Like many businesses, we've worked carefully through some challenges as we grow, and our wider Corporate Governance Statement sets out how we've maintained appropriate governance as a Board (see our Nomination Committee Report more details).

Finally, we supported Wise as it transitioned into life as a public company in July 2021. We worked hard and creatively to meet the needs and expectations of a public company without distracting from the day to day – making sure the business was not negatively impacted. This was a significant but successfully executed move, widely anticipated and the first of its kind on the London Stock Exchange.

Where is our focus, and what can you count on?

Over the coming years we as a business will continue to focus on investing in our significant growth opportunities, in a manner that is consistent with our mission, and which is built upon a long-term sustainable model.

I know the Board joins me in saying thank you to every Wiser for their huge contribution, and to all our customers and stakeholders for their support of our mission.

David Wells
Chair

28 June 2022

"Wise is changing how money moves around the world, and we're building governance that will help Wise continue to scale and achieve its mission."

Great progress. But it's still so early.

Welcome! I'm excited to share with you our first Annual Report as a public company.

In 2011 TransferWise was born. My co-founder Taavet and I set out to fix banking for international people. In fact, international banking didn't really exist.

We knew people deserved better than hidden charges, marked-up exchange rates and slow transfers when their money crossed borders. They didn't want trips to their bank branch and they didn't want anxiety about where their money was when in transit.

So we started building the infrastructure to move money instantly, conveniently, transparently and working towards getting it closer to free. Fast-forward 11 years and we're now moving 3.5% of personal money that moves across borders. We're really pleased to get this far – but there's still 96.5% left to go. And the opportunity to support businesses is even greater.

Why, over a decade on, is our mission still incomplete?

Firstly, because traditional banks haven't improved. Many financial institutions continue to lead with opaque and untransparent pricing which can confuse customers. In the past there haven't been many ways to move money across borders, so traditional banks have had no incentive to get smarter.

Secondly, when it comes to money, international people and businesses need more than just transfers. We continue to answer these needs and now offer more than just money transfers – we're an international account for expats, global networkers and businesses around the globe. That's why a year ago we changed our name to Wise. Our infrastructure powers our three products – the Wise Account, Wise Business, and Wise Platform.

Through these products we bring money without borders to those who live and work across multiple countries.

We're making progress on strengthening those foundations. 49% of our transfers are now instant, arriving in less than 20 seconds. A lot of the time they're incredibly low cost, and we continue to find ways to reduce the cost for the customer. This means that today, over 13 million people and businesses are saving a billion pounds a year using Wise compared to their bank.

I'm excited to take you through what we've been up to this past year.

How have we done this year?

This year we brought the Wise Account to people in Brazil and Malaysia and introduced the Wise card in Canada. The Wise Account lets you hold over 50 currencies in one place, and convert between them instantly. You can spend anywhere with the Wise debit card too and get local bank account details in 10 countries, allowing you to receive money internationally. Last year, we also launched 'Assets' in the UK, so customers can choose to invest their money, whilst retaining instant access to it – no matter the currency. Our investment plans for the Wise Account include developing and enriching our existing capabilities of sending, receiving, spending and investing.

For Wise Business, we've deepened our partnership with QuickBooks so that paying bills is simple and quick; listening to feedback from customers on what they needed to run their business. Money management has also been made easier for employers and employees alike, with the launch of expense cards; giving businesses the ability to issue cards to staff members and set account spending limits.

And for banks and enterprises who want to offer international banking features, they can plug into our Wise API, so their own customers can benefit from our infrastructure and service.

We have also continued to build our Wise Platform, including in the USA where we integrated with Google Pay, allowing US users to send money to friends and family via their app, but we also linked up with Sable (a US neo bank). We also integrated Wise Platform with South Korea's second largest bank, Shinhan Bank, meaning that our cheaper and faster payments are now even easier to use for over 11 million of their customers in South Korea.

This was also a big year for the Company itself. We grew from around 2,400 Wisers to almost 3,400 in just 12 months – and opened a new office in Austin, Texas to power up our growth in North America. In July 2021, Wise listed on the London Stock Exchange, and although the listing hasn't changed who we are or how we operate, we're hugely proud that our customers can own a stake in Wise. Now every stakeholder can be more closely aligned with our mission and invest in the fight against archaic financial borders.

Matt will cover the details of the financials, but FY2022 was another great year financially for Wise. I take great pride in being able to say that we continue to operate a sustainable model and that we have been profitable for five consecutive years, all whilst building a much better product and growing volumes significantly.

How we're responding to the war in Ukraine

With an office in Cherkasy and many Ukrainian Wisers, Russia's invasion of Ukraine has been particularly poignant for Wise. Our priority has been the safety and wellbeing of our team in Ukraine.

We've fought to keep our Hryvnia (UAH) route open, and have been working with banks on the ground to remove transfer limits. We've also kept fees to send to UAH as low as possible, as well as waive fees for transfers to select charities.

Wise is in a unique position to help refugees send and receive money. We've been able to issue thousands of digital cards to Ukrainians, so they can continue to spend money in Ukraine, Poland, Hungary and across Europe.

Along with the rest of the financial community, we have responded to sanctions in Belarus and Russia, closing any accounts there. In reacting quickly and increasing our screening capacity, we ensured our other customers were not disrupted by these changes.

Our fight against hidden fees continues

It's 2022. And yet, we still see banks and other service providers continuing to hide fees in inflated exchange rates with claims that it's not possible to show the true cost, or use the real exchange rate. Consumers and businesses think they're getting a good deal, when in reality they are paying much more than the market rate.

We're not asking those financial providers to scrap all fees. We're calling on them to be transparent. To get there, we need policymakers to address these misleading practices, close the loopholes and make it possible for consumers and businesses to accurately compare prices.

Years ago, we built a comparison table on our homepage, comparing banks and other providers. We even tell people when we're not the cheapest option. If people want to pick a more expensive deal, that's okay! It will at least be an informed choice.

Unlocking that informed choice and getting rid of hidden fees is core to why Wise was founded in the first place.

This year, we have a real opportunity to change the rules. In the United States, the Consumer Financial Protection Bureau is looking into hidden fees. In Europe, the Payment Services Directive could close the loopholes. Globally, the United Nations, the World Bank and the Financial Stability Board have all committed to stronger wording on transparency in cross-border payments.

We have momentum. Wise has nothing to hide and you can make sure others don't either.

What's next for Wise

In an increasingly fractured world, the need for honest and borderless international banking has never been greater. We are driven by our mission to build money without borders and to make the lives of international people and businesses easier – from their very first transfer to giving their successful business a global reach.

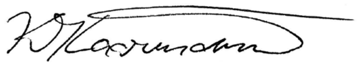
International people and businesses are underserved. We grew our market share of personal transfers to 3.5%, and we will continue to grow our smaller share of business transfers.

What we will provide as we work towards our mission is:

- Wise Account – the best account for international people
- Wise Business – the best account for international businesses
- Wise Platform – infrastructure to allow other banks and enterprises to serve their international customers better

We will continue to invest in infrastructure, build features for a smooth and delightful banking experience, and expand globally to bring Wise to more people and businesses in the world.

On behalf of the Board of Directors:



Kristo Käärmann
Co-founder and CEO

28 June 2022

Q&A

with Kristo Käärmann on the importance of transparency.

Why does transparency matter?

When I started Wise with my co-founder Taavet over a decade ago, we were both frustrated with how the financial system was run: we had both made the same mistake. We lost money in inflated exchange rates somewhere in between banks when we tried moving money internationally. What happened to us back then still happens today. Millions of people get ripped off every day, paying c.£180 billion in hidden fees every year.

We vowed to do things differently and make money move freely across borders, without any nasty surprises. That's how the Company was born. But we will only achieve our mission for full transparency if all providers are transparent. People deserve to know the truth.

Will Wise lose its competitive advantage if the industry moves towards transparency?

No. Transparency is about treating consumers and businesses fairly. It's about telling customers exactly how much it costs when they make a transaction, using a neutral, live mid-market rate as the global benchmark. No hidden fees in inflated exchange rates.

Try and find a comparison website today that will tell you all the costs and charges when you spend, send or receive money across borders. It's just not possible. People are unable to find the best deal and we're not competing on an equal footing. Transparency will change that.

Wise already charges as little as possible. We pass our savings on to our customers. Our low fees combined with our convenience and our speed, that's how we'll remain ahead of the competition.

Has there been any progress in the last year?

The international community has really stepped up their game. Supranational organisations such as the Financial Stability Board, the United Nations and the World Bank are all advocating for stronger transparency rules. Now we just need governments around the world to listen and act. The financial industry knows it's the right thing to do, so better still, they should get ahead of the rules and stop hiding fees in inflated exchange rates.

Luckily, there are legislative opportunities: in the United States, the Consumer Financial Protection Bureau is looking into hidden fees. In Europe, the Payment Services Directive could close the hidden fee loopholes. But while we wait for legislation to come through, we will continue to hold the industry accountable. Research has shown that consumer understanding doubles if transparency is introduced across the market. Standardisation matters and transparency across the industry remains a key pillar in our mission.

Are you hopeful about the direction of travel?

It will take a while before we get to 100% transparency, but there is progress. In the past 11 years, I haven't heard a single compelling case against telling customers how much they're being charged. This shows that the industry is running out of excuses and regulators will find it easier to crack down with strong laws to put an end to hidden fees. Consumers set higher standards for their financial services providers, including standards on transparency. We should give them the tools to hold their providers to account. Transparency won't happen overnight, but hopefully in a few Annual Report time, we won't need to have this conversation!

Moving money internationally is broken. That's why we're here.

More people and businesses are becoming international and the need to move and manage money is growing. The market is getting bigger, driven by an increase in international mobility, and international trade, so globalisation, increased migration and rapid technological developments are all underlying drivers for this growth.

The market for cross border transfers alone is estimated at £22 trillion in 2021 and is expected to reach £28 trillion by 2027 according to strategic payments consultant Edgar, Dunn & Company (EDC).

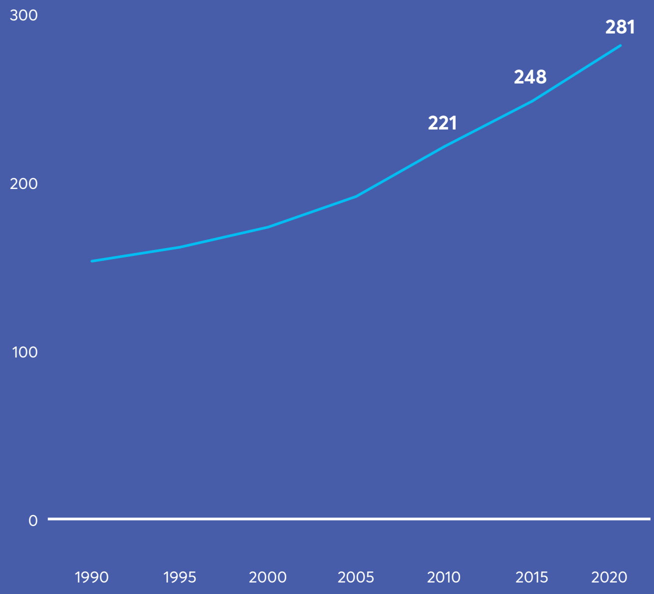
This includes a broad set of use cases such as remittances, e-commerce card payments, real estate investments and tuition bills, cross-border payments of salaries, suppliers, and payments for merchandise and services from abroad.

But the market is dominated by banks that provide an expensive, slow and inefficient service, reliant on outdated infrastructure. Fees are kept high to cover the costs associated with this intermediary-heavy network which is unreliable, hard to monitor and has manual or semi-automated processes. Further, the lack of transparency on fees means that there are limited pressures to solve this problem from within. Some new entrants are bravely trying to solve these problems.

People and businesses move over £22 trillion around the world every year but pay significant fees, often unknowingly, for a slow service

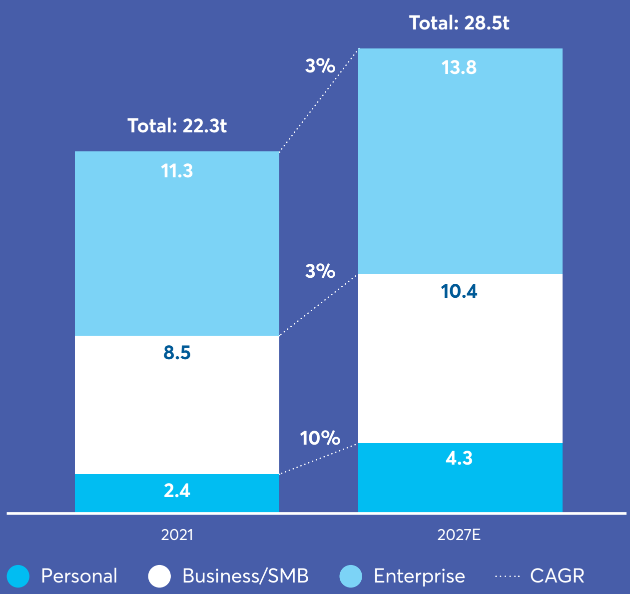
We have spent the last 11 years building a replacement infrastructure for correspondent banking and have already made great progress in fixing the important problem of moving money across borders cheaply, conveniently and with transparent fees.

Total number of international migrants (at mid-year millions)



Source: Global Migration Data Portal

Global cross-border payments market volume (GBP in trillions) *



These include a broad set of use cases such as remittances, e-commerce card payments, real estate investments and tuition bills, cross-border payments of salaries, suppliers, and payments for merchandise and services from abroad.

* Estimate of market size of cross-border payments market by EDC. Converted to from USD to GBP at the exchange rate of 1.35 and rounded to the nearest whole number.

We serve our customers with three products.

When it comes to money, international people and businesses have more needs than just transfers.

As a result, today we are much more than just money transfers – we're an international account for immigrants, global networkers and businesses around the globe.

This is why a year ago we changed our name to Wise, to better reflect our growing proposition for our current and future customers. Our transfer infrastructure powers our three core products – the Wise Account, Wise Business and Wise Platform.

Our focus remains building money without borders for those who live and work across multiple countries. And there's still lots to do.

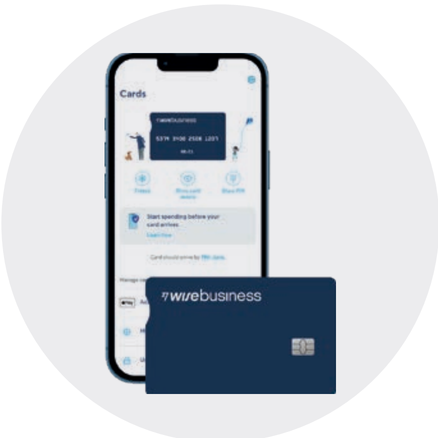
Wise Account

The Wise Account is our product for personal customers. We started with just transfers and now our customers can also receive, spend, hold, and most recently invest through Wise Assets. It has become a staple for those managing money across borders as we've developed the features to support more of our customers' money needs.

We know when customers adopt more of these features they start to really unlock the full potential of the Wise proposition and we continue to build the Wise Account to support the new use-cases which customers might need.

More customers adopt multiple products, using Wise more frequently. Personal volumes account for over 70% of our total volumes.

Our vision for Wise Account is to be the best account for international people who need to move and manage money across borders. For a subset of these customers we want to become their primary account.

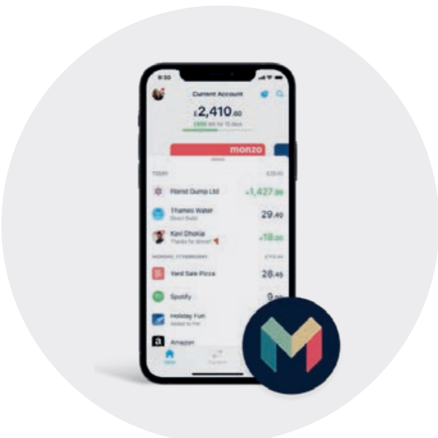


Wise Business

Our business offering is one of our fastest growing products. We know that international businesses remain underserved by banks and neo banks alike. We are building a product that will serve as one of their main business tools, so that they can focus on what's important – growing their business. Today businesses can pay their suppliers and employees and manage their expenses on Wise.

During the year, over 400k businesses used our services – from sole traders, to SMBs and larger companies using us to get paid, manage their funds and pay employees and suppliers. The business portfolio drives 26% of Wise cross-currency volume and it grew 59% YoY.

Our vision for Wise Business is to be the only account international businesses need, supporting them on all of their jobs – including getting paid, paying employees and suppliers, managing cash flow and treasury and running expenses



Wise Platform

Our platform allows businesses and banks to offer their own customers faster, cheaper and more efficient international payments. Customers get a smooth transfer experience in their native banking app, and the businesses don't have to build the infrastructure themselves.

We continue to focus on building new partnerships across the world providing more customers access to the Wise experience. We have over 50 partners – banks and non-banks who serve their customers with cheaper and faster money movement capabilities.

Our vision for Wise Platform is to become the distribution partner of choice for banks and enterprises, opening up all of Wise's features. We started with offering transfers to our partners, but we aim to provide tailored access to the majority of features that are available to our direct customers, including accounts, cards, and more.

Our mission pillars.

How are we doing along our mission?

Our mission drives us, so we have defined and constantly monitor our **mission pillars** to track our progress.

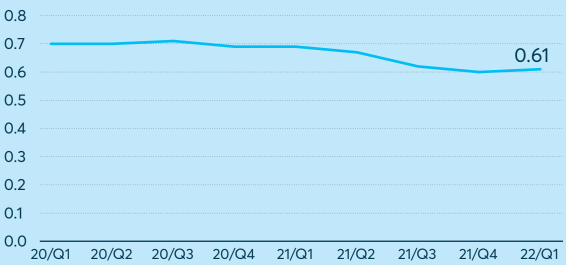
We managed to reduce prices for cross border payments by 12% and over 49% of our transfers are now instant, arriving in less than 20 seconds. We improved our Account for People and Businesses and made it available in more countries.

This means that today, our personal and businesses customers are saving more than £1 billion a year using Wise compared to using their bank.

Price

Our superior infrastructure underpins our low unit costs, allowing us to charge up to eight times less than what leading traditional banks charge, thereby saving our customers more than £1 billion in FY2022. We remain committed to sustainably reinvesting back into the business in order to support price reductions for our customers.

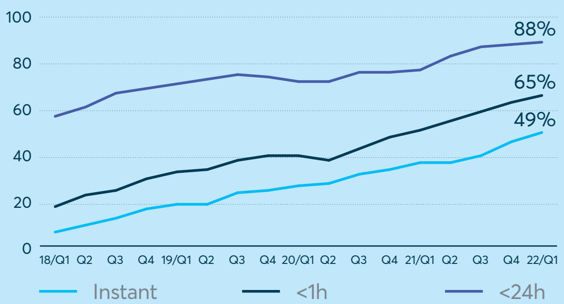
Average price over time (%)



Speed

We move money at speeds previously thought impossible. We have continuously increased the speed of our transfers, and now 49% of our transfers are instant, 65% were delivered in under one hour and 88% in under 24 hours.

Time for money transfers to arrive (%)



Convenience

We're committed to making Wise available to anyone, anywhere, any time and on any device. Our infrastructure enables our customers to send, receive, hold, convert and spend money in a growing number of currencies, all in one place with only a few taps or clicks. Transforming from just a 'send-money' functionality into what is now our Account was driven by our principle of building a convenient and reliable service for our customers.

Number of countries we can send to

>70

Number of countries we can send to and receive from

49

Number of countries with debit cards

41

Number of countries with local bank details

10

Transparency

Customers rank transparency as one of the most important factors for moving money cross-border. But banks and other service providers continue to hide fees in inflated exchange rates. Unlocking that informed choice and getting rid of hidden fees is why Wise was founded in the first place.

We built a fee comparison table on our homepage, comparing banks and other providers. Adhering to our transparency pillar, we tell people when we're not the cheapest option, so that they can make an informed choice.

As noted in the CEO's statement, this year we have a real opportunity to change the rules. In the United States, the Consumer Financial Protection Bureau is looking into hidden fees. In Europe, the Payment Services Directive could close the loopholes.

These principles around our mission and our approach resonate with customers a lot and 66% of our customers come from word of mouth.

Our infrastructure underpins everything.

Infrastructure

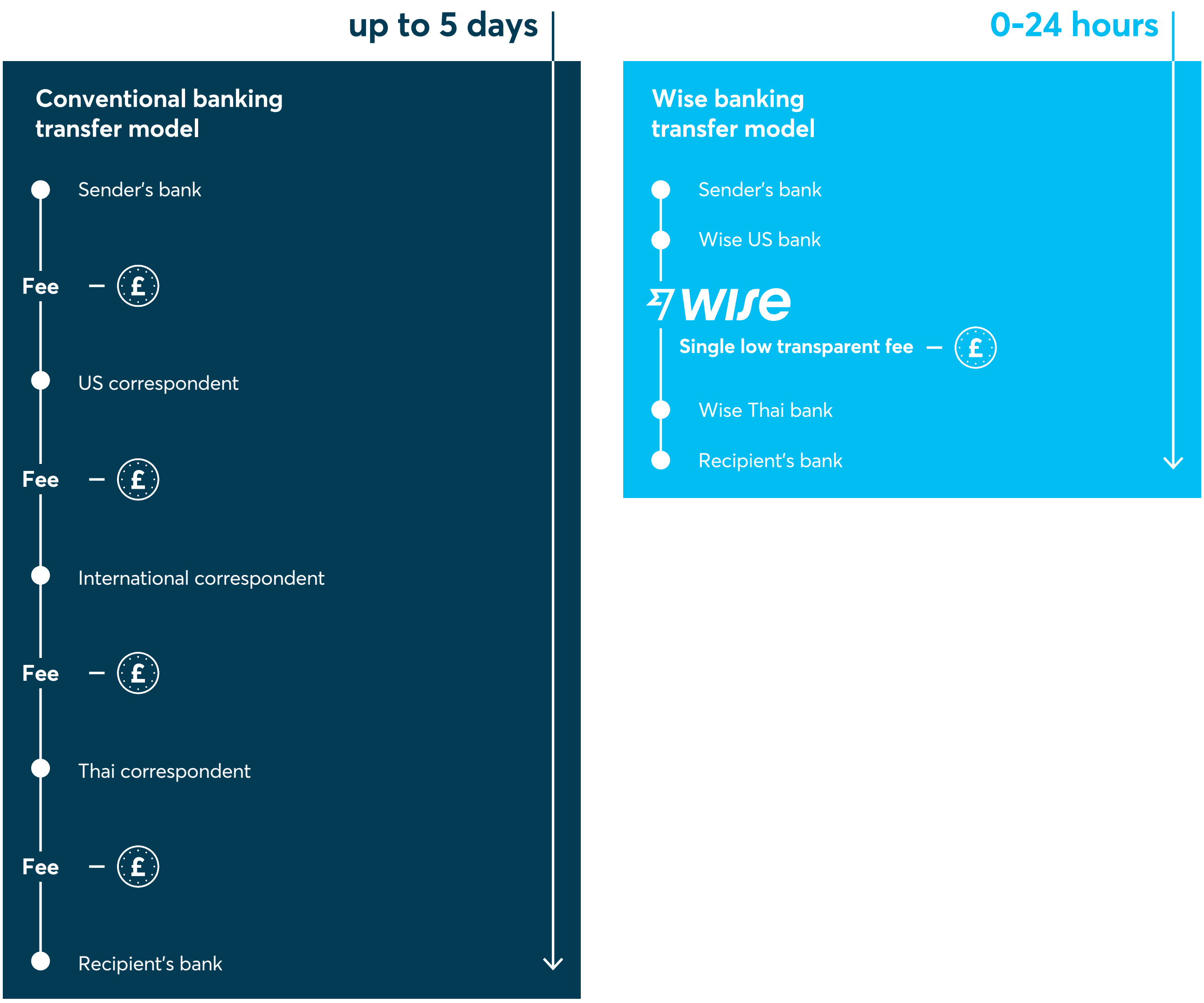
Our infrastructure underpins everything

Developing the underlying infrastructure to move and manage money around the world remains a focus and powers all our products. We believe that our infrastructure gives us a long-term sustainable competitive advantage. We are focused on increasing speed and reducing price.

In order to solve the structural problems in the cross-border payments market, we realised we needed to replace the outdated correspondent banking system. Our infrastructure does this by stitching together local payment systems, eliminating intermediaries and cumbersome manual processes. Thus removing the high costs, lack of transparency, delays and inconvenience that are all too common to the correspondent banking system. We also wrap a slick and efficient verification and onboarding process over this.

We then partner with local financial institutions to get access to payment rails. Once we establish our presence, we deepen our connection by seeking our own regulatory licences, further integrating with local payment systems and rolling out features along the way.

This is all carried out in a highly localised manner that is bespoke to each country, requiring close collaboration with local financial regulators. The graphic on the next page illustrates our geographical coverage as set out by the level of local integration and the type of available features.



We've got an amazing infrastructure which powers our products…

Our unique infrastructure

Sophisticated, scalable system
- 6 million lines of Java code in over 400 cloud-based services
- Facilitating over 700k transactions per day
- 500+ skilled engineers across 70 teams shipping 100 releases per day
- Proprietary machine learning approach to fighting financial crime

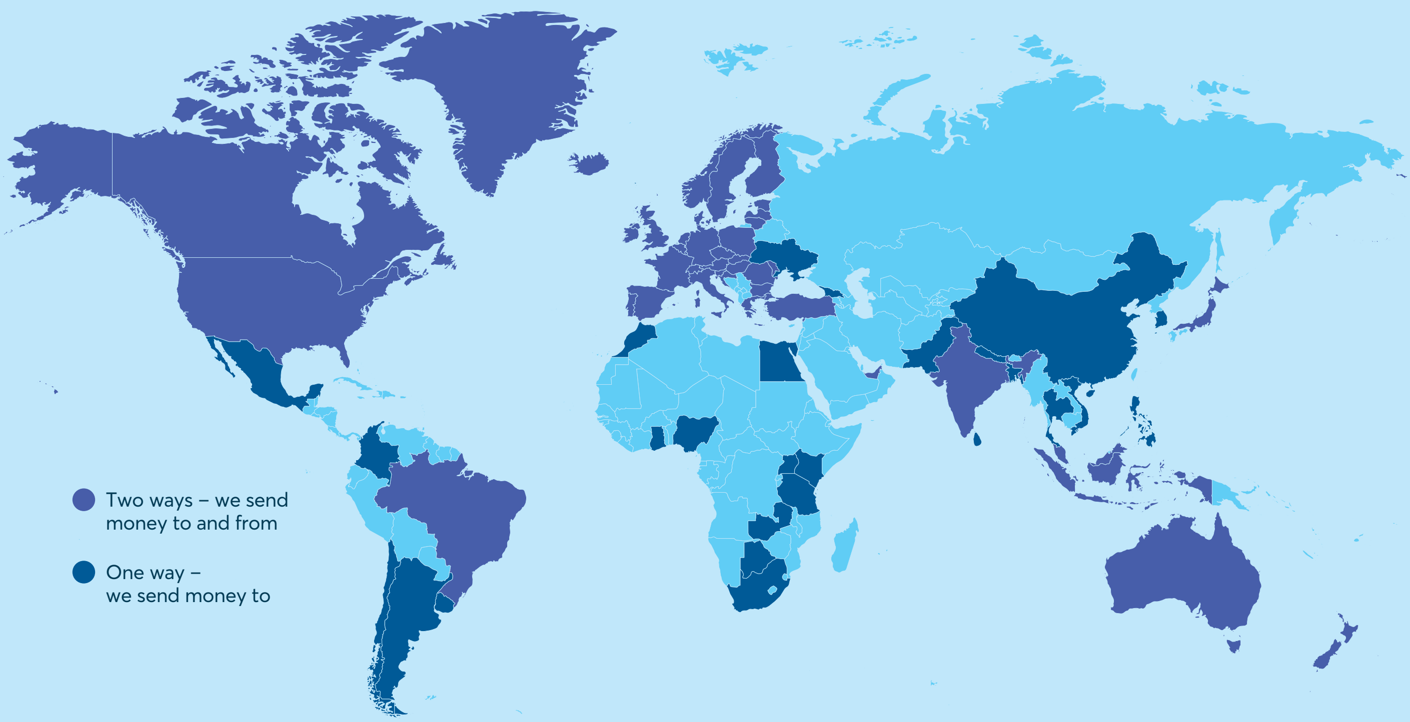
An extensive network
- Over 50 partnerships with banks and payment partners
- Direct connection to 5 payment hubs
- Local payment processing in 88 countries
- MasterCard and Visa card issuance partnerships
- Cloud based connection with Visa

Portfolio of licences and regulatory relationships
- 67 licences across 44 countries (including 30 EEA member states and 49 US states) enabling us to operate under the Wise name.
- Proactively engaging with regulators globally

Highly capable Operations team
- Over 900 customer support agents split by product and language
- More than 200 payments operators with local expertise
- 94% of personal document review is automated
- Our payment delivery estimates were accurate 80% of the time

A trusted global brand
- Rebranded as Wise in 2021 reflecting a broadening of scope
- 4.5/5 on Trustpilot out of 100,000 reviews

…across these locations around the world…



Key performance indicators.

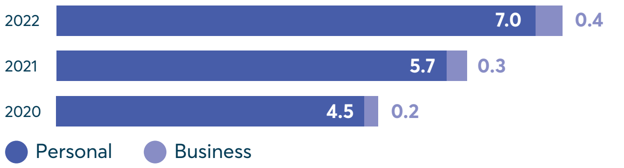
KPIs that help explain our growth

The Wise Account is driving volume growth.

Active customers

7.4m

YoY: 24%

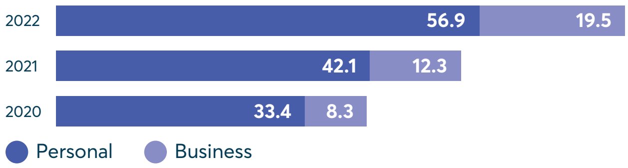


7.4m customers used Wise in FY2022. Personal customers grew 24% YoY and business customers 34% YoY.

Total volume

£76.4bn

YoY: 40%



We're now one of the largest standalone money movers. Total volume was £76bn, +40% YoY. Personal volume growth was 35% and business 59% YoY.

Personal VPC

£8,110

YoY: 9%

Customers moved more money, with personal VPCs up 9% YoY driven by more customers adopting the Wise Account.

Business VPC

£47,731

YoY: 18%

Business VPC grew +18% YoY. Similarly to personal, increased adoption of the Wise Account is leading to higher volumes. Additionally businesses are moving more money as they grow with us.

Total take rate

0.73%

Total take rate was lower in FY2022 as we made significant headway on our mission. We reduced our cross-border cost by 7bps over the period as we engineered away costs, partially offset by other income during the period.

In addition to the above, specific environmental and employee KPIs are set out in the Environment & social impact section on pages 28 to 33 and Our people section on pages 22 to 27. See also pages 160 to 161 for the definition and reconciliation of alternative performance measures.

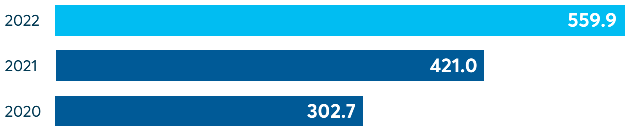
Financial KPIs

We're growing fast at scale, and profitable. Our growth is self funded and is translating into sound financial fundamentals.

Revenue

£559.9m

YoY: 33%

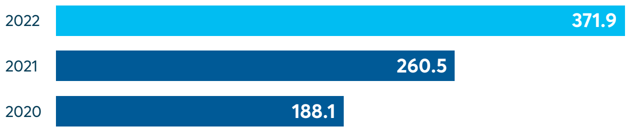


Revenue grew 33% YoY driven by volume growth across both personal and business customers.

Gross profit

£371.9m

YoY: 43%

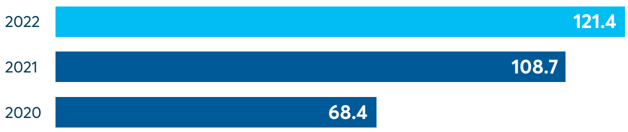


Gross profit grew 43% YoY, broadly in line with volume growth, demonstrating our ability to drop prices for customers while increasing our ability to invest.

Adjusted EBITDA*

£121.4m

YoY: 12%

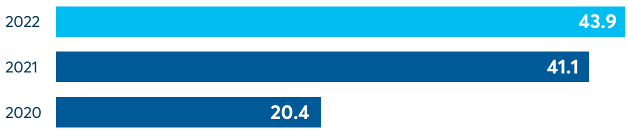


We continued to invest heavily in our future growth whilst maintaining a healthy EBITDA margin >20%.

Profit before tax

£43.9m

YoY: 7%



We're bottom line profitable and funding our own growth and capital generation

Earnings per share**

3.40 pence per share

YoY: 3%

Basic EPS grew 3% YoY in FY2022 to 3.40 pence.

* To supplement performance assessment, the Group uses alternative performance measures (APMs), which are not defined under IFRS. APMs are indicated in this document with an asterisk (*); definitions and further details are provided on pages 160 to 161.

** For comparability and consistent presentation, the weighted average number of Ordinary Shares and share options for 2021 and 2020 were determined on the same basis as the 2022 figures, i.e. as if all shares (common and preference) were redesignated into a single class of A Shares, then each Class A Shares split into 26 Class A Shares.

We're growing fast, at scale and profitable.

Our mission is to create the best way to move and manage money around the world. We remain focused on our customers' needs and solving their problems, whilst building out a sustainable and valuable business.

In bringing transparency and fairness in how we price our products, we've found a common ground of creating massive value for our customers and also our shareholders: our Owners.

This model is proving to work very well, and we see no sign of this changing. Since we became profitable in 2018, we've managed to more than quadruple our volumes and revenues. And in FY2022 we helped over seven million customers, seeing the volume they move grow 40% YoY, while generating an Adjusted EBITDA* margin of circa 22%.

At the same time, we've continued to focus as a team on building solid foundations for the future. Our direct listing in July 2021 saw us develop processes to help us operate as a public company that moves billions of pounds for our customers. We are continuously developing our risk management and controls to keep our customers' and shareholders' money safe and protected from harm. We also continue to build up our operations with the necessary controls, testing and monitoring to help us maintain regulatory compliance everywhere we operate. This is a fast moving landscape, and no doubt we'll have areas to focus on, but we have been putting in place the right governance to make sure we succeed in the long run. We've much more to do still and this will remain a focus as we grow and scale Wise (as you'll read in our risk update).

I'm excited to share this FY2022 update with you all.

Our customer focus drives our growth

In the past customers came to us to complete a cross-border transaction that was fast and at a low cost. It is still what many customers use our services for, but now more and more people and businesses are using Wise for more than sending money. The Wise Account lets consumers and businesses receive money, hold balances in over 50 currencies, all in one place, and convert between them instantly. They can also spend anywhere with the Wise debit card and get bank account details in 10 currencies to receive money internationally as easily as if they were receiving money locally.

We earn revenue from our three products: Wise Account (consumers), Wise Business (businesses) and Wise Platform (bank and non-bank partners). Our active customers are customers who've made a cross-border payment or conversion in the relevant period. Consequently, our revenue is a function of (1) the number of active customers, (2) the volume per active customer, and (3) the fees we receive (or our take rate, as we call it).

In FY2022, we had 7 million active personal customers and c. 410,000 active business customers. Both segments are growing rapidly with personal customers growing at 24% and business customers growing at 34% over FY2021.

We processed £76.4 billion in cross-border payments in FY2022, which was a 40% increase over the prior year. We saw volume from personal customers grow by 35% YoY whilst Business customer volume grew by 59% YoY.

The volume growth was faster than the growth seen in the number of customers, driven by the average volume per customer, which we have seen increasing vs FY2021, which was in part impacted by the Pandemic. Businesses typically send larger volumes compared to personal customers and we also see businesses sending more volume as they grow with us. And since businesses represent a growing proportion of the total number of customers, the average volume per customer for the Group is gradually increasing, reaching £10,300 in FY2022, a 13% increase over the prior year.

24%
YoY growth in active customers

40%
YoY growth in volume

33%
YoY growth in revenue

Our profitable model funds significant investment in our long-term growth… and this investment is paying off.

Thanks to the adoption of the Wise Account, we do see customers using more products, and sending or converting more volume on Wise. This growth is evident from the fact our customers' deposit balances grew 83% to £6.8 billion vs £3.7 billion in FY2021.

This volume growth has been partially hindered by changing FX rates causing a headwind. On a fixed FX basis, we saw VPCs grow 18% (vs 13% using floating rates) and therefore overall volume grow at 46% on a fixed FX basis (vs 40% using floating rates).

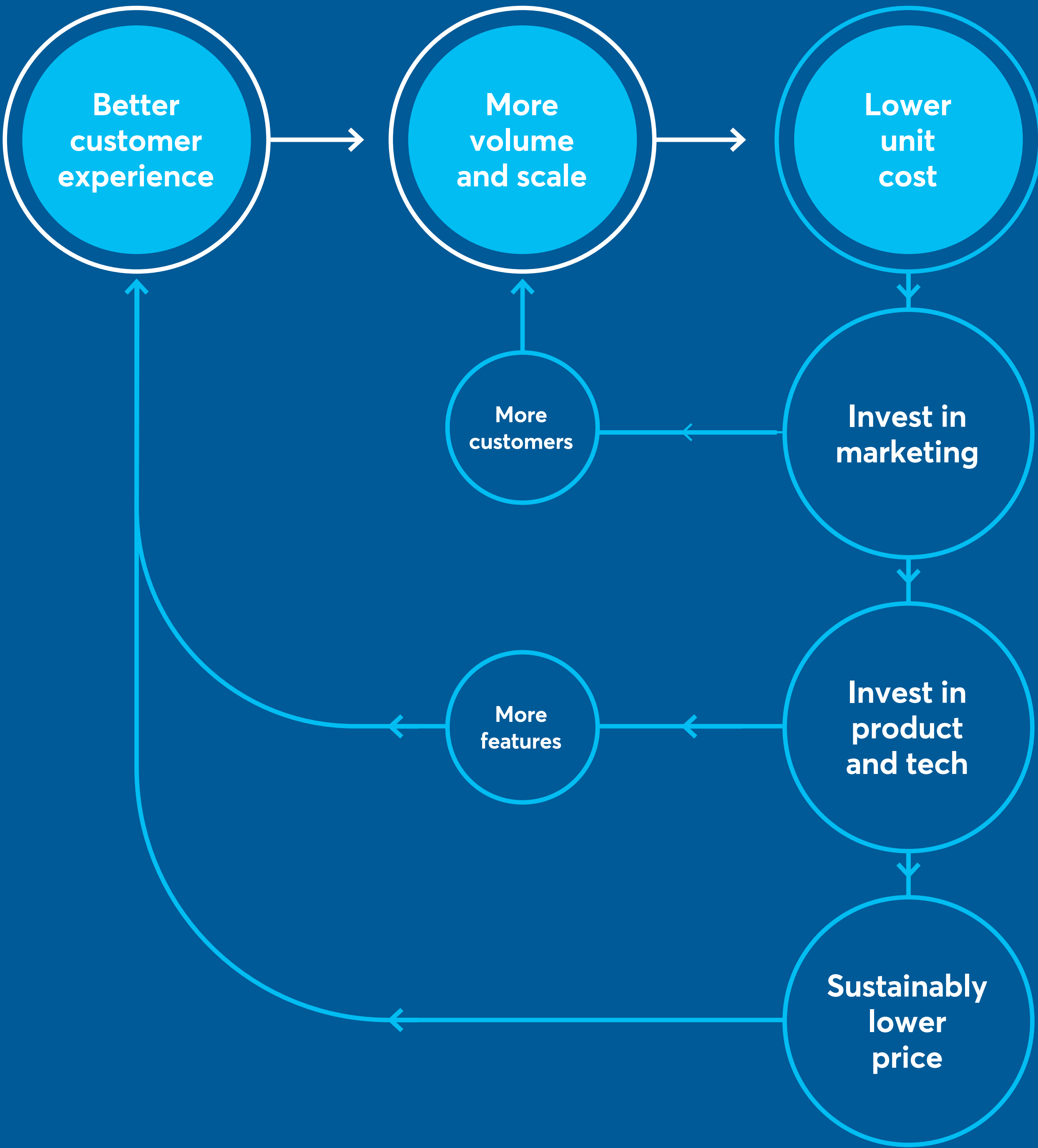
The volume growth has driven our revenue growth, which is a function of the volume our customers move and also of the prices we charge our customers. In FY2022 we generated £559.9 million of revenue, a 33% increase versus £421.0 million in FY2021. Revenue from personal customers grew 27% YoY and revenue from business customers grew 59% YoY.

As some of you will have read in our Mission Updates throughout the year, we managed to reduce our cross-currency take rate by 7bps to 0.63% in FY2022 as compared to 0.70% in the prior year. This was primarily driven by reductions in price that were enabled by reduced unit costs that we passed on to our customers. Specifically, this is enabled by lower foreign exchange losses and reduced spread costs thanks to better risk management and more favourable terms with our banking partners. With price reductions being funded in this way we are able to grow the business and strengthen our market position while generating a healthy level of gross profit to reinvest into our future.

Cross-border payments and conversions make up the majority of our revenue. But as we serve customers more broadly, we've seen that our revenue from other products has been growing faster. We earn fees when customers move money in their local currencies, spend on their Wise debit card, and hold their money in our Assets product. Because of this the total take rate decreased by only 4bps to 0.73% in FY2022 compared to 0.77% in the prior year, as the contribution to take rate from other revenues grew from 0.07% in FY2021 to 0.10% in FY2022.

How we invest in our growth.

Our pillars of price, speed, convenience and transparency set our focus. This is what customers ask of us, and it's also why they advocate Wise – two thirds of customers join Wise on recommendation from others. So we believe that if we invest in these customers' needs this will result in growth. And as more customers bring more volume, this leads to a lower unit cost and more capacity to invest again. So we invest in better products, lower prices and also in marketing to help spread the word.



Our growth is profitable, and we're investing for the future

Whilst we dropped prices, we still generated £371.9 million of gross profit, a 43% increase on £260.5 million last year and equivalent to a 66% gross margin (FY2021: 62%), thanks to the savings in our marginal unit costs mentioned above. This growth in gross profit, which is in line with our growth in volume, demonstrates that reductions in price can be made whilst sustaining our ability to invest.

We invest in three ways to build better customer experiences that in turn drive more customers, more volume and more scale. This means we can lower our unit costs even more and still grow our capacity to reinvest.

We first invest in our product and infrastructure platform. We invest heavily in our Engineering teams, and in launching new features and products. This drives a better customer experience, more referrals, and also lowers our unit costs. FY2022 saw us acquire a company for the first time. We successfully completed the acquisition of Vaho Forex Private Ltd in India, which helps us obtain an Authorised Dealer II licence and should significantly speed up our growth in the market.

We then also invest in marketing. Although two-thirds of our customers join us through recommendations, we invest in marketing to reach new customers, but only if we can achieve a sustainable payback period. And we invested 30% more in marketing in FY2022 vs FY2021. This drives more customers to our platform, which in turn drives more volume and scale, and again lowers our unit costs.

And of course, we re-invest in sustainably lowering prices for our customers. This is a long-term investment on the belief that driving down the cost of international banking, and in turn having the lowest unit cost, will position us the strongest for the future.

Administrative costs increased 38% to £321.4 million, primarily due to an increase in employee costs, outsourced services, marketing and other administrative expenses.

Employee costs increased 31% to £184.8 million as we continued to build our teams to support growth. We increased the number of Wisers by c.950 to almost 3,400.

Consultancy and outsourced services increased by 55% to £42.3 million and other administrative expenses were almost four times higher at £22.9 million. This increase includes the one-off listing costs plus an increase in consultancy services related to stricter compliance standards. The return of travel and office-based working has also driven an increase in related expenses.

Marketing costs increased 30% to £28.2 million as we have used additional targeted ways to drive customer growth, beyond our primary 'word-of-mouth' approach. We continue to operate a disciplined approach to return on investment for marketing.

Capitalisation of intangible assets in FY2022 reduced versus the prior year by 76% to £4.7 million (vs £19.5 million in FY2021). This previously announced change does not impact our cash flows and we continue to expand and invest in our Engineering team.

Our Adjusted EBITDA* margin was 22% for the year (FY2021: 26%) which corresponds to £121.4 million of Adjusted EBITDA* (FY2021: £108.7 million) and an 11% increase over the prior year, reflecting our commitment to investment in future growth whilst maintaining sustainability.

Profit before tax was £43.9 million compared to £41.1 million last year, a growth of 7%. This reflects the higher operating expenses and the investment in our future, the costs of the listing, and includes a £4.8 million loss on the sale of government bonds in early 2022. Stock based compensation expense increased 11% year on year, a total cost of £42.2 million for FY2022.

As at 31 March 2022, we held £7.2 billion of cash and highly liquid investment grade assets, up 77% from £4.1 billion held at the end of FY2021. Specifically, this includes £6.8 billion of customer deposits (£3.7 billion at the end of FY2021), which we keep safeguarded and readily available for our customers.

This amount also includes £357.8 million of our "own cash" (£286.1 million at the end of FY2021). We are seeing this cash balance increasing thanks to the cash-generating qualities of the business we've built. Our FCF* conversion remains high at 93.3% (95.6% for FY2021) of Adjusted EBITDA* for the year.

We are well capitalised for the future and as at 31 March 2022, our Group eligible capital of £242.5 million was significantly above our minimum capital requirements, set by our regulators around the world.

Outlook

We continue to invest and build for the future. In the medium term, we continue to expect to deliver revenue growth above 20% (CAGR) and an adjusted EBITDA* margin at or above 20% as we continue to invest sustainably.

With some positive trends from FY2022 carrying through to provide a strong start to the next financial year, we expect revenue to grow by between 30% to 35% in FY2023.

So in summary…

We're growing fast at scale, and profitable. And our growth continues to be fuelled today and tomorrow by the products we've been investing in over the past years, supported by the ability to grow our investments in marketing and underpinned by building products and features that everyone loves and continues to recommend. We're seeing faster growth from customers adopting more features, which helps to drive their activity, engagement and volumes they trust us with.

Last year was notable for our listing, but the work we do to continue to build our business cannot and will not stop. We have, as to be expected, work to do to continue to develop our controls, processes and operations so that we can move money around the world instantly, for everyone.

Our focus on our mission will not change as we continue to grow and scale, and neither will our focus on building a strong, sustainable and cash-generating business that is best placed to address the evolving needs of our customers.

I'm therefore happy to keep saying that we've just got started, and that we have a long way to go. But it is working. Onwards.

Matthew Briers
Chief Financial Officer

28 June 2022

Our people.

We're people without borders.

People are central to the success of Wise.

Our people form the vital connection between our customers and our products. We're always innovating and thinking one step ahead to deliver for our customers, and as a team we are only as strong as each individual. We believe our current and future success is dependent on our people.

Wise pursues the mission of money without borders by creating a culture which is values-driven and mission-focused.

We invite a diverse range of talented people to join us, enriching our culture further and representing the customers we serve.

3,368 people

110+ nationalities

17 countries

It all starts with a values driven culture

Culture is one of the great differentiators which continues to make Wise what it is today.

Wise has a unique culture that helps harness the talents of our employees to fuel our long-term success. Our culture is underpinned by our four core values which guide how work is done, how employees interact with each other and how they engage with our customers.

These values underpin the key behaviours which define what is expected of employees and leaders at Wise. They also operate as a benchmark for assessing talent in the recruiting process and for talent management and succession planning.

- **This isn't a job, we're a revolution –** We're making a positive, important change in the world.
- **We get it done** – We take ownership of what we do. This thing belongs to all of us.
- **Customers > team > ego** – We're working to create a better world for our customers – that's the whole point.
- **No drama. Good karma** – We respect others' worldviews and challenge arguments, not individuals.

At Wise, personal growth and impact are built through a willingness to make a difference in customers' lives and step outside of comfort zones. Freedom, autonomy and trust are baked into our culture, and Wise invests in the growth of its employees from the point of onboarding through to learning and development, knowledge sharing and regular 360 degree feedback.

We help sustain and develop our culture with fortnightly all-hands team calls and the twice yearly Mission Day events which keeps the team updated and connected with our progress against the mission.

Underpinning our culture, values and ways of working is our Code of Conduct. This code, which we updated in Q4 FY2022, explains how each Wiser's performance is reviewed, outlining what conduct employees should expect of each other and how they should interact with others. At Wise, we expect the highest standards of behaviour, ethics and integrity, and are dedicated to creating a culture of delivering to these standards. The Code of Conduct also incorporates the FCA's individual Conduct Rules. These rules set out the baseline level of conduct and good behaviour expected from a regulated financial institution, applying to all employees as of August 2018, with the most recent update completed in June 2021.

A team inspired by a mission

Wisers are motivated by our mission and they tell us this. Their feedback plays a crucial role in continuing to attract and retain top talent. We can only tell if we are successful by asking our people, hence we do this through 'WiserPulse' – our approach for measuring the level of employee engagement. This enables Wise to gain direct insight from its global workforce on the Company's culture, business and leadership, sense of belonging and approach to ongoing employee initiatives.

Year on year WiserPulse engagement scores have increased from 74% in 2020 to 78% in 2021, demonstrating the value of increased communication and other support measures Wise had put in place. Workforce engagement will continue to be a key priority for FY2023, with a focus on supporting well-being and development.

85% of Wise's employees responded to the survey, with many scores above our benchmark of technology peers. For example, our score for whether employees would recommend Wise as a great place to work and/or are happy at the Company also increased four points to 78%, in line with the global tech benchmark (CultureAmp).

Being proud to work for Wise was up three points to 94% and intention to work at Wise in two years rose five points to 66%. Core strengths include: people feel they clearly understand how their team impacts the mission, they are given enough trust to do their work, and feel that their leads genuinely care about their wellbeing.

A major driver of the increase in overall engagement was the role that leaders and managers played over the past year. Trust and confidence in our leaders and the critical role line managers play in keeping people informed and caring about the wellbeing of their team members came to the fore in FY2022.

Engagement is also reflected in the consistently high Glassdoor rating, currently at 4.2. Additionally, Wise has won a number of awards including: Fintech employer of the year in Singapore and recognised as a Best Places to Work in 2022 by the Glassdoor Employees' Choice Awards in the UK.

The employee engagement survey also helps identify prospects for continuous improvement, including recognition and development programmes, ongoing support for employee work-life balance and opportunities to improve efficiency.

Wellbeing and safety

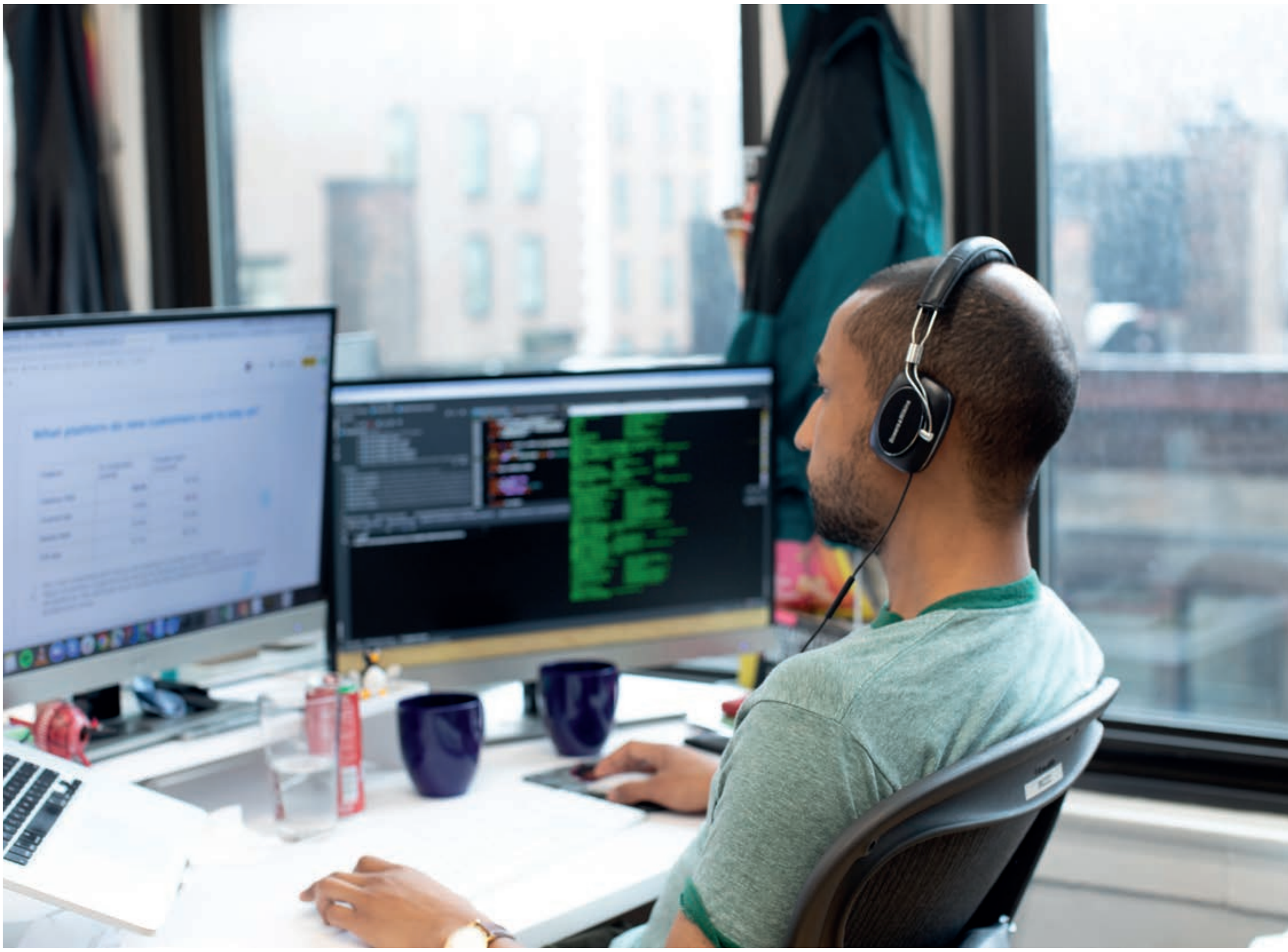
Wise believes that when our people are happy, this shows in the work they do. Our wellbeing programme includes the provision of flexible working times and locations, personal development related to work-life balance, as well as family-oriented services.

In order to support wellbeing, Wise's employees have the flexibility to work from offices, from home or remotely for up to 90 days per year. The principle for making this work is based on trust and is grounded in employees being safe, able to work from anywhere they need to be, adhering to local tax and immigration laws, and being empowered to collaborate and solve problems together.

We support our employees by aiming to provide the best possible conditions to ensure that they feel good and stay healthy. Our holistic approach includes people's physical, mental, and social well-being.

In order to fully support employees globally, Wise launched a global minimum leave policy in FY2022 on holiday, parental leave, and general leave to all employees globally. This policy change was designed to create a better, more fair, global standard, where all employees have similar opportunities to take paid time off and manage their work/life balance, regardless of where they are based.

Maintaining frequent dialogue in a hybrid working environment is crucial. Regular surveys helped understand how employees were feeling during a period of change and uncertainty, and measured employee engagement and satisfaction. Wise employees are also offered full access to employee assistance programmes globally.



Building and growing the best team

Wise recognises the fundamental importance of ensuring that the Company attracts, recruits, retains and develops top global talent to create innovative products and services for our customers.

Hiring people who care deeply about the Wise mission and values is fundamental to Wise's success and growth. As a fast growing, scaling organisation, in FY2022 we hired almost 1,500 new employees, while also giving opportunities for existing employees to move and grow within Wise.

Employee development enables a high-performance culture. To achieve this, we offer employees a wide range of learning and development opportunities including online learning resources and interactive learning experiences that are designed to increase the personal and professional effectiveness of our employees.

Over FY2022 Wise delivered learning and development programmes focused on remote working, resilience and wellbeing, leading and managing distributed teams.

With over 670 leaders across Wise, growing and developing leaders across the Group has also been a key priority. This requires robust succession plans and significant investment with actions including:

- Executive talent and succession review and development planning involving profiling and coaching.
- Nomination Committee review of proactive plans underway to support talent, succession and diversity across Wise.
- An extensive set of leadership development experiences designed for every level of management across all markets and functions within Wise.

As a part of this investment in leadership, we have also put a spotlight on connecting Board members and employees through regular face to face and Company-wide Q&A sessions. Bringing these populations together to share a clear vision of our business, now and for the future, is at the heart of our ways of working.

Diversity, equity & inclusion ("DEI")

At Wise, we strongly believe that diversity, equity and inclusion are key to the success of the Company. In order to achieve the Wise mission, the best diverse talent is needed to reflect the diversity of our customers.

To enable this, Wise is committed to building a culture and working environment in which our people can thrive, feel comfortable and respected and be themselves at work. The focus has been on implementing a strategy to embed inclusive and equitable practices throughout the talent lifecycle, deepening a culture of inclusion and belonging across Wise and ensuring employees and resource groups are supported.

Policies, benefits and practices are in place with diversity, equity and inclusion built into these, to ensure that the people hired have a voice and are heard, are empowered and productive in their roles, and that everyone has the support and resources they need to have the same opportunities as others.

Wise is working to help raise inclusivity across the wider technology sector with an initial focus on gender and ethnicity. For example, 37% of product managers in tech are women, within Wise this is 43%. Wise is sponsoring female product trainers through Product School training in order to increase this number across the industry.

We believe that diverse leadership teams have a competitive advantage and are drivers of business success. In FY2022, women accounted for 49% of our global workforce, and 25% of Senior Leadership positions[3].

Wise is committed to ensuring equitable representation across all diversity dimensions in leadership positions, which includes enhancing our current focus on gender equality.

A prerequisite for increasing the number of women at the highest levels of management is the general promotion of women within the Company worldwide at all levels.

We have various initiatives by team in place to ensure that our succession pipeline is balanced, including coaching or mentoring of female talent.

To support this work across the Company's offices and locations, Wise supports nine employee resource groups ("ERG") that drive engagement, champion DEI-related causes and activities and support our business and talent strategies.

In FY2022, there were nine ERGs with a significant portion of employees who were members of at least one ERG. Wise is committed to continuing to build out this programme.

To support an inclusive workplace, and in line with the Code of Conduct, any form of unlawful discrimination, harassment, bullying, vilification and/or victimisation will not be tolerated.

Each year, Wise's Board commits to reviewing and supporting measurable diversity and inclusion objectives against which progress is regularly reviewed.

Our goals:

Increase the representation of women in Senior Leadership positions[2] to at least 40% by 2025

Wise is committed to not only focusing on women in roles at the Board and Senior Leadership Team (SLT), but also across Senior Leadership positions. We have committed to setting a goal to have at least 40% of individuals in Senior Leadership positions identify as female. Wise has committed to this externally by signing the Women in Finance Charter. A key focus for Wise for this particular group will be on supporting the growth and development through career progression and growth of internal talent, through coaching, mentoring and training. In addition, targeting female hires into senior roles and ensuring candidate talent pools and interview processes have at least 50% female representation.

Reach and maintain minimum 40% female representation in the Senior Leadership Team (SLT)

In line with the review recommendations, Wise has committed to increasing the representation of women in the Senior Leadership Team (SLT) to at least 40% by 2024. The Group will achieve this through initiatives that include developing, growing, coaching and mentoring for women leaders. Support from employee resource groups (which focus on inspiring women, tackling racism, and supporting the Group's LGBTQ+ community) and attribute based recruitment processes that are fair, consistent and have transparent salary ranges for every job.

Reach and maintain minimum 40% female representation on the Board

With the addition of three new Non-Executive Directors to the Board in FY2022 (Clare Gilmartin (former CEO of Trainline), Hooi Ling Tan (co-founder Grab) and Terri Duhon (NED), Wise meets the Hampton-Alexander target of 33% with respect to gender representation on the Board of Directors with currently 37.5% female representation on the Board. The Hampton-Alexander Review and Parker Review each place emphasis on the need to improve representation within the leadership pipeline. Wise's approach to the breadth of representation on the Board and the Senior Leadership Team is set out in the Composition, succession and evaluation on page 77.

Gender breakdown
as at 31 March 2022

	Female	Male
Wise overall[1]	49%	48%
Senior Leadership Team (SLT)	33%	66%
Senior Leadership positions[2]	25%	75%
Senior Managers Certification Regime individuals	44%	56%
Wise plc Board	37.5%	62.5%

1. There are a small number of employees who do not identify as male or female, and those who prefer not to disclose gender identity (<1%), and are not included in the reported data
2. Defined as individuals who are in Director level roles and above

Environmental & social impact.

Wise was founded with the belief that more fairness and transparency was needed in international payments. Since then, our mission of Money without Borders has financially empowered our millions of customers.

We also believe our social responsibility extends beyond finance. We want to do our part to make the world a better place. Doing right is part of who we are as a company.

That's why we've developed an initiative that we're calling **Environmental and social impact**, which focuses on sustainability and charitable partnerships. It also covers how we work and how we're governed, in line with what other companies might call Environmental, Social and Governance and Corporate Social Responsibility.

This initiative is supported by an internal cross-team Advisory Committee, the Senior Leadership Team (SLT) and the Board. Our commitment is also backed by a dedicated portion of revenue invested in environmental and charitable causes every year.

Strategy: Wise has launched an environmental and social impact strategy to help us reach our mission while looking after our communities and the environment. This strategy is made up of 5 pillars that align with our mission. We'll also describe throughout this section how these initiatives align with various United Nations Sustainable Development Goals ("UN SDG").

People without Borders

Next Gen Founders & Tech Talent

Emission Zero

Inclusive Culture

Ethical Business Practices

Environmental & social impact.

Delivering for those who live global lives and their communities

Promoting entrepreneurship and technologists

Protecting the planet and reducing our footprint

Attracting and retraining talent, supporting diverse communities

Leading by example as mission-driven and socially responsible

Sustainability

Emission Zero

This pillar and the related initiatives align with UN SDG 12: Responsible Consumption and Production

Emission Zero is Wise's response to the climate crisis. We've been carbon neutral since 2020 and are committed to being net zero by 2030. As many of our customers live global lives, we're taking responsibility for the impact we have on the planet. That's why we're sharing what we're doing to become a more sustainable business.

Wise's strategy is to **Measure, Reduce and Offset/ Remove**. We aim to measure our footprint as comprehensively as possible, reduce that footprint as much as possible, and offset and remove that which we can't reduce.

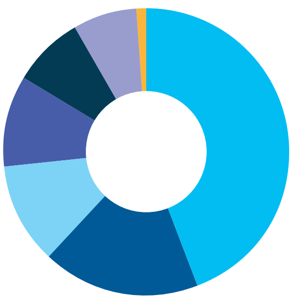
Since 2019, Wise has partnered with the software platform Watershed to provide a **measurement** of our carbon footprint, covering Scopes 1, 2 and 3. We look at our carbon emissions ranging from employees (remote working, commuting, and travelling) to offices (building, expanding, powering) to our product (cloud servers, debit cards, marketing costs) and to our partners (vendors and supply chain), among other contributing factors. In 2021, our carbon footprint was about 18k tonnes of carbon dioxide emissions. That's the equivalent of 16,105 round trip flights between New York City and London. We know that's too high, and that's why we need to prioritise reduction.

Goal 1
Carbon neutral since 2020

Goal 2
Clean power in offices in 2021

Goal 3
Net zero by 2030

Gross emissions by category (January-December 2021)



Goods & services	44.3%
Marketing	17.7%
Cloud	11.3%
Offices	10.4%
Travel	7.9%
Employees	7.4%
Products	0.9%

We believe we can **reduce** our emissions significantly by 2030. The key areas for reduction that we've identified include clean power for our offices, low carbon office expansions, reducing our cloud footprint, smarter travel and buying from net zero vendors. As of 2021, we have obtained renewable energy certificates representing our energy use in all our offices. When building or expanding offices, we use low carbon materials, and recycle, refurbish and reuse office equipment when possible.

We're reviewing our global recycling programme to ensure we dispose of materials, including those that are hard to recycle, in a greener manner. We're also increasingly starting to work with key suppliers to understand their environmental impact and help them reduce their carbon footprint to reduce the emissions from purchases. This will be particularly critical to our reduction strategy as 99% of our emissions come from Scope 3. Finally, while we switched to the cloud two years ago, we also know there are strategic ways to be more carbon efficient with our cloud usage.

We began **offsetting** our carbon footprint in 2020 by investing in a wide range of projects. Initially, the majority of our offsets went towards avoidance projects – like nitrous oxide destruction, refrigerant destruction, and forest preservation – which stop carbon from going into the atmosphere.

Increasingly, Wise is investing in early-stage **removal** projects which sequester carbon from the atmosphere and store it away permanently. In 2020, 20% of our carbon credit purchases went towards carbon removal. In 2021, it was 25%. We intend to increase that each year until we achieve net zero emissions over the next decade. In total, Wise spent approximately £200,000 on carbon offsets and removal projects for 2021. Recent removal projects we've funded include reforestation, biochar, bio-oil sequestration and electrochemical direct air capture.

These are just the first steps we're taking as we continue formulating a longer-term plan.

We have closely looked at the recommendations of the **Task Force on Climate-related Financial Disclosures** and intend to expand our disclosures to align with them in future Annual Reports.

Energy usage and greenhouse gas emissions

The table below details Wise's greenhouse gas emissions and global energy use, in line with the United Kingdom's Streamlined Energy and Carbon Reporting (SECR). The sustainability section above highlight's existing energy efficiency efforts. Emissions from payment processing are excluded from this data.

	Jan-Dec 2021		Jan-Dec 2020	
	UK and offshore	Global (excluding UK and offshore)	UK and offshore	Global (excluding UK and offshore)
Energy consumption used to calculate emissions	397,011 kWh	1,682,518 kWh	267,796 kWh	1,624,669 kWh
Emissions from sources which are owned or controlled by the Company including combustion of fuel for transport and operation of facilities (Scope 1)	24.7 tCO_2e	107.2 tCO_2e	18.2 tCO_2e	99.5 tCO_2e
Emissions from purchased electricity, heat, steam and cooling (Scope 2, location-based)	114.9 tCO_2e	560.4 tCO_2e	73.8 tCO_2e	518.5 tCO_2e
Total gross tCO_2e based on above fields	139.6 tCO_2e	667.6 tCO_2e	92 tCO_2e	618 tCO_2e
Intensity ratio: tCO_2e per £ million of revenue		1.54		1.79
Intensity ratio: tCO_2e per employee		0.31		0.34
Intensity ratio: tCO_2e per £ million of revenue (including Scope 3) (optional)		34.94		30.25
Intensity ratio: tCO_2e per employee (including Scope 3) (optional)		7.0		5.75

Methodology: Emissions were calculated following the GHG Reporting Protocol (Corporate Standard) using the Watershed platform. Energy usage data was collected or estimated based on building square-footage for all facilities, and was combined with emissions factors from the US EPA, Ecoinvent, TCR and other data sources to calculate GHG emissions. Electricity emissions factors are chosen based on geography to reflect the emissions intensities of the facilities' local grid. Wise's reported Scope 3 emissions consist of emissions from purchased goods and services, capital goods, business travel, employee commuting, fuel & energy related activities, and waste generated in operations.

Social impact & community

As part of our mission is to create a more open world, we have a responsibility to deliver a positive social impact as a leader in our industry and the communities we live and work in.

People without Borders

This pillar and the related initiatives align with UN SDG 10 – Reduced Inequalities

Wise also donates directly to a number of other charitable efforts. When a COVID crisis hit India, we donated two months of from-India revenue to relief and recovery efforts. This supported recovery efforts in India via our partners ActionAid UK, the British Asian Trust, CARE International UK, and Save the Children. These funds went towards initiatives including medical support, food supply, education funding, and employment retraining. We also initiated holiday campaigns around Diwali (India) and Thanksgiving (US) to raise funds for charities like UNICEF and Feeding America. Along with several education-related causes described in the next section, we also supported Tonic Housing, a provider of LGBT+ affirming retirement and wellness communities in the UK.

People Without Borders: Our mission of money without borders has financially empowered millions of people already by making their lives easier and less stressful, and saving them money. By improving the global movement of money, we've increased access to financial services with 49% of our transfers now arriving instantly and with an average fee of 0.61%.

Wise was founded by immigrants, built by immigrants, and is used by immigrants. This extends from our product to the causes we support. Wise has been outspoken in its support of our employee and customer community. That includes advocating for the Deferred Action for Childhood Arrivals (DACA) programme in the US to protect young, undocumented "dreamers" from deportation. Wise has joined the Coalition for the American Dream and co-signed letters to the Biden Administration and US Supreme Court in support of the programme.

We work closely with international bodies like the United Nations, World Bank, and the Bank for International Settlements on their efforts to improve cross-border payments and increase financial access and education in low income countries. That includes contributing our global payments expertise to efforts to "reduc(e) remittance costs to 3 percent by 2030", a target of UN SDG 10.C.

The Wise Platform provides opportunities to help selected charities receive "fee free" donations from around the world. Charities face the same problems as everyone else on international payments. They lose a portion of donations due to fees and inflated exchange rates. By waiving our fees, we ensure charities receive every bit of the donation. We've partnered with three global health organisations – Gavi, CEPI, and the United Nations Foundation – to raise funds for vaccine development and distribution to low-income countries. When humanitarian disasters struck Malaysia and the Philippines in late 2021, a team of local Wisers leveraged the Wise Platform to help raise relief funds. Though initial volumes have been modest, we've built a potential charitable partnership model that leverages our product for social good.

When war broke out in Ukraine, Wise similarly waived fees on transfers to a number of charities (Ukrainian Red Cross Society, UNHCR, CARE, Save the Children) and temporarily on all transfers to Ukraine to help customers with emergency needs in a time of crisis. Wise also made a sizeable donation directly to the UN Refugee Agency (UNHCR) to assist the millions of displaced Ukrainians, many of whom became refugees in new countries.

Next Gen Founders & Tech Talent

This pillar and the related initiatives align with UN SDG 4: Quality Education

Inclusive Culture

This pillar and the related initiatives align with UN SDG 8: Decent Work and Economic Growth and UN SDG 5: Gender Equality

Next Generation Founders & Tech Talent: At Wise, we're not just building tech, we're also committed to supporting tech education initiatives in our communities. This will help the next generation of talent thrive by promoting entrepreneurship and technologists. This starts in Estonia, where we have our biggest office, where we helped fund the creation of a new coding school that welcomes students from all backgrounds and aims to attract more women to study coding. We'll support students there and at other academic institutions through mentoring and workshops. We've also partnered with Junior Achievement Estonia to develop entrepreneurship study materials that can be used in all schools in Estonia. And we donate used tech equipment, such as laptops, headsets and monitors, to charities, coding schools and schools. Additionally, we're supporting the Good Deed Foundation's Education Fund, which aims to improve public education in Estonia.

Since 2018, the Wise 20 Under 20 competition has sought the best young entrepreneurs, aged 16-19, across Europe. The winner(s) receive £25,000 in total prize money, while all finalists receive mentoring, networking, and fee-free international transfers for their business.

Inclusive Culture: Money without borders aims to serve a global community. That means diversity and inclusivity is essential. That's why we're focused on creating a more accessible product to ensure people with disabilities have full access to our services.

As a mission driven employer, we believe diverse teams build better products. We know an inclusive culture will help ensure all Wisers feel valued and empowered. We know we still have more progress to make, but we've made a genuine commitment to prioritising diversity, equity and inclusion. Diversity, in particular, has been a top priority for the Board and the Company during this past year. Read about this and related initiatives in greater length above in the Our people section on pages 22 to 27.

Consistent with the way we work, we empower Wisers to solve problems when they see solutions. This includes an annual paid volunteer day for every employee to make a positive impact in their local communities. And, we provide additional volunteer and community opportunities when our Company comes together every year at 'Wise Days'.

Ethical Business Practices

This pillar and the related initiatives align with UN SDG 16: Peace, Justice and Strong Institutions

Ethical Business Practices: Wise was founded to fix the broken system of international payments. Ensuring customers are treated fairly and transparently defines who we are as a company. This is critical to every aspect of our business. We must remain a highly ethical and socially responsible company if we hope to accomplish our mission.

This extends to how we operate and how we're governed. We've put in place protections and alerts to reduce the risk of our customers falling victim to fraud and scams. We must ensure customer funds and assets are invested fairly and ethically. And, we must be transparent with how we use and share data.

We've also created a new internal Advisory Committee to keep Wisers from across the Company engaged on environmental and social impact initiatives. This will provide accountability and oversight, while ensuring Company-wide support and engagement. We'll also soon start the process of hiring someone fully dedicated to these responsibilities and must ensure regular updates are provided up through the Board. This will help maintain a continued commitment to these efforts within Wise, on our leadership team, and on the Board.

Additional commitments

Fairness and transparency extends to all aspects of our business. As part of operating in a highly ethical manner, Wise has clear policies in place in relation to:

- **Our employees and partners:** We set the bar high for the work we do and the way we behave. In 2021, a dedicated employee working group reviewed and updated our Code of Conduct – which the Board approved – to help guide all our employees about what is expected of those working at Wise, and how we care about them. It's made up of three important pillars – how we look after each other, our customers and Wise overall. We strongly believe in empowering our employees to speak out about anything that makes them feel uncomfortable, so that they know how to raise any issues in a safe and confidential way. We also expect all our employees, those acting on our behalf, and our partners to share this commitment and act with integrity at all times. This is a commitment made clearly in our anti-bribery and corruption (ABC) and whistleblowing policies. Our ABC policy clearly defines our position on bribery and corruption and provides guidance on how to recognise and respond to it, while our whistleblowing policy details how we react to such complaints.
- **Our customers:** We provide our customers with an acceptable use policy to mitigate the risk that our services are used for any unlawful or unethical purposes. That includes anti-money laundering and counter-terrorism financing policies, strict controls, and a commitment to data and privacy regulations. Violations of our acceptable use policy may result in suspension or termination.
- **Human rights:** We believe all aspects of our business should be conducted in an honest and ethical manner. We take a zero-tolerance approach to slavery and human trafficking, and bribery and corruption. We aim to ensure these standards through due diligence on material new partners, reassessment of existing material suppliers, employee training on Code of Conduct and whistleblowing procedures, and Board-approved policies related to modern slavery.

The adoption of the UK Corporate Governance Code will support our approach to governance of environmental matters. The Board will also receive at least annual progress and strategy updates. And our internal Advisory Committee will provide additional oversight and accountability of our efforts.

Wise also remains conscious that there are a number of ESI risks that could present challenging circumstances and adverse impact to the business, our employees, and our customers. We already consider environmental and societal risks as part of our broader strategic risk framework within the risk taxonomy. More detail on our principal risks on pages 42 to 49.

Section 172(1) statement.

The relationship between the Wise Group and its stakeholders is fundamental to the strategy, purpose and values of our business and drives our decision-making. In 2021, Wise became a public company, balancing the needs and expectations of all stakeholders in the process.

The Board is required by section 172(1) of the Companies Act 2006 to act in a way that would be most likely to promote the long-term success of the Company and take into account all of Wise's stakeholders in its decision-making.

The following pages comprise our Section 172(1) statement, setting out how the Board has, in performing its duties over the course of the year, had regard to the matters set out in Section 172(1) (a) to (f) of the Companies Act 2006, alongside examples of how each of our key stakeholders have been considered and engaged. Further information can also be found throughout the Strategic Report on pages 1 to 53 and in our exploration of key strategic decisions made in the Corporate Governance Report on pages 71 to 73.

We have identified our key stakeholders to be:

- Customers
- Employees
- Wise Owners
- Communities
- Suppliers
- Governments and regulators

The Board directly and indirectly (through the Senior Leadership Team (SLT) and others delegated by the Board) sought to understand the interests and priorities of these stakeholders.

Stakeholder engagement & considerations.

Customers

Why are they important?

Customers are at the heart of everything we do at Wise; we aim to solve real problems for people and businesses. We do this through focusing on building products that make moving and managing money across borders faster, easier, cheaper and more transparent for everyone, everywhere. During this year we dropped prices, sped up payments, and expanded access to our products and features in more countries and through more partners.

What are their key priorities?

Our diverse range of customers all have their own individual needs. Our key customer priorities include:

- convenience of use;
- sensible pricing;
- speedy transactions; and
- business transparency.

How do we engage?

- We actively encourage customer feedback and customers are regularly invited to share their thoughts through a wide range of research methodologies (surveys, interviews, focus groups etc.). These invaluable insights are used by our teams to build new products and features, and improve the overall customer experience.
- We keep our customers updated on the progress of our work through a series of communications that inform and educate them about how to use the most relevant products for them. Our most engaged customers are invited to try our new products and features before the official release. This helps us ensure what we build solves our customers' problems. Once the new products and features are ready, we inform all relevant customers, helping them understand how to make the most of the new releases with a series of educational communications.
- Each quarter we share a quarterly Mission Update, and each month we share price changes communications, updating customers on our overall progress on the four pillars of our mission: price, speed, convenience and transparency.
- We invite selected customers to in-person events such as our Mission Days, where they can and see our plans to improve our products and services and share feedback.
- We provide customers with 24/7 customer support via web chat, email and telephone support and we also have an online help centre with the answers to 1,000s of FAQs.

How has the Board taken customer interests into account?

The Board supports our strategy to keep transfer pricing low and transfer speeds fast, with the average price per transfer now 0.61%, and with 49% of all payments being made instantly.

- The Board approved the Customer Share Giveaway, which was launched prior to admission to the London Stock Exchange. This gave customers the opportunity to participate in the listing, giving them a voice as owners of the Company.
- The Board approved OwnWise, a programme that allows customers to acquire shares and potential bonus shares. This increased customer advocacy, by giving our customers a sense of ownership in Wise and also brings the voice of customers into the shareholder base, building on what we achieved with the Customer Share Giveaway.
- The Board regularly reviews operational metrics to gauge KPIs such as the health of customer service queues. The Board, via the Audit and Risk Committee, also oversees the risk control environment to ensure that customers are protected and that Wise maintains a strong capital and liquidity position.

Employees

Why are they important?

We can't operate and achieve our mission without dedicated and talented colleagues who feel appreciated and motivated to deliver for our customers and the business.

What are their key priorities?

We work hard to understand how our colleagues feel about Wise as an employer, both as a place to work and as a business. Our employee engagement survey reveals that the following are important priorities:

- feeling valued and appropriately rewarded;
- health, safety and wellbeing in the workplace;
- having an inclusive and diverse workplace with a respectful company culture; and
- being able to share their views and have a say in decision making.

How do we engage?

- We maintain an open, transparent culture. This includes fortnightly all Company team call meetings and twice yearly "Mission Update" conferences, which are attended by all employees and some members of the Board, and are led by the Senior Leadership Team (SLT).
- We make sure all employees have a chance to provide feedback through our annual WiserPulse employee engagement survey.
- We use open career maps to transparently communicate roles and salary ranges at Wise, which increases clarity on expectations and helps our people know how they can progress in their team. They also help us evaluate impact and pay our people consistently and fairly.
- We provide employee resource groups, which are supportive forums for underrepresented employee groups. These forums are often attended by Senior Leadership Team (SLT) members to show their support.
- We have made a significant investment in leadership coaching and employee training, including the launch of the internal 'Coaching and Mentoring programme' and 'Leadership Development programme' during FY2022.
- Health and safety assessments are regularly undertaken to ensure the safety and well-being of employees.
- We have hired an independent whistleblowing service, which allows employees to raise relevant concerns confidentially.
- We have introduced a hybrid way of working, allowing employees the flexibility to work from home, in the office and temporarily outside their country or state of employment.
- We offer an employee assistance programme, an independent, confidential service to support employees with work and non-work related matters.
- We ensured that employees were provided with the necessary equipment to allow for effective home working during the pandemic.

Further details on how we engage with our employees can be found in the Our people section on page 22.

How has the Board taken employee interests into account?

- The Board received updates on employee-related matters to ensure continued oversight of culture, colleague wellbeing and the results of the annual engagement and inclusion survey.
- The Board approved the whistleblowing policy, providing an independent and safe way for employees to raise concerns.
- The Board reviewed and approved updates to the Code |of Conduct, which now better reflects our inclusive culture and prioritisation of creating a safe working environment.
- The Board reviewed resourcing issues in key assurance teams, following the departure of a number of key members of the People, Risk, Finance and Legal teams. The Board commenced a review to determine if there was a common root cause. In doing so it determined that more effective onboarding for these teams, and more vocal support for their work, was required from the CEO and Senior Leadership Team (SLT). The Board also engaged with the Senior Leadership Team (SLT) on a search for a new People lead.
- The Board was provided with updates on key commitments to DEI objectives, such as increasing females in senior leadership positions, increasing females in engineering roles and the voluntary collection of DEI data.
- The Board, via the Remuneration Committee, monitored stock pool utilisation to ensure that there are appropriate levels of stock and restricted share units for our employees.
- The Board recognised the importance of engaging with the workforce directly and throughout the year the Board attended a number of virtual and in person events with the workforce at Wise. A number of the Directors also attended Mission Days, either in-person or virtually.

The Board considers the current workforce engagement approach to be effective as it allows for flexibility and direct engagement. However in the next financial year it intends to agree a calendar of engagement activities for all NEDs with a more regional focus, reflecting the geographical spread of both the Directors and the Company's workforce.

Further details on our compliance with the UK CGC can be found in the Corporate Governance Report on pages 63 to 70.

Wise Owners

Why are they important?

Securing our Owners' trust through continuous, transparent engagement ensures their ongoing support and investment. In a transformational year for the business, it has been more important than ever to engage with our investor community to share our vision for the future and understand their questions and concerns.

What are their key priorities?

It is important that our Owners understand our strategy and the regulatory and economic environment in which we are operating.

We believe that our investor base is currently focused on:

- implementation of 'Mission Zero' and progress made against it;
- delivery of sustainable, profitable growth over both the short and the long-term;
- implementation of proactive and conscientious 'ESG' plans and corresponding performance in Environmental, Social and Corporate Governance areas;
- Executive remuneration; and
- independence and diversity on the Board.

How do we engage?

- We provide comprehensive updates to the market at half and full year, along with condensed trading statements at Q1 and Q3. The results presentation and Q&A with management provide our investors with clear guidance on our capital planning priorities alongside strategic updates and financial results.
- Our Owner Relations team, alongside the Chair and senior management, also maintain regular dialogue with institutional investors, both existing and prospective, and the meetings with these investors represented the vast majority of the issued share capital.
- In 2021, Wise initiated the OwnWise programme, through which we invited long-term customers to become Owners. We did so because customers understand the problems we're trying to solve and we believe it is only natural they should have a say in how Wise is built and run.
- Throughout the year our Board and Committee Chairs make themselves available for engagement with shareholders via the Investor Relations and Company Secretarial team.
- In September 2022 we will hold our first AGM. We plan to hold our AGM as a hybrid meeting to ensure we engage with as many Owners as possible, not just those with the means and availability to physically meet in person.

How has the Board taken Owner interests' into account?

- The Board received regular updates from our Investor Relations team, on market trends, activity and sentiment.
- The Audit and Risk Committee oversees internal and external audit processes and risk management to ensure an appropriate framework is in place to protect Owner investments, and that financial statements provide an accurate, fair and balanced view.
- The Board approved the adoption of the UK CGC, which ensures the appropriate checks and balances in place between the Board and management and that Owner interests are protected.
- The Board supported the decision not to pay a dividend in this financial year. It was considered more beneficial for Owners for Wise to re-invest our capital into growth and therefore support the long-term success of the business.
- Prior to the listing our Executive Directors and Investor Relations team went on an investor roadshow and met with current and potential investors to explain the business and the listing and to get their feedback.

Communities

Why are they important?

Community acceptance is an essential part of having permission and licences to operate in communities. In addition, Wise seeks to ensure that we are a force for good for the people and places we impact. We are proud to be an integral part of the communities we serve.

What are their key priorities?

We understand that having a safe and friendly service for international and local money transfers is important to the communities we serve.

We believe our communities' key priorities are:

- increased access to financial services;
- financial empowerment;
- social responsibility; and
- environmental sustainability.

How do we engage?

During FY2022 we continued to engage with our local communities by:

- Expanding our money transfer services to 7.4m customers. We also increased the amount of payments delivered instantly from 36% to 49% and lowered costs from 0.69% to 0.61%. The continued scale of Wise's services enhances financial inclusion around the world.
- Continuing our environmental sustainability efforts by conducting a comprehensive measurement of our carbon footprint. We also took steps to reduce that footprint by switching to clean power in all our offices and using low carbon materials when building or expanding offices. We also continued offsetting our carbon footprint, and increased the amount that went towards carbon removal.
- Providing charitable donations to support tech education initiatives in Estonia, COVID-19 relief in India, and the LGBTQ+ community in London, among others.
- Leveraging the Wise platform to facilitate fee-free donations from around the world to three global health organisations funding vaccine development and distribution to low-income countries, and to humanitarian efforts when disasters struck in Malaysia and the Philippines.
- Waiving fees on transfers to Ukraine in the immediate aftermath of conflict breaking out, to help customers with emergency needs in a time of crisis.
- Partnering with the international community, including the United Nations and World Bank, by lending our expertise as they seek to improve cross-border payments and lower the costs of remittances.
- Sponsoring Wise's 20 under 20 competition, which seeks to identify the best young entrepreneurs, aged 16-19, across Europe. The winner(s) receive prize money, while all finalists receive mentoring, networking, and fee-free international transfers for their business.

How has the Board taken community interests' into account?

- The Board approved Wise's environmental and social impact (ESI) strategy, which will help us reach our mission while looking after our communities and the environment, and the launch of our internal ESI Advisory Committee to ensure continued engagement across various teams to drive related initiatives.
- The Board supports market expansion, including expansion to markets with significant unbanked and underbanked populations.

Suppliers

Why are they important?

Our suppliers support us in a wide range of activities including recruitment, compliance, marketing, technology, card production, facilities management and banking. We also have relationships with and connections to central banks and payment infrastructures.

It is vital to build and maintain productive relationships with our suppliers and third parties to efficiently run our business, provide customers with high quality service, and help us to get to Mission Zero.

What are their key priorities?

Maintenance of long-term, productive relationships is critical to both our suppliers and to the Company.

How do we engage?

- We have third party risk management processes in place for the onboarding of our key vendors. These processes aim to identify, manage and remediate risk that arises out of our relationships with suppliers. This includes carrying out due diligence on new suppliers, covering privacy, security, financial, and compliance matters and an assessment as to whether the supplier or its supplier chain has a heightened risk of modern slavery. We reassess our critical suppliers on a periodic basis to ensure they continue to be the best fit for our business and our customers.

How has the Board taken supplier interests into account?

- Relationships with our suppliers are subject to a number of governance controls implemented by the Group, including delegation of authority, third party risk management, related parties policy and Enterprise Risk Management Framework policies. These improve the efficiency of how we interact with our suppliers but also make Wise a more co-operative, reliable and stable partner.
- The Board reviews the actions we have taken to prevent modern slavery and associated practices in any part of our supply chain and approves our Modern Slavery Statement each year.
- We have improved our payment processes to ensure our suppliers are paid more efficiently and on time.

Government and regulators

Why are they important?

The regulatory environment is critical to the success of our business. We believe it is important to maintain positive relationships with regulators. We also work closely with governments to share our perspectives and global payments expertise to assist policymakers as they seek to improve and modernise cross-border payments.

We are subject to financial services regulations and approvals in the markets we operate in and ensuring our compliance with these regulations and approvals furthers our goal of putting our customers at the heart of everything we do. Feedback from the FCA and overseas regulators is regularly considered by the Board and helps inform decision-making by Directors.

What are their key priorities?

The priorities of our regulators and the governmental agencies responsible for policy development include the following, which are closely aligned to Wise's mission:

- Customer protection.
- Enhancing the resilience of the financial system.
- Prevention of financial crime.
- Promotion of competition.

How do we engage?

We maintain close relationships with our regulators and relevant governmental agencies. For example:

- Our Compliance teams in each regulated entity engage directly with regulators and provide reports on key topics and themes to our subsidiary and Group board members.
- Our Policy and Government Relations team works closely with governments around the world, including regulators and policymakers at the local, national, regional and global levels. Our engagement and relationship building is intended to better the priorities of policymakers, while offering our perspectives and expertise, especially as governments seek to improve cross-border payments and modernise payments systems.

How has the Board taken government and regulator interests' into account?

- The Board has been focused on the development of the three lines of defence model, to ensure appropriate control and mitigation of our key risks.
- The Board engaged constructively with our regulators during 2021 throughout the listing process and beyond and will continue this engagement across upcoming changes to the regulatory landscape. For example, our Group CEO met with our supervisory teams at the Financial Conduct Authority (FCA) and the National Bank of Belgium in 2021, and our Chair met with our supervisory team at the FCA on 1 April 2022. The Board, via the Audit and Risk Committee, receives regular updates on key regulator matters including data protection, privacy and the global regulatory environment.

The risks we face at Wise.

In order to build and operate the products required to achieve our mission, we will continue to take and manage risks. Recognising that we have grown quickly, we are now in a process of formalising our risk management strategy such that we identify, quantify, manage or accept risk appropriately for our size and all our stakeholders today. The challenge is in identifying these and managing them so they don't slow our progress by causing our customers, our shareholders or the wider market unreasonable harm.

Overall approach to risk

As a global financial service provider, we have put in place an Enterprise Risk Management Framework to help us identify, manage, report and govern our risks, and we have organised around a three lines of defence model to help operate this effectively within the business. FY2022 saw us make significant steps forward from a risk management perspective with decisions increasingly impacted by considering the risks we face as a business.

The framework helps guide us and continuously improve how we manage our risks. The key elements of our framework are as follows:

Risk as part of our strategy: To protect us and manage this, we aim to take risks consciously, we aim to proactively assess and manage risk at every stage in our business, from strategy development through to product launch and ongoing operations. We agree that we will classify the risks that can harm our business and our customers and we will build mechanisms to manage and reduce these where necessary.

Risk culture: Embedding and cultivating a culture of risk awareness is central to our strategy, and we seek to make it clear where managing risk is central to a team's or individual's role. In doing so we entrust our people to do the right thing for our customers and for Wise from a risk standpoint.

Risk appetite: Once risks are identified and understood, we set a clear structure of monitoring around our main risks and establish key risk thresholds on a risk by risk basis which we will not tolerate exceeding.

Risk governance: To ensure that decisions are made not only with the right information but in the right way and by the appropriate people, we have an infrastructure for risk governance. We are improving here as we grow and scale and risk management increasingly acts as a cornerstone of how we take decisions and is a central factor in how our business is performing and growing.

Risk management: We have and will continue to build tools which aim to help our people to identify, assess, manage, and treat risks on a day to day basis.

Three lines of defence

Wise has adopted a system of risk management and internal control based on the three lines of defence model. First line teams own and manage risk, second line risk and compliance teams provide oversight, and the third line Internal Audit team provides independent assurance. We have continued to embed this model throughout the organisation in FY2022 and will continue to focus on this through the coming years.

1

1st Line
The business

Senior Leadership Team (SLT)
Accountable to ensure there are governance structures, and policies, that drive and measure the Group-wide risk philosophy. They have oversight as the ultimate body for risk, control and compliance.

Teams/Tribes
Identify, assess and mitigate risks as well as set controls within their areas, defining operational procedures and executing compliance activity.

Wisers
Embed risk and compliance requirements into decisions, with a conscious and deliberate approach to risk, compliance and actions for remediation.

Legal
Provides first-line legal advice to the teams to enable them to effectively manage their risks and remain compliant.

2

2nd Line
Standard setters, risk and compliance advisers and oversight providers

Risk and Compliance teams

Risk team
Defines Company-wide risk framework, and supports the Leadership team in defining the overall risk appetite for the business.

Oversees and monitors risk management across the business – challenging the business on risk management practices, including controls and mitigants.

Compliance team
Defines overall Company compliance policy framework and assigns ownership for policy areas.

Provides assurance that the business is compliant with all policies and procedures, and operates critical cross-team compliance policies.

3

3rd Line
Independent assurance providers

Internal Audit
Internal Audit provides independent and objective assurance of the effectiveness of risk management, control and governance processes of the Group.

Principal risks.

The Board through the Audit and Risk Committee has carried out a robust assessment of the principal and emerging risks. The description of the risks and mitigation are described in details below.

Principal risks are those that we focus on as a business. These risks typically come about due to the fundamental nature and scope of our business model. To manage these we already have mitigations and controls in place. But of course as we scale there is room and need for improvement. We saw progress in many areas in FY2022, as we've continued to focus on developing and formalising our approach to risk management, alongside embedding the three lines of defence model.

Principal risks

Risk	Mitigation	Development in FY2022
Regulatory compliance Regulatory compliance risks are risks occurring from failing to fulfil applicable compliance regulations in full. Specifically, Wise is exposed to regulatory risk via its engagement in the markets in which it operates. These regulations cover a wide range of topics, but include how we govern our business, how we safeguard our customers' funds, how we embed consumer protection laws into our products, and how we capitalise and provide liquidity for our business to protect against shocks and impacts from materialisation of certain risks. A key risk also arises from the way regulation can and will inevitably change in regards to both payments and e-commerce across multiple jurisdictions. In the event regulatory risks fully materialise they could result in regulatory penalties, impede our ability to maintain licences and/or expand market offerings. Along with this, any enforcement actions could impact our reputation, customer confidence, pricing, and our partnerships with other financial institutions. The responsibilities for these risks reside with the first line, subject to ongoing support from the second line Compliance team, as we continue to build out the three lines of defence model.	Regulatory risks are firstly identified, monitored and mitigated by our Compliance team, with further accountability for mitigating the risk shared with the product and compliance leads with local subject matter expertise. Specifically, this risk is addressed and managed by: • Ownership and implementation of relevant regulatory and financial crime policies • Design, operation, monitoring and testing of compliance controls • Sourcing of compliance advisory support to Wise We have set and communicated a risk appetite which states that we have no tolerance for wilful violations of regulatory requirements and that we should abide by fair and responsible practices. Requests for information from regulatory bodies remains consistently high and will likely increase as Wise's scale, footprint and profile continue to grow. Wise satisfies such requests through the provision of information and materials in a timely manner, and provides clarifications promptly when asked. However, Wise acknowledges that, through our business operations and growth plans, and in the context of operating in multiple jurisdictions with differing regulatory requirements, there will be occurrences where we are not fully compliant with all regulations. Currently, this risk is increased in our regulatory programmes related to safeguarding and financial crime. We mitigate this risk through continuous evaluation of our policies and procedures, and implementing remediation programmes where necessary to close identified gaps. Outside of this, we proactively engage with regulators within our operating markets where possible to ensure we transparently discuss our expanding risk environments, as a natural by-product of our growth, and address ongoing remediation programmes as described above.	A key control implemented to mitigate risk during the past year, was the establishment of a robust Monitoring and Testing team within Compliance. This control team enables regional expert knowledge of local regulations to formally test the operating effectiveness of controls and escalate any issues requiring remediation. In addition, Internal Audit conducted independent reviews of our regulatory compliance programmes and helped identify specific aspects for improvement in areas such safeguarding, how we govern and capitalise our regulated entities, and our financial crime programme across the material entities within the Group (see below). As such, the increased monitoring has enabled us to identify key control improvement opportunities, so that we can proactively fix and, where appropriate, have open discussions with the relevant regulators. This area remains a focus for the team and the ARC given the business criticality and evolving nature of the regulatory environments that we operate in.

Risk	Mitigation	Development in FY2022
Financial crime Money laundering risks are the risk of customers using Wise's services for money laundering/financial crime activity. The associated risk is also of Wise failing to comply with anti-money laundering (AML) regulations. The risk is further complicated due to the ever evolving criminal activities coupled with increasing and geographically varying regulatory requirements to identify, escalate, and mitigate these risks. All of these factors create significant operational burdens on Wise. Part of these emerging risks include changes in sanction screening, emerging money laundering trends, and sophisticated fraud scenarios. This risk is particularly significant to Wise due to the speed, convenience, and nature of the payment services Wise provides its customers. These service features may attract potential criminal elements who try to exploit our services for personal gain. If the financial crime risk materialises it can increase our regulatory risks and negatively impact our reputation within industry and with our customers.	Wise recognises its responsibilities in protecting its customers and markets from illegal activity that harms societies across the world. Wise deploys a multifaceted approach to identify and mitigate the risk of financial crime activity occurring through our platform. Key among these are our: • transaction monitoring (dynamic rules that monitor the transactions entering and exiting the Wise platform); • customer due diligence (measure to ensure we know who our customers are and how they utilise our services); • sanctions screening (ensures that prospective and existing users of Wise's platform are not subject to a government sanction); • additional risk based controls (heightened measures that are automatically enacted based on a customer's unique risk profile); and • training programmes for all Wise employees. Further, Wise actively engage across multiple National Financial Crime Intelligence Units and regulatory partners to ensure our control environments are in line with best practices and address emerging trends.	Wise continue to enhance our financial crime risk management capabilities through: • investing in advanced analytics and artificial intelligence to strengthen our transactions monitoring programme; • monitoring geopolitical developments closely and the impacts on our financial crime controls; • strengthening and investing in our fraud controls, to introduce next generation anti-fraud capabilities to protect both our customers and Wise; • implementing a second line monitoring and testing function, focussed on continuous feedback on risk mitigation and scalability of our controls; and • conducting a global review of our programme by Internal Audit to provide holistic feedback on our compliance and control framework. Our financial crime risks will continue to increase as: • Wise's brand and market continue to expand, which unintentionally attracts potential criminal actors to our products; and • Wise seeks to build global solutions in an ever changing regulatory landscape, which may result in short-term regulatory inconsistencies. As such, whilst the risk of financial crime increased this year, the improved identification and mitigation measures helped prevent material impact on our business model.

Risk	Mitigation	Development in FY2022
IT system (IT general controls) The specific risk here relates to potential misappropriation of assets or misstatement of financial statements as a result of inadequate controls over our internal systems (IT general controls, ITGCs). Specifically, the risk that we may not prevent or detect unauthorised access, use of or change to data or systems.	We are committed to investing in the reliability and resilience of our IT systems. We do so to ensure we can continue to deliver our product and protect our customers from disruption to our services. We manages our systems through a shared accountability model between product engineering, platform infrastructure and security teams. We focus heavily on continuously improving our system resilience and how products are developed, delivered and maintained to provide stable and secure services. We have established a change management process that enforces accountability for using secure coding standards, testing and approval of changes before we launch new features or products. We have an identity and access management programme that ensures access to Wise systems is granted in a controlled manner and to users who require it. We have automated controls in place to enforce segregation of duties within select higher risk processes and have detective monitoring mechanisms to identify if a user has used their access to perform unauthorised activities.	Our ITGC control framework has matured significantly over the course of FY2022, with continued focus in FY2023 to further develop and embed these controls, to reduce related risk: • Enhancing security measures within our product change lifecycle, improving testing and approval controls. • Reviewing and redesigning identity and access management processes, specifically related to provisioning and recertification of user access across key systems and underlying infrastructure. Where excessive rights have been identified, comprehensive reviews are being performed to determine if access had been misused during the period. • Implementing additional measures to enforce robust segregation of duties, through automated controls where possible, to reduce the risk of error or fraud. • Implementing additional monitoring processes to identify unauthorised or potentially suspicious activities within our applications. • Improving our threat management capabilities and ongoing monitoring processes. Our efforts will continue in FY2023 to further reduce sensitive access privileges and evolve the monitoring processes to identify unauthorised or potentially suspicious activities across the key systems. Management has undertaken detailed substantive testing as described in the section on Fraud Risk described below to provide additional comfort that these control weaknesses were not exploited. We are committed to taking a proactive approach to mature our IT control environment, with a focus on mitigating the risk of errors or fraud whilst driving accountability within our teams to manage a robust control framework.

Risk	Mitigation	Development in FY2022
Market Market risk is the risk that the value of an investment or other assets decreases, or the value of liabilities increases due to moves in market factors. Wise is most significantly exposed to market risk in relation to fluctuations in FX-rates and interest rates. Any material changes to those risks could result in financial losses, and/or price increases in order to fund higher levels of risk (for example during periods of volatility). So our ability to manage down the costs of these risks has a direct linkage to our ability to reduce prices and offer better services to customers.	To understand and manage our market risks and the impact these have on our business, we set FX risk appetite using a maximum one day expected loss model and absolute currency positions. We use dynamic FX hedging throughout the day and can also set product limits. Where we cannot hedge a currency directly we will hedge with other currencies. For both FX and interest rate risk, we set risk thresholds and appetites which help us monitor how much risk we are taking. If our level of risk surpasses a threshold, this needs escalation and we have defined specific management actions. If we approach our risk appetite, we have the ability to stop certain flows to avoid excessive risks.	Early in the financial year we were able to drop prices for customers specifically as a result of reduced levels of FX volatility. This showed a reduction in FX related market risk following the key months during the pandemic. During the year we nevertheless maintained a high degree of focus on potential market changes as variations of the pandemic and the war in Ukraine repeatedly spiked and dissipated and caused reactions within governments and ultimately the FX markets. The Company remains focussed on ensuring that any losses would not damage our ability to service customers competitively (i.e. pricing for our currency routes). Further, efforts were made to review and adjust the diversification and maturity of our assets (bond portfolio). We reduced our exposure to longer dated bonds resulting in a realised loss of £4.8 million. We continue to see movements in the fair value of our portfolio as interest rates and their expectations evolve. Our goal has been to minimise realised losses whilst also avoiding significant potential reductions in regulatory capital.

Risk	Mitigation	Development in FY2022
Fraud Fraud risk is the possibility of the organisation and/or its customers being subject to fraudulent activity, either from within by Wise employees or externally by individuals abusing the services of Wise and/or our customers whilst they use the services of Wise. Both internal and external fraud may negatively impact our customers as well as result in reputational, operational and possible regulatory risk for Wise.	Responsibility for this area of risk is shared across our Senior Leadership Team (SLT), with key functions responsible for managing this risk overseen by the Global Head of Operations and the Chief Technology Officer. We have a dedicated Fraud Operations Management team which is primarily responsible for the ongoing detection and monitoring of potential fraud activity occurring on our platform. Similar to the response taken to mitigate financial crime risk, Wise has deployed: • targeted fraud alert (dynamic rules and machine learning capabilities that monitor the transactions entering and exiting the Wise platform); • additional risk based controls (heightened measures that are automatically enacted based on a customer's unique risk profile); and • appropriate background checks and training programmes for all Wise employees.	Following Wise's success and growth, there is an increased need for our control processes to evolve to mitigate any increased risk of fraud. To counteract this risk, we have focussed on designing and implementing an improved control framework including: • continued investment in machine learning capabilities underpinning our fraud alerting and monitoring models to protect customers transacting on our platform; • enhanced procedures around higher risk processes; • refining our access processes to further restrict access to data and systems to appropriate teams within the organisation; • implementing additional measures to enforce robust segregation of duties, through automated controls where possible, to reduce the risk of error or fraud; • implementing additional monitoring processes to identify unauthorised or potentially suspicious activities performed within operational teams; Management has undertaken detailed testing as follows, and taken assurance that internal fraud had not occurred: • Performed a detailed review of operational losses recorded in the audit period to assess if internal fraud occurred. • Performed a detailed review of other possible fraud indicators to identify if any unauthorised changes were made to data within key systems which could impact the reliability of financial reporting. Over the course of FY2023, management will continue to focus on maturing the control framework further and ensuring the revised framework is fully embedded.

Risk	Mitigation	Development in FY2022
Third-party risk Certain third parties are critical to ensuring that we are able to offer our services to customers and operate our business every day. These third parties include payment service providers and financial institutions, as well as vendors that perform, on an outsourced basis, tasks related to servicing customers. There is a risk that if Wise fails to maintain or acquire appropriate third-party services and vendors, this will result in reputational, operational and possibly legal or regulatory risk for Wise, either directly (if Wise cannot perform its obligations), or indirectly (if actions taken by a third party are attributed to Wise). Third-party risk also includes risk from the over reliance on a particular payment provider or vendor, without adequate redundancy, and the risks to Wise's operations if (i) there is a long-term disruption or reduction in service levels and no exit strategy in place or (ii) the third-party chooses to exit its relationship with Wise. Additionally, Wise's inability to maintain strong relationships with payment providers and/or vendors could impact the pricing of our services.	Responsibility for this area of risk is shared across our Senior Leadership Team (SLT), each responsible for the risk generated by contracting third-party relationships within their teams. In addition, the General Counsel is responsible for developing a third-party risk framework to ensure a unified approach to measuring and mitigating third-party risk. Wise mitigates third-party risk through (i) a due diligence and onboarding process, (ii) ongoing monitoring, and (iii) exit planning. In addition, Wise seeks to work with multiple third party partners, when possible and practicable, for key services. Where necessary, Wise also has dedicated teams to actively engage third parties and ensure that it understands our mutual risk exposures, regulatory responsibilities, and changes in the operational viability of our activities.	During the year, Wise recognised the need to establish a more robust means of measuring the risk posed by third parties that are critical to its product offering. For these reasons, it developed and implemented a comprehensive onboarding process and began monitoring certain of Wise's most critical third parties. Improvements include: • An updated third-party risk framework and policy. • A revised cross-team process that requires input and review from relevant subject area matter experts across Wise. • Automation and record keeping of newly contracted third-parties. Wise will continue to work to ensure that its third-party risk management process is systematic and robust, and is applied consistently across our third parties.
Security Security risk is the risk to operations, assets, and; individuals, related to the potential for unauthorised access, use, disclosure, disruption, modification, or destruction of information and/or information systems within Wise. The security risks for Wise are very sensitive because much of the platform and servicing is exclusively digital. As such, even seemingly small instances of the risk materialising could have major impacts on the business. This is coupled with data privacy threats that if exposed would result in serious reputational losses and customer harm.	We maintain a robust security maturity assessment and plan for continuous improvements. Penetration tests are regularly carried out, together with simulated attacks to ensure our controls are sufficient to identify weaknesses. We continually evaluate and mitigate external threats. We have detection capabilities to monitor and inform when there are system attacks and comprehensive incident response procedures which help us respond with speed. We continually train and raise awareness with employees and customers on evolving threats, and where relevant how to report incidents.	As a consequence of the pandemic, our workforce has increasingly relied on virtual security infrastructure and we continue to raise awareness of potential threats and enforce enhanced measures for remote working. In addition, authentication protocols have been increased/strengthened to further reduce the risk of security breaches. In parallel the Security team has engaged in internal vulnerability simulations to target potential vulnerabilities through exercises that test our staff's handling of various forms of attacks to ensure the existing controls identify, escalate, and prevent material threats to the system infrastructure. Lastly, we have enhanced our vulnerability management programme to ensure timely identification and mitigation of potential threats to the system infrastructure.

Risk	Mitigation	Development in FY2022
Data privacy Data privacy risk is the risk to the rights and freedoms of people through the improper disclosure of their personal information.	As part of the Group risk governance forum, this risk is reported to the Operational Risk Committee on a monthly basis, with oversight and challenge provided by the second line risk management and other Executive team members, including the Global Head of Operations, Chief Marketing Officer, VP of Growth and the Chief Financial Officer. All employees are trained on data protection laws, including GDPR.	Wise has been building dedicated capabilities to educate its staff, horizon scan emerging vulnerabilities, and enhance data governance.
Disruptive competition Wise itself has been a key disruptor in the payments service industry and the potential for Wise to be disrupted persists. Some of our traditional competitive peers have been engaging with the market in regards to both pricing and customer convenience. Additionally, we have noticed that our model has caused banks to attempt to develop their own competing services and sizable technology companies, previously not in the market, have entered and embraced the mission objectives of Wise. Finally, there is speculation around the potential for CBDCs, stablecoins and other DeFi technologies to disrupt financial services, including cross-border payments. Of course any disruptive technologies can challenge Wise's ability to attract and retain customers' profitability.	Our primary mitigation to the threat of competition is to focus on what we do best, which is to build products that fit with what customers tell us they want – lower prices, greater speed, and increased convenience. We measure ourselves against these, and communicate openly with our customers about our progress (see Mission Updates). We also mitigate the risk of banks and other companies offering low(er) prices by opening up our infrastructure for them to use. Our aim is to provide the best way to offer low cost, fast transfers. Finally, we continually look at new technologies and how they can help. If a technology can help us provide faster, cheaper ways to move money, in a way that has the support of our regulators and stakeholders, of course we'll consider integrating this for the benefit of our customers.	We reduced prices through FY2022 for 2.5 million customers. Our payment speed increased, reaching 49% of payments being instant by the end of the year. We launched many features that have helped our Wise Account and Wise Business products become more convenient. These are detailed in the Our products section on page 11. We continue to monitor new technologies but this element of the risk is still very nascent in our opinion.

Risk	Mitigation	Development in FY2022
Economic uncertainty This represents the impact economic shocks can have on our business. Particularly current examples can include reduced customer demand during a recession, increased cost of supply due to inflation, credit exposures, volatile asset prices to name a few. As such the occurrence of these risks could impact the rate at which we can grow and our profitability at the same time.	We believe that we are building a product that is core to people's lives, and as such, this should mean that we become even more important to our customers during challenging economic conditions. For example, throughout the pandemic and our recent support for Ukraine. As stated above mitigating market risks is core to our business. Managing our cost base is core to our mission, but should we have to, we will pass costs on to our customers. We believe we mitigate the impact of this by having clear and open communication with our customers such that they trust how and why we price our products they way that we do. Finally, to ensure that we provide for economic shocks and sustained challenging scenarios, we hold adequate capital and liquidity to ensure we can sustain operations and avoid unnecessary harms to customers or any other stakeholders. We do this consistent with the required regulations relating to capital and liquidity in each of our jurisdictions. We monitor capital and liquidity carefully and have clear thresholds and appetites for how much we need to hold.	Wise successfully navigated the recent volatility from the pandemic, and during this time prepared plans and forecasts should this economic impact be much more severe than we have seen. We continue to use these stress test scenarios in our capital and liquidity planning to assure we are well funded to survive plausible but severe economic downturns and shocks. Further, as stated above, we continue to sharpen and develop our approach to handling market volatility.

Viability statement.

As required by Provision 31 of the 2018 UK Corporate Governance Code, the Directors have assessed the future prospects and the viability of the Group for a period significantly longer than 12 months from the approval of these financial statements.

The assessment period

The Directors have determined that a period of three years until April 2025 is an appropriate period over which to provide the Board's viability statement. This period is a longer period than the period used to assess going concern but is considered an appropriate timeframe by the Directors because:

- it is within the period covered by the Board's strategic planning process;
- it is within the period that the current revolving credit facility (RCF) will be up for renewal. Further details on the RCF are provided in note 17 of the Consolidated Group Financial Statements; and
- the accuracy of forecasts beyond three years could reasonably be expected to be less accurate and therefore of less value in assessing prospects and viability.

The assessment of prospects

The Directors have assessed the Group's prospects through review of its recent financial performance (pages 18 to 21), the Group's product offering and mission pillars (pages 10 to 13) and principal risks the Group faces (pages 42 to 49).

The prospects of the Group are considered as part of its financial and strategic planning process led by the CFO in conjunction with the SLT and relevant functions. This occurs every six months and consists of a detailed review of monthly profitability, cash flows, liquidity and capital positions as part of the base forecast.

The Group's prospects are reviewed against liquidity and capital headroom to regulatory requirements and ongoing compliance with the six-monthly covenants attached to the Group's RCF. The most recent plan was approved by the Board in May 2022.

As set out in the ARC Report on pages 82 to 89, the ARC reviews and discusses with management the schedules supporting the assessment of going concern and viability.

The assessment of viability

The Group's base forecast is the best assessment of the future performance of the business. The Board recognises that stress testing of the Group's business plan is a key risk management tool. Stress testing is used by senior management and the Risk Management function to ensure the robustness of the base plan, highlight key risks to its execution, and identify clear mitigation plans if the risks were to arise.

The assessment of viability has been based on the impact of severe but plausible scenarios for all the principal risks described on pages 42 to 49. Two distinct scenarios were modelled assuming one or more of these principal risks occurred within the assessment period. Growth drivers were adjusted in line with the below scenarios whilst operating costs were either increased in line with the below scenarios or kept in line with the base forecast assuming no mitigating actions. The impact was quantified and tested against the Group's capital, liquidity and covenant requirements.

The table below summarises the scenarios modelled by the Group:

Scenario	Description	Principal risks addressed in the scenario
Market-wide instability	• Assumes that a war between Russia and Ukraine exacerbates and impacts neighbouring countries lasting 12 months • This leads to a period of economic uncertainty with market turmoil within the EU impacting businesses and reduced international travel • Persistent market volatility in the FX and capital markets arises • Impact to banking partners in the region reduces the speed that can be offered to customers • Increasing competitive operating environment as turmoil creates an opportunity for local disruptors	• Market • Fraud • Third party • Disruptive competition • Economic uncertainty
Business process failure and regulatory action (Idiosyncratic)	• Reputational damage from compounded failure in regulatory compliance systems and AML processes with instances of internal fraud • In April 2022, news leaks resulting in reputational damage to the business alongside customer attrition • FCA imposes a large fine and a s166 review	• Regulatory compliance • Financial crime • IT system • Security and data privacy

Under these scenarios, the Group is able to meet its capital and liquidity obligations without any mitigating actions and continue operating within its financial covenants throughout the assessment period, despite a reduction in operating profits. This reflects the resilience of the Group and its robust financial model of profitable and sustainable growth alongside the existing headroom to both the capital and liquidity requirements.

Should the ultimate impact of the scenarios on growth and profitability be more significant than envisaged, management has several actions which can be taken to ensure capital, liquidity and debt covenant requirements are met. These include, but are not limited to:

- operating cost reductions to align the cost base with any suppressed volumes, for example limiting hiring or salary increases
- reduced customer acquisition marketing spend
- raising fees charged to customers

Reverse stress test

The Directors also reviewed the results of the reverse stress testing performed to provide an illustration of the customer activity decline in the case of a Black Swan event that would result in Wise no longer being viable. This, specifically, would be the earlier of: insufficient working capital, insufficient regulatory capital, or insufficient regulatory liquidity resources. The scenario demonstrated that the model can sustain a material reversal in volume growth alongside continued investment in operating costs in line with our growth plan.

The stress scenario is deemed implausible as (a) Wise has grown quarterly volumes consistently year over year through recessionary environments and the unprecedented global pandemic, (b) the strong base of existing customers that use Wise alongside (c) the investment that is going into improving and expanding the products and services we offer. Furthermore, management would have warning signs of the volume and profitability deterioration as costs rise ahead of revenue growth. This would be identified and escalated appropriately as part of management reporting and internal monitoring processes, which include regular capital and liquidity monitoring. This would give sufficient time to implement appropriate management action to extend the viability period.

Viability statement and going concern

Based on the assessment above the Directors confirm that they have a reasonable expectation that the Group will be able to continue operating and meet its liabilities as they fall due over the three-year period until April 2025.

Going concern

Furthermore, following the review of the results, the Directors also considered it appropriate to prepare the financial statements on the going concern basis, as explained in the Basis of preparation paragraph in note 1 to the financial statements.

Non-financial information statement.

This non-financial information statement provides an overview of topics and related reporting references as required by Sections 414CA and 414CB of the Companies Act 2006. The below table and information it refers to is intended to help Wise Owners understand our position on key non-financial information matters.

Reporting requirement	Policies and standards which govern our approach	Where to find more information in this report	Page(s)
Environmental matters	**Environmental & social impact strategy** – is a strategy covering our sustainability and charitable partnerships efforts in a hybrid of what other companies might call Environmental, Social and Governance (ESG) and Corporate Social Responsibility (CSR). The strategy, which is made up of five pillars, includes our 'Emission Zero' pillar which enshrines our Measure, Reduce and Offset/Remove approach to climate change and our emissions. We are committed to being net zero by 2030.	Environmental and social impact s172 statement	28 to 33 34 to 40
Human rights	**Modern Slavery Statement** – is Wise's statement of our commitment to ensuring that slavery and human trafficking are not taking place in any part of our business or supply chain. **Privacy and data protection** – sets out Wise's approach to protecting the personal data and privacy rights of our customers, employees and other stakeholders.	Environmental and social impact s172 statement	33
Our people	**Code of Conduct** – sets high standards for how employees should behave and treat each other. **Health and safety policy** – sets out our approach to health, safety and wellbeing. **Diversity, equity and inclusion** – outlines the Wise commitment to creating a team and working environment that are diverse, equitable and inclusive. **Anti-bribery and corruption (ABC) policy** – sets out our responsibilities, in observing and upholding our position on bribery and corruption; and to provide information and guidance on how to recognise and deal with bribery and corruption red flags. **Whistleblowing policy** – is the process and parameters for employees to report any suspected instances of wrongdoing. **Delegation of authority policy** – defines the process for assigning authority to employees. **Conflicts of interest policy** – ensures that all Directors adhere to the highest standards of behaviour with regard to conflicts of interest. **Wiser complaint/grievance Process** – sets out the processes and guidelines for filing a formal complaint regarding another employee. **Conflict resolution process** – sets out the informal process for resolving conflicts between employees.	Our people s172 statement	22 to 27 36
Social matters	**Third party risk management policy** – summarises the systems and processes in place to enable Wise to identify, assess, monitor and report on key risks which arise as a result of relationships Wise has or proposes to have with certain of its third parties. **Charitable donations process –** summarises the ways that employees can get involved in disaster relief and charitable donations. **Complaints policy** – describes the process for resolving customer complaints efficiently. **Vulnerable customer policy** – is Wise's policy stating our aim to ensure that the operations of our business do not have a negative impact upon vulnerable consumers when they are using our products.	Environmental and social impact s172 statement	28 to 33 38

Reporting requirement	Policies and standards which govern our approach	Where to find more information in this report	Page(s)
Anti-corruption and anti-bribery	**Anti-bribery and corruption (ABC) framework** – sets out our responsibilities, in observing and upholding our position on bribery and corruption; and to provide information and guidance on how to recognise and deal with bribery and corruption red flags. **Regional anti money laundering policy** – provides all employees with an overview of the Wise approach to mitigating the risk of money laundering (ML) and terrorist financing (TF). **Sanctions policy** – provides all Wise employees with an overview of sanctions. Defines the controls to protect the Company by ensuring compliance with all applicable sanctions laws, orders and regulations, as well as detect, prevent and deter attempts to use Wise to circumvent sanctions. **Enhanced customer due diligence manual** – establishes EDD procedures which strengthen Wise's KYC framework and look to ensure compliance with relevant regulatory requirements for customers who require a higher level of due diligence. **Financial crime oversight escalation and approval policy** – provides a governance structure and assists teams which are responsible for introducing or improving product offering, or when changing controls or compliance operations strategy. This policy serves to help when selecting and prioritising internal controls and risk mitigation actions in the context of continuous improvement of operational processes, and compliance management of new products, features or partnerships. **Politically exposed persons manual** – summarises the regulatory requirements and best practices applicable to politically exposed persons (PEPs) and to describe in detail the compliance programme on how PEPs are identified, onboarded and monitored.	Environmental and social impact Overall approach to risk	28 to 33 42 to 49

Non-financial information	Where to find the information within our Strategic Report
Our business model	CFO review on pages 18 to 21
Non-financial key performance indicators	Key performance indicators on pages 16 to 17
Principal risks and impact on business policy	The risks we face at Wise on pages 42 to 49

Corporate Governance

Highlights

p.56
Our Board

p.68
Corporate governance statement

p.71
Board activities

Governance at a glance.

Highlights

62.5%
Board independence

37.5%
Gender diversity on our Board

45
Average age of our Board

12.5%
BAME representation on our Board

Top 20
Place to work in the UK

4.2
Glassdoor ranking

Board changes

- Taavet Hinrikus stepped down as Chair and Director on 8 December 2021.
- David Wells, an Independent Non-Executive Director, was appointed Chair of the Board on 8 December 2021.
- Terri Duhon joined the Board as an Independent Non-Executive Director on 1 January 2022.
- Jane Fahey was appointed as Company Secretary on 1 January 2022.

Governance improvements

- New Group structure implemented as part of Wise's direct listing on the London Stock Exchange in July 2021.
- Introduction of the dual-class share structure giving all pre-listing shareholders the opportunity to hold enhanced voting rights.
- New inside information processes and controls implemented with training across the Group.
- Updated and approved the Board Committee Terms of Reference.

A team to deliver long-term value to all stakeholders.

Our Board is collectively responsible for establishing and upholding the Wise mission, values and strategy. Together, the Board oversees Wise and sets our strategic direction, with the goal of continuing to deliver value for all of our stakeholders – our owners, employees, suppliers, regulators, communities and of course, our customers.

As at 31 March 2022, our Board comprised the Chair, four Independent Non-Executive Directors, one Non-Executive Director and two Executive Directors.

During the year, we held three scheduled meetings of the Board, three scheduled Nomination Committee meetings, four scheduled Audit and Risk Committee meetings, and three scheduled Remuneration Committee meetings. We've set out individual attendance for each of those meetings on pages 58 and 59. We also held a number of ad hoc meetings of the Board and its Committees throughout the year, as and when required.

For information on the activities of our Board during the year, see pages 71 to 73. For information on the activities of Board Committees and meeting attendance please refer to the Committee Reports on pages 79 to 112.

1

David Wells – 51, American

Chair

2

Kristo Käärmann – 41, Estonian

Chief Executive Officer

3

Matthew Briers – 45, British

Chief Financial Officer

4

Clare Gilmartin – 46, Irish

Independent Non-Executive Director

5

Terri Duhon – 50, American

Independent Non-Executive Director

6

Alastair Rampell – 41, American

Non-Executive Director

7

Hooi Ling Tan – 38, Malaysian

Independent Non-Executive Director

8

Ingo Uytdehaage – 49, Dutch

Independent Non-Executive Director

Former Directors who served for part of the year

- Taavet Hinrikus resigned as Director and Chair of the Board on 8 December 2021.
- Dean Nash resigned as Director on 18 June 2021 and resigned as Group Company Secretary on 1 January 2022.

David Wells – 51, American

R N A*

Chair

Board meeting attendance: 3/3

Date of appointment: Appointed as Chair on 8 December 2021

Background: David joined our Board as Non-Executive Director in 2019. Prior to this, he served as CFO at Netflix for eight years, retiring in 2019 after nearly 15 years with Netflix and having served as VP of Financial Planning and Analysis prior to his role as CFO. Before joining Netflix, David served in various roles at Deloitte Consulting from 1998 to 2004 and in the non-profit sector before getting his MBA. He holds a joint MBA/MPP Magna Cum Laude from the University of Chicago and a bachelor's degree in Commerce from the University of Virginia. David brings to Wise a wealth of financial knowledge and years of industry experience. David was appointed as Chair on 9 December 2021, having served as Senior Independent Non-Executive Director before that. Taavet Hinrikus, who was the previous Chair of Wise, was not involved in the selection or appointment of David as his successor.

Current external roles: David currently sits on the Board of Innovations for Poverty Action, a research and policy non-profit focused on effective anti-poverty programmes, and is an Independent Non-Executive Director and Audit Committee Chair for Hims/Hers, an online consumer healthcare provider. He's also an Independent Non-Executive Director of The Trade Desk, an online advertising platform, and is Audit Committee Chair and a member of their Compensation Committee.

* resigned as a member on 8 December 2021

Matthew Briers – 45, British

Chief Financial Officer

Board meeting attendance: 2/3[1]

Date of Appointment: 18 June 2021

Background: Matthew is Chief Financial Officer of Wise. Matt joined the Wise team in 2015 from Google, where he was Head of Sales Finance for Google UK. Matt previously held the role of Head of Strategy for Asset Finance at Lloyds Banking Group, as well as managerial positions at Bain & Company and Capital One. He has nearly 20 years' experience in the financial sector. He holds a Master of Engineering in Engineering, Economics and Management from Oxford University. Matt brings to the Board a strong background in financial services and almost seven years' experience with the Company.

Current external roles: None

1. Matthew Briers suffered an injury in early February 2022 and was unable to attend the scheduled Board meeting on 8 February 2022.

Kristo Käärmann – 41, Estonian

N

Chief Executive Officer

Board meeting attendance: 3/3

Date of appointment: 28 April 2021

Background: Kristo Käärmann is the Chief Executive Officer of Wise, which he co-founded in 2010. Prior to that he was a consultant at Deloitte and PwC. He holds a bachelor's and master's degree from University of Tartu. As a founding member of Wise, Kristo brings to the Board his industry experience and vision for the future of the Company.

Current external roles: None

Clare Gilmartin – 46, Irish

A R

Independent Non-Executive Director

Board meeting attendance: 3/3

Date of appointment: 18 June 2021

Background: Clare joined the Board as Non-Executive Director in 2021. Clare has been a high growth technology leader for close to 20 years. After starting her career in management consulting with BCG, Clare spent 10 years growing eBay in Europe, latterly as VP eBay Europe. She then took over as CEO at Trainline in 2014, taking it from being a UK rail only platform to being a pan European technology leader. She led the business through a sale to KKR in 2015, and then through a successful IPO in 2019. Clare is an adviser to Future Frontiers, a social enterprise that provides career guidance to pupils from low income backgrounds, and is also an advocate for women in technology. She holds a Bachelor of Commerce (Int) degree from University College of Dublin, and was their Business Alumni of the year in 2019. As a technology leader with almost two decades of experience in the industry, Clare brings to the Board a strong background in high growth industries and risk management.

Current external roles: Board member of GetYourGuide GMBH, an online marketplace for tours & activities.

Chair
A Audit and Risk Committee member
R Remuneration Committee member
N Nomination Committee member

Terri Duhon – 50, American

A

Independent Non-Executive Director

Board meeting attendance: 1/3[2]

Date of appointment: 1 January 2022

Background: Terri joined the Board as a Non-Executive Director in January 2022. Terri holds non-executive board positions at Morgan Stanley and Rathbones Group PLC. She is an Associate Fellow at the Saïd Business School at Oxford University, a motivational speaker for Speakers for Schools and a frequent Keynote Speaker on Culture, Diversity and Corporate Purpose. After graduating from MIT in Math, Terri started her career at JPMorgan and spent 10 years working as a derivative trader. In particular she was part of the team that developed the credit derivative market globally as documented in Fool's Gold. Later she became an entrepreneur and started a consulting business where she led expert witness teams in unwinding some of the more complex products from the credit crisis. She has been on the Board of CHAPS Co (the UK high value payment system), the Board of Operation Smile UK, on the MIT Corporation Visiting Committee for the MIT Math Department and was a founding member of the Women's Leadership Group for the Prince's Trust. She is the author of How the Trading Floor Really Works, an award winning educator and a TEDx speaker. Terri brings to Wise her deep understanding of the financial industry and risk management.

Current external roles: Non-Executive Director and Chair of Risk Committee of Morgan Stanley International – member of Audit, Remuneration and Nomination Committees. Non-Executive Director and Chair of Risk Committee of Rathbones Group PLC, Ambassador of Women on Boards.

2. Terri Duhon joined the Board in January 2022, she has only had the opportunity to join one scheduled Board meeting on 8 February 2022.

Hooi Ling Tan – 38, Malaysian

A* N

Independent Non-Executive Director

Board meeting attendance: 3/3

Date of appointment: 19 June 2021

Background: Hooi Ling joined the Board as a Non-Executive Director in 2021. Hooi Ling is the Co-Founder and Chief Operating Officer of Grab, Southeast Asia's leading super app that offers users a wide range of on-demand services in the region. Based in Singapore, she oversees Grab's operations. Prior to joining Grab full-time in 2015, Hooi Ling led high priority strategic and operational projects at Salesforce, where she specialised in Corporate Strategy, Corporate Operations, Pricing Intelligence and Monetization. Before joining Salesforce, Hooi Ling was a consultant at McKinsey & Company, advising global clients on corporate strategy and operations. Hooi Ling is a member of the National University of Singapore (NUS) Board of Trustees, and sits on the board of the Economic Development Board (EDB). Hooi Ling has a Bachelor of Engineering (Mechanical) from the University of Bath, and a Master of Business Administration from Harvard Business School. Hooi Ling brings to Wise her experience as Co-Founder of an international technology company and background in corporate strategy.

Current external roles: Co-founder and COO, Grab, and Trustee of National University of Singapore.

* resigned as a member on 18 March 2022

Alastair Rampell – 41, American

Non-Executive Director

Board meeting attendance: 3/3

Date of appointment: 18 June 2021

Background: Alex joined the Board as a Non-Executive Director in 2018. Alex is a General Partner at Andreessen Horowitz where he focuses on financial services and sits on the board of 15 of the firm's portfolio companies. Alex additionally led Andreessen Horowitz's investments in Opendoor ($OPEN), Plaid, Quantopian (acquired by Robinhood), and Rival (acquired by LiveNation). Prior to joining Andreessen Horowitz, Alex co-founded multiple companies including Affirm ($AFRM), which he co-founded with Max Levchin, FraudEliminator (acquired by McAfee in 2006), Point, TrialPay (acquired by Visa in 2015), TXN (acquired by Envestnet in 2019) and Yub (acquired by Coupons.com in 2013). He holds a BA in Applied Mathematics and Computer Science from Harvard University. Alex brings to the Board his industry experience, financial knowledge and ability to act as a voice for Owners in the Boardroom.

Current external roles: Alex holds the following external roles: (i) Affirm, Inc. – Co Founder & Board Observer; (ii) Andreessen Horowitz – General Partner and board member for 15 portfolio companies as listed below; (iii) Independent – Investor/Advisor; and (iv) Steadman Philippon Research Institute – Board Member.

* Alex sits on the board of the following companies: Branch, Brightside, Descript, Divvy, Earnin, FlyHomes, Loft, Mercury, PeerStreet, Point, Propel, SentiLink, Super Evil MegaCorp, and Very Good Security.

Ingo Uytdehaage – 49, Dutch

A R

Independent Non-Executive Director

Board meeting attendance: 3/3

Date of appointment: 18 June 2021

Background: Ingo joined the Board as an Independent Non-Executive Director in 2019. Ingo is also currently the CFO of Adyen and a former Board member of Foam Museum, Amsterdam. Before joining Adyen, he held the position of Finance Director at KPN in The Hague. He has also held various roles in the telecommunication and retail industries, including diverse management functions at VendexKBB/Maxeda. He has earned degrees from Maastricht University (MBA in accounting and finance), Aarhus Business School in Denmark (MBA in supply chain management and organisational behaviour) and the Vrije Universiteit in Amsterdam (Post Graduate, CPA). Ingo brings to the Board his financial and accounting skill-set and experience working across different industries.

As CFO of Adyen, one of Wise's suppliers, Ingo will excuse himself from any commercial negotiations between the companies.

Current external roles: CFO of Adyen.

Governance of the Wise Group.

Wise is committed to high standards of governance, which includes governance at the Board, Executive and subsidiary levels. Our governance structure is designed to meet the requirements of an evolving and growing business and is underpinned by our Group policies and procedures.

The Board delegates its authority under the following categories, which are described in more detail below:

- Board governance;
- Executive governance; and
- Delegated executive authorities to the CEO and CFO through which aspects of the CEO and CFO's authority are sub-delegated as appropriate.

Board governance

The Board is led by the Chair, and provides comprehensive oversight of and challenge to the overall direction and strategy of the business. The Board is supported by the following Committees:

Audit and Risk Committee	Nomination Committee	Remuneration Committee	Disclosure Committee
Further details can be found on the role and responsibilities on pages 82 to 89.	Further details can be found on the role and responsibilities on pages 79 to 81.	Further details an be found on the role and responsibilities on pages 90 to 112.	Assists the Board in discharging its obligations relating to monitoring the existence of inside information and its disclosure.

Executive governance

The Board delegates to the CEO the day-to-day management of the Group. The CEO is supported in his role by the Senior Leadership Team (SLT), which provides advice, challenge and support. The Senior Leadership Team (SLT) and CEO meet weekly.

At Wise, we support an autonomous culture where decisions are delegated to those closest to the problems they are solving, and where sharing plans and progress is encouraged and facilitated through a range of formal and informal sharing platforms, including Slack and Google Workspace. This organisational model is central to how we operate. To that end, the Senior Leadership Team (SLT) is responsible for setting Wise's vision; overseeing key metrics; creating and sustaining the culture and environment for Wise and Wisers to thrive; and allocating resources and accountability at a high level.

The CEO has also established Senior Leadership Team (SLT) committees that provide oversight and advice on operational and risk matters. The key Senior Leadership Team (SLT) committees are:

Group Risk Committee	Operational Risk Committee	Financial Crime Risk Committee	Regulatory Change Risk Committee	Assets and Liabilities Committee

Delegation of authority policy

Decision-making and day-to-day management of Wise are delegated by the Board to the CEO who in turn can sub-delegate his authority in accordance with the Group delegation of authority policy. This allows for prompt and effective decision-making and management. The delegation of authority policy sets limits on what can be delegated and ensures that there are effective controls in place. These controls are managed by the Company Secretary and this policy is regularly reviewed by the Board.

Chair's introduction to governance.

David Wells
Chair

Dear Wise Owner,

On behalf of the Board, I am pleased to introduce Wise's Corporate Governance Report. This is both my first report as Chair and Wise's first report as a listed company.

Our first financial year as a listed company has been truly transformational in terms of governance. The Board has overseen Wise's listing on the London Stock Exchange, and the appointment of three additional Independent Non-Executive Directors, all while working through the continuing challenges of the COVID-19 pandemic.

We are guided by our mission which acts as the purpose for our business – to create the best way to move and manage money around the world. Our governance framework is designed to support our mission while balancing the concerns of our stakeholders. Set out here are highlights of governance progress and direction of travel.

The direct listing

The Board helped to guide and prepare Wise as it pursued a direct listing on the London Stock Exchange in July 2021, becoming the first technology company to pursue a direct listing in the UK. Given where we started, we saw the UK as our natural listing home. In contrast to a traditional IPO, we saw a direct listing as the fairer, cheaper and more transparent way for us to broaden our ownership. We were also the first listed company to introduce a widely held, dual-class share structure in the UK, giving all pre-listing shareholders the opportunity to hold enhanced voting rights. We believe this was the best way of ensuring the delivery of long-term shareholder value by keeping long-term focus on the mission and ensuring the CEO can provide continuity through to 2026. Equally, we believe in the importance of strong corporate governance, evidenced by the board changes described below and our voluntary adoption of the UK CGC.

Now that we are a listed company, our employees can benefit from their shares (received as part of our employee share option scheme) being tradeable and our eligible customers can participate in our unique OwnWise programme and own a stake in Wise. Our work on this project was innovative, providing an opportunity for other companies to come to market in London by way of a direct listing.

Board changes

In preparation for our listing and the related Group reorganisation, the existing Directors of Wise Payments Limited, our principal subsidiary, were appointed as the Directors of Wise plc. These appointments promoted the best interests of the Group by supporting an effective transition to public life for Wise, ensuring continuity and the transfer of relevant skills and experience. We also continued to review the skills, experience and diversity of our Board, the outcome of which was the appointment of Clare Gilmartin and Hooi Ling Tan in June 2021.

Furthermore, Wise's then Chair, Taavet Hinrikus, had indicated his intention to pursue his venture capital interests and leave Wise in the year following the listing. This was an opportunity to strengthen the independence of the Board, and we appointed a new Independent Non-Executive Director, Terri Duhon, in January 2022. Clare, Hooi Ling and Terri bring experience in scaling, operating and controlling global technology and regulated businesses, in addition to much valued diversity of experience and thought. Terri also brings decades of experience in the risk oversight of international financial operations. In this they complement Ingo Uytdehaage and Alastair Rampell, who have a deep understanding of Wise and a track record of guiding the Group.

I am very pleased with the Board we have built and I am delighted that 50% of our Non-Executive Directors and the majority of our Independent Directors identify as female. More information is available in the Nomination Committee Report on pages 79 to 81 and Directors' Report on pages 113 to 117.

Finally, I would like to thank Taavet for the invaluable contribution he has made as co-founder and Chair of Wise. I look forward to continuing the work that he started during his time on the Board.

Governance

This has been a transformational and transitional year for governance at Wise. As stated in the Prospectus, we voluntarily adopted the UK CGC at listing, reflecting our belief in the importance of robust governance. Given our transition from a private to a public company, we remain on a governance journey. We aim for compliance with the UK CGC while supporting the development and growth of the business. Where we do not comply we will always provide a full explanation as to why not. A full review of our compliance with the UK CGC during FY2022 is included in the Compliance Statement on page 63.

Board evaluation

In line with the UK CGC, we carried out an internal evaluation of the Board and its Committees, focusing on the effectiveness of our operation and practices. The evaluation helped us to identify certain areas for improvement and we have identified a number of actions to assist us on our governance journey. Further details can be found on page 78.

Risk

Risk management and internal controls have been a significant focus for the Board. Through the Audit and Risk Committee, we are overseeing the continued development and implementation of the three lines of defence model, which is the risk governance framework we use to provide clarity on the responsibilities and accountabilities across the business, risk and compliance teams and Internal Audit. Robust risk management is critically important to both Wise and our stakeholders. You can find more detail in the Risk management section on page 41 and the Audit and Risk Committee Report on pages 82 to 89.

Stakeholders

In 2021, as Wise transitioned from a private to a public company, it was important for us to understand and address the needs and expectations of our stakeholders. Despite the challenges of the COVID-19 pandemic, we have continued to proactively engage with our customers, employees, communities, suppliers, governments, regulators, and owners, ensuring all stakeholder voices are heard as we continue on our journey.

At Wise, we believe the customer voice should always be the loudest, and we seek to consistently engage our customers through surveys, interviews and focus groups. At our May 2022 Board meeting, we heard directly from a customer on their experience of Wise via a live interview.

We engage our mission-aligned owners through regular investor calls with our institutional investors and OwnWise calls for our owner customer base. Our team of dedicated employees, our Wisers, care deeply about our mission and share in our values. We engage our Wisers through regular all-Company team calls, Mission Days and quarterly planning presentations. The Board recognised the benefits of having a more formal method of engagement with employees and is committed to introducing an appropriate method during the next financial year.

Finally, we recognise that the communities in which we operate are also key stakeholders, and as such, we are committed to our Emission Zero promise as part of our broader environmental and social impact initiative. This initiative focuses on sustainability and charitable partnerships but also covers how we work and how we are governed. For further details see pages 28 to 33.

The Directors and I will continue our focus on understanding the needs of our stakeholders and incorporating those needs into our decision-making. For more information on how stakeholder engagement influenced our decision making, please see our statement on s.172 of the Companies Act 2006, on page 34.

Looking forward

I am impressed with the progress we have made on establishing a governance framework that best and sustainably enables the business and people of Wise. Further developing that framework remains my focus for the year ahead.

Annual General Meeting (AGM)

We look forward to welcoming you (in person or virtually) to our first AGM in September 2022. More information will be available when our Notice of AGM is published.

David Wells
Chair

28 June 2022

Corporate governance statement.

We recognise that having the highest standards of corporate governance is needed to support a successful business and will help us achieve our strategic objectives.

As a company with a standard listing, Wise is not required to comply, or otherwise explain non-compliance, with the requirements of the UK CGC. However, upon listing to the London Stock Exchange in July 2021, we chose to voluntarily adopt the UK CGC, demonstrating the Board's commitment to ensuring the highest standards of governance.

While there are some areas where we are not yet compliant (listed below in Part B), we're making good progress, having achieved compliance in a number of areas since the time of the listing (most notably, the transition of the role of Chair to an Independent Director (as required by the UK CGC). The Board, which is responsible for monitoring compliance with the UK CGC, aims to achieve full compliance by the end of the next financial year.

Part A of this Corporate Governance Statement sets out our compliance and application of the UK CGC to Wise; and

Part B sets out the principles of the UK CGC and the specific provisions with which we are not yet compliant. Our goal is to provide a holistic view of the corporate governance arrangements we have in place today, and where we plan to continue to make progress.

Part A: Our compliance and application of the UK CGC:

Principle	How have we complied?
Board leadership and Company purpose	
Principle A A successful company is led by an effective and entrepreneurial board, whose role is to promote the long-term sustainable success of the company, generating value for shareholders and contributing to wider society.	The Board is responsible for the long-term success of the Group and in order to ensure that it is managing this responsibility appropriately the Board has: • adopted matters reserved and Terms of Reference that ensure that matters of importance that impact the business and the Group's subsidiaries are considered and agreed at the Board level. Please see page 71 for more information; • created and used a Group agenda planner that lists the key strategic, operational and financial matters that the Board should consider, both regularly and on an ad hoc basis; • undertaken regular engagement with stakeholders, please see pages 34 to 40 for more information; • received updates from Committee Chairs on key discussions and recommendations; and • received regular updates from the Group's subsidiaries (please see page 60 on how we oversee the Group).
Principle B The board should establish the company's purpose, values and strategy, and satisfy itself that these and its culture are aligned. All directors must act with integrity, lead by example and promote the desired culture.	Prior to the listing, the Board approved the strategic objectives of the Group, which included Wise's purpose, values and strategy, which we articulate as our "mission". The Board reviews and oversees the Wise mission on an ongoing basis by: • receiving regular updates from the business on the implementation of our mission across the Group; • considering stakeholders when making key decisions and relating this back to the purpose and culture of Wise; • overseeing and updating the Code of Conduct as needed to ensure alignment with the mission and provide Wisers with the guidance and support necessary for a well-functioning workplace; • reviewing the outcomes of employee surveys; and • holding deep dive sessions focusing on risk culture and the experience of risk and assurance teams. Further details on the major discussions held and decisions on each of the Board's focus areas, including culture, can be found on page 71 to 73.
Principle C The board should ensure that the necessary resources are in place for the company to meet its objectives and measure performance against them. The board should also establish a framework of prudent and effective controls, which enable risk to be assessed and managed.	The Board regularly considers whether resources are responsibly and effectively deployed to help achieve our mission, and has been involved in: • advising on key senior management hires; • monitoring the effectiveness of internal controls through the work of the ARC; and • providing oversight of existing and emerging risks raised by stakeholders via the ARC.

Principle	How have we complied?

Board leadership and Company purpose

Principle	How have we complied?
Principle D In order for the company to meet its responsibilities to shareholders and stakeholders, the board should ensure effective engagement with, and encourage participation from, these parties.	The Board strives to understand and take into consideration the views of its key stakeholders when making key decisions. **Further detail on our stakeholders and how our Board engages with them can be found on page 34.**
Principle E The board should ensure that workforce policies and practices are consistent with the company's values and support its long-term sustainable success. The workforce should be able to raise any matters of concern.	The Board ensures that workplace policies and practices are consistent with the mission and support its long-term sustainable success by: • continuously working on and reviewing the Code of Conduct to ensure alignment with the mission; • overseeing the whistleblowing policy and receiving reports on issues raised via the independent reporting hotline and an online portal; • having the Remuneration Committee review periodic employee survey data to understand trends. **Further detail on our workforce engagement can be found on page 36.**

Division of responsibilities

Principle	How have we complied?
Principle F The chair leads the board and is responsible for its overall effectiveness in directing the company. They should demonstrate objective judgement throughout their tenure and promote a culture of openness and debate. In addition, the chair facilitates constructive board relations and the effective contribution of all non-executive Directors, and ensures that Directors receive accurate, timely and clear information.	The Chair provides effective leadership and ensures that the Board is effective in directing Wise by: • maintaining a culture of openness and transparency at Board meetings in order to encourage challenge and debate; • ensuring effective communication between Executive and Non-Executive Directors during Board meetings; • holding private sessions with Non-Executive Directors which allows them to focus on particular matters and issues with greater candour; • having regular information sessions and informal chats with Executive Directors and Senior Leadership; and • working with the Company Secretary to ensure that accurate, timely and clear information about the business is delivered to the Board.
Principle G The board should include an appropriate combination of executive and non-executive (and, in particular, independent non-executive) directors, such that no one individual or small group of individuals dominates the board's decision-making. There should be a clear division of responsibilities between the leadership of the board and the executive leadership of the company's business.	The Board has an appropriate mix of Executive and Non-Executive Directors, comprising five Independent Non-Executive Directors, one Non-Executive Director and two Executive Directors. The majority of the Committee members are Independent Non-Executive Directors, including the Chair. In addition, each of the Directors has a different background, and serves on different Committees – this helps ensure that no individual or small group dominates the Board's decision-making. The role profiles of the Chair and the CEO are set out on page 74.

Principle	How have we complied?
Division of responsibilities	
Principle H Non-executive directors should have sufficient time to meet their board responsibilities. They should provide constructive challenge, strategic guidance, offer specialist advice and hold management to account.	We ensure that the Non-Executive Directors have sufficient time to meet their Board responsibilities by requiring the Nomination Committee to assess their time commitments, including their other directorships/appointments and roles, before appointing them. This will be reviewed each year. The Nomination Committee concluded that there were no Board members who were deemed as overboarded. Further detail on the role of the Nomination Committee can be found on pages 79-81. Non-Executive Directors provide constructive challenge, strategic guidance, offer specialist advice and hold management to account by: • challenging Executive Directors and Senior Leaders; • monitoring Wise's strategy and performance; • providing valuable insight and advice in Board and Committee meetings; and • leading the agenda planning process for Board and Committee meetings.
Principle I The board is provided the support of a company secretary, who ensures that there are policies, processes and information and resources it needs in order to function effectively and efficiently.	The Group's Company Secretary leads the Company Secretary function, comprising three qualified company secretaries, a Board Support Manager and Company Secretary Project Manager. The Company Secretary: • provides the Board with the information and resources it needs to discharge its obligations; • advises the Board and the Committees on governance matters; • onboards new Directors; • facilitates training; and • creates and maintains all relevant Board and Group policies.
Composition, succession and evaluation	
Principle J Appointments to the board should be subject to a formal, rigorous and transparent procedure, and an effective succession plan should be maintained for board and senior management. Both appointments and succession plans should be based on merit and objective criteria and, within this context, should promote diversity of gender, social and ethnic backgrounds, cognitive and personal strengths.	Appointments to the Board are subject to our Board succession planning policy and a comprehensive search and selection process, including an analysis of business need and Board composition and identification of key skills and competencies using clear criteria to mitigate performance bias. For further details on the process, please see the Nomination Committee Report on pages 79-81. In addition, Wise maintains succession plans for the Board and senior management. The Nomination Committee is responsible for the Board succession plan, which is supported by the Board succession planning policy. It ensures that Wise will continue to appoint experienced, diverse and skilled Directors. The Nomination Committee also reviews the approach to CEO and Senior Leadership Team (SLT) succession planning and tracks progress against these plans. Further information can be found in the Nomination Committee Report on pages 79 to 81.
Principle K The board and its committees should have a combination of skills, experience and knowledge. Consideration should be given to the length of service of the board as a whole and membership regularly refreshed.	The Board and its Committees are balanced, with an appropriate combination of skills and expertise. For more information on the skills and experience of the Board please see the skills matrix on page 77. Early on in the development of the Board, we recognised we needed to add Independent Non-Executive Directors for broader committee and work coverage. With the additions of Clare Gilmartin, Hooi Ling Tan and Terri Duhon, we added much capacity and skills. Wise keeps the membership of its Board under continuous review. Since the time of its listing, Wise has changed its Chair and has appointed one new Independent Non-Executive Director.

Principle	How have we complied?

Composition, succession and evaluation

Principle	How have we complied?
Principle L Annual evaluation of the board should consider its composition, diversity and how effectively members work together to achieve objectives. Individual evaluation should demonstrate whether each director continues to contribute effectively.	An internally facilitated Board evaluation was conducted in March and April 2022, which considered the following areas: • The purpose and role of the Board • Strategy and culture • Stakeholder engagement • Risk management • Board governance • Leadership, membership and group dynamics • Director self-assessment **Our findings and actions can be found on page 78.** The Nomination Committee will consider whether an externally facilitated Board evaluation will be conducted in the next financial year, with the intention that an external facilitated Board evaluation will take place within three years of listing.

Audit, risk and internal control

Principle	How have we complied?
Principle M The board should satisfy itself on the independence and effectiveness of the internal and external audit functions and satisfy itself on the integrity of financial and narrative statements.	The Board delegates the Group's relationship with internal and external audit to the Audit and Risk Committee, who monitor the independence and effectiveness of the audit functions by: • receiving regular updates from our external auditor; • reviewing a policy on the provision of non-audit services; • reviewing and approving internal audit plans and management actions in relation to issues; and • ensuring that both internal and external auditors have a direct line to the Board.
Principle N The board presents a fair, balanced and understandable assessment of the company's position and prospects.	The Board delegates to the Audit and Risk Committee the responsibility of reviewing financial statements and accounting judgements. The Audit and Risk Committee on behalf of the Board: • ensures that results are accurate, timely and meet accounting standards and judgements effectively; • reviews compliance with relevant legislative and regulatory framework; and • reviews representations made to the auditor. The Chair of the Audit and Risk Committee provides an update at every Board meeting on the key discussion and decision points and escalating matters for the Board's attention. **For more information please refer to the Audit and Risk Committee Report on pages 82 to 89.**
Principle O The board should establish procedures to manage risk, oversee the internal control framework, and determine the nature and extent of the principal risks the company is willing to take in order to achieve its long-term strategic objectives.	The Board delegates responsibility for the oversight of internal control systems and risk management processes to the Audit and Risk Committee. In FY2022, the Audit and Risk Committee focused on the following: • Reviewing the embedding and testing of the culture of risk management across the organisation; and agreeing plans to continue to develop risk management within Wise, including reviewing resourcing in the second line teams. • Assessment and challenge of the risk profile and the principal and emerging risks. • Approval of the compliance monitoring and testing plan. • Review of risk appetite. • Assessment of the effectiveness of internal control processes. • Improving the effectiveness of the information technology general controls ("ITGC") programme, and ensuring appropriate substantive testing and monitoring has been in place to provide comfort over the appropriateness of the financial statements. Refer to the ARC report for more information. • Improving compliance programmes related to e.g., safeguarding and financial crime and addressing any specific areas for improvement. • Review of the whistleblowing policy and processes. • Improving the effectiveness of our regulatory oversight and fraud controls in place.

Principle	How have we complied?
Remuneration	
Principle P. Remuneration policies and practices should be designed to support strategy and promote long-term sustainable success. Executive remuneration should be aligned to company purpose and values, and be clearly linked to the successful delivery of the company's long-term strategy.	The Company's approach to remuneration is based on providing a competitive total remuneration package that is focused on alignment with shareholders and long-term success through the use of share-based incentives. Since Admission, we have formalised this approach through the development of a remuneration policy. More detail is included under Principle Q below.
Principle Q. A formal and transparent procedure for developing policy on executive remuneration and determining Director and senior management remuneration should be established. No Director should be involved in deciding their own remuneration outcome.	The Remuneration Committee develops the Company's policy on executive remuneration and monitors its ongoing appropriateness. It determines remuneration for the Executive Directors and senior management. Since Admission, we have developed a remuneration policy which is consistent with the Group's purpose, culture and the scale and scope of business operations, and that it supports the business strategy and growth objectives and captures requirements under the UK prudential regime for investment firms. We will formally seek shareholder approval of the proposed Remuneration Policy at the first AGM taking place in September 2022. The Remuneration Policy aims to provide competitive total remuneration packages that are focused on alignment with the interests of our owners and long-term success through the use of share-based incentives, and is designed to comply with, amongst other considerations, Principles P and Q as well as provisions 36 to 39. It is already the case that no Directors are involved in deciding their own remuneration outcomes. **More detail on the development of the Remuneration Policy and the policy itself can be found in the Remuneration Report on pages 90 to 112.**
Principle R Remuneration outcomes. Directors should exercise independent judgement and discretion when authorising remuneration outcomes, taking account of company and individual performance, and wider circumstances.	The Remuneration Committee on behalf of the Board considers Group and individual performance and market data benchmarking when making remuneration decisions. **Please see pages 90 to 112 for the Remuneration Report.**

Part B: The relevant areas where we have not yet fully complied with the provisions of the UK CGC are as follows:

Principle or Provision	Status of compliance
Provision 5 (under Board leadership and Company purpose) The board should understand the views of the company's other key stakeholders and describe in the annual report how their interests and the matters set out in section 172 of the Companies Act 2006 have been considered in board discussions and decision-making. The board should keep engagement mechanisms under review so that they remain effective. For engagement with the workforce, one or a combination of the following methods should be used: • a Director appointed from the workforce; • a formal workforce advisory panel; • a designated non-executive Director. If the board has not chosen one or more of these methods, it should explain what alternative arrangements are in place and why it considers that they are effective.	Directors have engaged with the workforce in a number of ways, including speaking at team calls and events for International Women's Day, and attending Mission Days. Please refer to page 36 which sets out further information on how we engage with our employees. However, during the financial year, given the short time since the listing, the Board did not explicitly agree the specific method through which it would engage with the workforce as required under the UK CGC. During the next financial year the Board intends to leverage the geographic base of the Directors, which reflects the geographic spread of the Wise workforce, and agree a calendar of engagement activities for each Non-Executive Director. This will represent an alternative arrangement under the UK CGC.
Provision 12 (under Division of responsibilities) The board should appoint one of the independent non-executive Directors to be the senior independent director (SID) to provide a sounding board for the chair and serve as an intermediary for the other Directors and shareholders. Led by the SID, the non-executive Directors should meet without the chair present at least annually to appraise the chair's performance, and on other occasions as necessary.	After David Wells, previously the SID, transitioned to his new role as Chair of the Board, the Board has not appointed one of the Non-Executive Directors to be an SID for the 2022 financial year. The Board recognises the requirement of having a SID and the benefits it would bring, and therefore has committed to progressing the appointment of an SID during the next financial year. In the meantime, the performance of the Chair was evaluated as part of the overall Board evaluation.
Provision 17 (Nomination Committee composition)	On listing, the Nomination Committee comprised two Independent Non-Executive Directors and the CEO, and therefore met the requirements of the UK CGC. However, since David Wells, who chairs the Committee, was appointed Chair of the Board in December 2021, he is excluded from the independence calculation. Therefore, the composition of the Committee no longer meets the requirements of the UK CGC. The Committee will continue to review its composition and that of the other Board Committees to ensure there is an appropriate balance of skills, experience and independence.

Principle or Provision	Status of compliance
Provision 20 (use of an external search consultancy for the appointment of the chair and non-executive directors)	An explanation of our approach to the appointment of Non-Executive Directors can be found on pages 80 and 81.
Provision 23 (policy on diversity and inclusion) The annual report should describe the work of the nomination committee, including the policy on diversity and inclusion, its objectives and linkage to company strategy, how it has been implemented and progress on achieving the objectives.	Wise has not adopted a formal policy on diversity and inclusion. When considering new appointments to the Board, the Nomination Committee works with our Head of Leadership and Executive Recruitment to review requirements for the role and agree a search strategy in line with the Board succession planning policy. Diversity and inclusion practices are embedded into our search process to ensure that we build a diverse Board with different ideas, skill sets and backgrounds. The Board recognises the requirement of having a formal policy in place and the Nomination Committee will work to ensure one is adopted during FY2023. **For more information on Board diversity and the selection process for new Non-Executive Directors please refer to the Nomination Committee Report on pages 79 to 81.**
Provision 32 (under Remuneration) The Chair of the Board can be a member of the remuneration committee but can not chair the committee. Before appointment as chair of the remuneration committee, the appointee should have served on a remuneration committee for at least 12 months.	For the period from 01 December 2021 to 31 March 2022, David Wells served as Chair of both the Board and the Remuneration Committee. David acted as Chair of both for an interim transitional period only and has since been replaced by Clare Gilmartin as Chair of the Remuneration Committee. Upon her appointment on 1 April 2022, Clare Gilmartin had not served on a remuneration committee for at least 12 months. She will meet the requirement of 12 months service during the next financial year.
Provision 34 (under Remuneration) Remuneration for all non-executive Directors should not include share options or other performance-related elements.	Prior to Admission and in the context of the Group being privately owned, legacy incentive plans were operated in which the non-executive Directors held share options. In order to avoid any impairment of the independence of the directors, the options were vested with effect from Admission. Consequently, David Wells and Ingo Uytdehaage hold options under these legacy arrangements over Class A Shares, with these options being fully vested. Further detail can be found in the Directors' Remuneration Report on page 90 to 112. No grants of share options or performance-related remuneration have been made to the Non-Executive Directors since Admission, nor they will be made in future years.

Principle or Provision	Status of compliance
Provisions 36 to 41 (under Remuneration)	Since Admission, we have developed a remuneration policy which is consistent with the Group's purpose, culture and the scale and scope of business operations, and that it supports the business strategy and growth objectives and captures requirements under the UK prudential regime for investment firms. We will formally seek shareholder approval of the proposed Remuneration Policy at the first AGM taking place in September 2022. The Remuneration Policy aims to provide competitive total remuneration packages that are focused on alignment with the interests of our owners and long-term success through the use of share-based incentives, and is designed to comply with, amongst other considerations, provisions 36 to 39. For clarity, we have complied in practice with provision 38 (relating to executive director pensions) and provision 39 (relating to director notice or contract periods) during the year. However, compliance with these provisions is formalised in the Remuneration Policy. As a newly listed company, we are building our employee engagement strategy in relation to Executive Director compensation. At the time of publication of this report, the Committee has not yet formally engaged with employees on Executive Director remuneration but an engagement plan is being built to ensure sufficient time is allocated to focus on these matters and consultation will be carried out in the event that any significant changes to Group remuneration and employment policies are proposed. Employee engagement activities that are due to be carried out in FY2023 will be reported on in our next annual report. With the exception of the employee engagement strategy, as referred to above, the new Directors' Remuneration Policy to be presented to shareholders for approval at the AGM has been designed in compliance with the factors set out in Provision 40. **A description of the work of the Remuneration Committee as required by Provision 41 (with the exception of reference to employee engagement activities, as explained above) along with more detail on the development of the Remuneration Policy and the policy itself, can be found in the Remuneration Report on pages 90 to 112.**

Board activities and principal decisions.

Role of the Board

The Board is collectively responsible for establishing and upholding the Wise mission, its values and strategy. Together, they oversee Wise and set its strategic direction, with the goal of continuing to deliver value for all stakeholders in the long-term.

The Board operates within a formal Schedule of Matters Reserved and Terms of Reference. Other powers are delegated to the various Committees and to the Senior Leadership Team (SLT) or via the Group delegation of authority policy. Terms of Reference for each of the Board's Committees are available on our website: https://wise.com/owners. The delegation of authority policy is available to all employees on our internal intranet.

Full details of the Board Committee responsibilities are set out in the respective Committee reports on pages 79 to 112.

The Board is committed to maintaining the highest standards of corporate governance and has collective responsibility for promoting the long-term success of Wise. We are accountable to stakeholders for ensuring that Wise is appropriately managed and achieving strategic objectives, in a way that is supported by the right culture, values and behaviours at all levels. The Board is responsible for ensuring that management actions are aligned to strategy and that stakeholder interests are taken into consideration. As such, the views of stakeholders form an essential component of the Board's decision-making.

To ensure that high standards of corporate governance are met, each year the Chair holds a number of meetings with the Non-Executive Directors without executive management present. These meetings are useful to safeguard the independence of Non-Executive Directors by providing them with the opportunity to discuss their views in a more private environment.

All Directors also have access to the advice of the Company Secretary, who is responsible for advising the Board on all governance matters.

Full details about our governance structure are set out on page 60.

The Board's agenda in FY2022

During the year, the Board focused on our strategic direction, the listing and the establishment of a robust governance framework.

Meeting agendas were agreed in advance by the Chair, CEO and Company Secretary and comprised a balance of standing items, such as growth, financials, subsidiary updates and regular deep dives.

The Board's focus can be categorised under the following themes:

- Strategy
- Operations
- Performance
- Governance
- Culture

When making decisions the Board must sometimes balance conflicting stakeholder concerns. The Board acknowledges that every decision it makes will not necessarily result in a positive outcome for all stakeholders. However, by considering Wise's mission together with its strategic priorities and decision-making process, the Board aims to ensure that its decisions are in the best interests of Wise.

- Customers
- Communities
- Wisers
- Suppliers
- Investors
- Regulators

A summary of major discussions held and decisions on each of the Board's focus areas is set out below:

Strategy

Matter and outcome	Consideration and benefits	Stakeholder
Listing The listing of Wise on the London Stock Exchange	The decision was supported by an assessment of how the listing would benefit and impact our stakeholders, while also considering the alignment with our mission. The consensus was that the listing would align ownership and the Wise mission by bringing customers into our owner base. We also agreed that we would become public in a way that is transparent and fair. By doing a direct listing, we ensured that everyone got the same opportunity to own a part of Wise. As part of the listing preparation there was significant input and challenge from the Board and also advisers on our strategy and how we communicate this to all stakeholders. Ultimately the Board decided to approve the Prospectus and our analyst presentation which resulted in a clear communication of the strategy to all stakeholders.	
Performance and strategy discussions	Since the listing the Board has had regular updates on "Owner Relations" providing insights from shareholders relating to our strategy. The Board also discuss growth performance on a quarterly basis. This informs the Board on progress the teams are making in the context of our strategy and gives confidence that Wise is focusing resources in the right areas. In February, the Board also held a strategy discussion which led to a strategy review process that will continue into FY2022. These discussions frame how the Board discusses and reviews strategy at Wise.	
Customer Share Giveaway Shares were awarded to approximately 2,000 of Wise's most active customers	In making this decision, the Board considered the ways in which the listing could be meaningful to customers and the benefit to Wise of having a customer voice in our owner base.	
OwnWise The launch of our customer shareholder programme designed to reward eligible customers of Wise	The Board agreed that OwnWise would increase customer advocacy, by giving our customers a sense of ownership in Wise. This would bring the voice of customers into the owner base, complementing the aims of the Customer Share Giveaway.	

Operational

Matter and outcome	Consideration and benefits	Stakeholder
The Group reorganisation The restructure of the Group, to include the addition of holding companies to hold the subsidiaries, which was completed on 22 June 2022	The Board considered a group structure that would be optimal for a growing global organisation, taking into account both tax efficiency and meeting regulatory requirements and employee interests.	
The dual-class share structure The creation of our dual-class share structure	This was considered to be the best way to keep long-term focus on the mission as this structure enhances the voting control of certain pre-listing shareholders who have elected to receive Class B Shares, including Directors, senior managers, employees and their respective affiliates, while ensuring that the CEO can provide continuity and stability through to 2026 and our team can focus on our mission over the long-term.	
Delegation of authority The delegation of authority to the CEO and CFO who can in turn sub-delegate to their reports	It was agreed that it would be more efficient for the Board to delegate authority for the day-to-day management of Wise to the CEO and CFO who in turn would delegate this authority to the business. This would have a positive impact for employees, enabling efficient decision-making, and for our suppliers, who would also benefit from swift decision-making and payment.	

Matter and outcome	Considerations and benefits	Stakeholder
Governance		
The CEO's inclusion on Her Majesty's Revenue & Customs ("HMRC") list of deliberate tax defaulters Finding that the CEO remained fit and proper for his role (as per the Financial Conduct Authority ("FCA") definition)	Following the inclusion of the CEO's name in a list of 'deliberate defaulters' by HMRC in September 2021, the Board met several times to discuss the matter, requesting and reviewing relevant information and documents provided by the CEO and his advisers over this time. After reviewing this information and these documents, obtaining legal advice and considering the matter in detail, the Board required the CEO to undertake certain remedial actions, including appointing professional tax advisers to ensure his personal tax matters are appropriately managed. The Board concluded in Q4 2021 that the CEO remained fit and proper to perform his roles, and shared details of its findings, assessment and actions with the FCA. In relation to this matter, the FCA has commenced an investigation regarding the regulatory obligations and standards to which the CEO is subject. Both the CEO and the Company intend to cooperate fully with the FCA in relation to its investigation.	
Change of Chair David Wells succeeding Taavet Hinrikus as Chair of the Board	The Board agreed that for an effective board it was necessary to have in place an independent Chair who would be able to provide oversight and experienced leadership to the Board. Wise is now compliant with the Code in this regard.	
Appointment of three additional Independent Non-Executive Directors The Board approved the appointment of Hooi Ling Tan, Clare Gilmartin and Terri Duhon	The addition of experienced Directors would benefit the Group by bringing their different skills, experiences and insight.	
Adoption of the UK CGC Adoption of the UK CGC to ensure high standards of governance	Given our standard listing we are not obliged to comply with the UK CGC. However, the Board recognised the importance our stakeholders placed on good governance and decided that it was appropriate to voluntarily adopt the UK CGC. Further detail on the status of our compliance with the UK CGC can be found in our Corporate Governance Statement from page 63.	

Culture

Matter and outcome	Considerations and benefits	Stakeholder
Code of Conduct Adoption of a formal Code of Conduct	The Board reviewed and approved the adoption of a formal Code of Conduct for employees. The Code of Conduct reflects the Company's core values and transparent culture.	
Whistleblowing Adoption of a whistleblowing policy and establishment of an independent line of communication for whistleblowing claims	The Board believes it is in the best interests of its employees and business to have a fully transparent, fair and independent way to voice concerns. The Wise whistleblowing policy is supported by an independent reporting hotline and an online portal. The Board and ARC receive regular updates on whistleblowing data and trends from the General Counsel.	
Review of Assurance teams experience at Wise Support for the work of assurance teams.	Following the departure of key members of the People, Risk, Finance and Legal teams, the Board commenced a review to determine if there was a common root cause. The conclusion of this review was that more effective onboarding for these teams, and more vocal support for their work, was required from the CEO and Senior Leadership Team (SLT). The review refocused efforts on hiring for key roles in these teams.	

Division of responsibilities.

Roles and responsibilities

There is a clear division between executive and non-executive responsibilities. The roles of the Chair and CEO are not held by the same person and their responsibilities are well defined and set out in writing in the Division of Responsibility Statement which is available on our website at www.wise.com/owners.

A summary of the roles and responsibilities of each of our Board members is set out below:

Chair

- Provide effective leadership of the Board and promote a high standard of governance
- Set a Board agenda that is forward looking and reflects the important issues facing the Group
- Lead the Board in overseeing management and provide support for the CEO and Senior Leadership Team (SLT)
- Lead the evaluation process for the Board and Board Committees

Chief Executive Officer

- Manage the Group on a day-to-day basis within the authority delegated by the Board
- Develop strategy, plans and objectives for review by the Board
- Lead the Senior Leadership Team (SLT) in ensuring that Board decisions are implemented and that significant decisions made by the Senior Leadership Team (SLT) are communicated to the Board
- Promote a Group culture that fosters a prudent, safe and sound business

Chief Financial Officer

- Support the CEO in establishing strategy
- Establish the annual operating plan
- Lead the Finance and Legal functions
- Be responsible for financial reporting and for ensuring effective process and controls

Non-Executive Directors

- Oversee, assess and challenge the delivery of strategy
- Review and oversee performance of management
- Approve the Group's performance, risk profile and risk appetite
- Consider the interests of the Company's stakeholders

Board membership changes

Board journey

During the 2022 financial year, there were several changes to the Wise Board, as a result of our transition from a private to a publicly listed company. For part of the year, Wise Payments Limited's (our principal subsidiary) board and committees (i) provided us with our initial Directors; and (ii) assisted us in identifying additional Independent Non-Executive Directors.

These changes are set out in the table below:

Director	Date of appointment	Date of resignation	Former Wise Payments Limited Director
Dean Graham Nash	30 April 2021	18 June 2021	No
Taavet Hinrikus	18 June 2021	8 December 2021	Yes
David Wells	18 June 2021	–	Yes
Ingo Jeroen Uytdehaage	18 June 2021	–	Yes
Alastair Michael Rampell	18 June 2021	–	Yes
Kristo Käärmann	28 April 2021	–	Yes
Clare Elizabeth Gilmartin	18 June 2021	–	No
Hooi Ling Tan	19 June 2021	–	No
Matthew John Briers	18 June 2021	–	No
Terri Lynn Duhon	1 January 2022	–	No

Prior to Group reorganisation and Listing

Immediately prior to 18 June 2021, our Board comprised Kristo Käärmann (CEO) and Dean Nash (Former General Counsel & Group Company Secretary). In preparation for the listing and the Group reorganisation, it was agreed that it would be in the best interests of the Group to appoint the existing Directors of Wise Payments Limited, our principal subsidiary, as Directors of Wise plc. On 18 June 2021 Dean Nash resigned as a Director of the Company and Taavet Hinrikus, David Wells, Alastair Rampell, Ingo Uytdehaage and Matthew Briers were appointed to the Board.

Subsequently, David, Alastair and Ingo resigned as Directors of Wise Payments Limited. In order to further enhance our Board, Clare Gilmartin and Hooi Ling Tan were also appointed as Independent Non-Executive Directors of Wise plc on 18 June 2021. The decision to appoint Clare and Hooi Ling had been made prior to the decision to list and was overseen by the then Board and Nomination Committee of Wise Payments Limited.

Post Listing

The Nomination Committee oversaw the appointment of Terri Duhon as an additional Independent Non-Executive Director on 1 January 2022.

Independence

As at 31 March 2022, 62.5% of our Board is comprised of Independent Non-Executive Directors, and we are therefore compliant with provision 11 of the UK CGC. The Board considered such Directors to be independent in character and judgement and free from relationships or circumstances which may affect, or could appear to affect, the Director's independent judgement.

One of our Non-Executive Directors, Alastair Rampell, is not considered independent under the UK CGC. However, given Alastair's prior tenure on the board of Wise Payments Limited, it was believed to be in the best interests of the Company for him to be appointed to our Board along with David and Ingo, who were the Wise Payments Limited Independent Non-Executive Directors.

The Chair

The UK CGC recommends that the Chair be an Independent Non-Executive Director. Prior to listing, it was agreed that Taavet Hinrikus would remain on the Board as Chair to assist the Company with its transition to public life. It was further agreed that following listing, Taavet would step down and that the Senior Independent Non-Executive Director, David Wells, would be appointed as Chair in his place. Subsequently, Taavet resigned as Chair on 8 December 2021 and was succeeded by David. Taavet was not involved in the selection or appointment of David as his successor. David also abstained from voting on this matter.

Directors' oversight of governance

Conflicts of interest

All of our Non-Executive Directors have significant experience in their fields and hold other roles outside of Wise. Controls are in place to ensure that suitable arrangements are made where a Director's external position or personal financial interests could come into conflict with their duties as a Director of Wise.

In accordance with the Companies Act 2006, the UK CGC and the Company's Articles of Association, Wise has a conflicts of interest policy in place to ensure that all Directors adhere to the highest standards.

Our conflicts of interest policy requires all Directors to report any potential or actual conflicts to the Company Secretary immediately when they become aware of such situations and to complete a 'declaration of interest' form. The actual or proposed conflict will be presented to the other Board members for their authorisation, where appropriate.

In deciding whether to authorise a conflict or potential conflict of interest only non-interested Directors (i.e. those who have no interest in the matter under consideration) will be able to participate in the relevant decision. In making the decision, the Directors must act in a way they consider, in good faith, will be most likely to promote the success of the Company. In addition, the Directors may impose conditions or limitations when giving authorisation if they deem it to be appropriate.

The Board is confident that the appropriate checks and balances are in place to identify and manage potential conflicts of interest.

External appointments

All Directors are expected to dedicate sufficient time to discharge their responsibilities to Wise and this is a condition of accepting the role of Director. The Board takes into consideration any external commitments that arise during the year. Any new appointments are notified to the Chair in advance of accepting the appointment and a determination is made as to whether it will impact the Board or give rise to a potential conflict of interest.

Related party transactions

In line with the principles of good corporate governance, Wise has a related party transactions policy and relevant controls in place to ensure all transactions and arrangements undertaken are and continue to be in the best interests of the Company. Further information on Related Party Transactions throughout the financial year can be found in the Notes to the Group Consolidated Financial Statements on note 23 page 153.

Directors' indemnities and insurance

In accordance with our Articles of Association and to the extent permitted by law, Directors are granted an indemnity from the Company in respect of liability incurred in their capacity as Directors, which remain in force at the date of this report. We also maintain a Directors' and Officers' liability insurance policy. Neither our indemnity nor the insurance provided cover liability incurred where a Director has acted negligently, in default, in breach of duty or in breach of trust in relation to Wise.

Election of Directors

In accordance with our Articles of Association and the UK CGC, all Directors will be required to retire and put themselves forward for election at our AGM in September.

Along with the summary of experience and skills of our Directors contained on page 77, the Notice of AGM will also set out why the Board believes the Directors should be elected.

Director interests

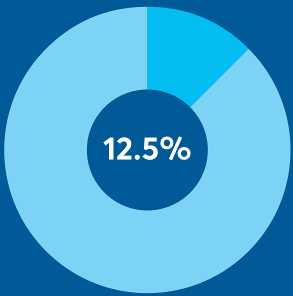
See below for a summary of interests in shares held by Directors who served during the FY2022 financial year, including the shareholdings of their connected persons.[1] More detail can be found in the Remuneration Report. There are no performance related share interests in place. With the exception of Matthew Briers, there have been no changes in the shareholdings of the Directors from 31 March 2022 to the date of this report.[2]

Director	Total number of interests in shares (number of shares)	Unvested options/RSUs over A Shares	Vested options over A Shares	Persons connected	Total interests (number of shares)
Kristo Käärmann	186,078,489 A Shares and 186,022,590 B Shares	0	0	779,766 A Shares and 779,766 B Shares	186,858,255 A Shares and 186,802,356 B Shares
Matthew Briers	184,273 A Shares	853,138 RSUs & 590,928 options	1,114,958	0	2,743,297 A Shares
David Wells	0	0	923,000	239,616 A Shares	1,162,616 A Shares
Terri Lynn Duhon	0	0	0	0	0
Ingo Uytdehaage	0	0	572,000	0	572,000 A Shares
Hooi Ling Tan	96,720 A Shares	0	0	0	96,720 A Shares
Clare Gilmartin	96,720 A Shares	0	0	0	96,720 A Shares
Alastair Rampell	0	0	0	88,424,920 A Shares and 28,216,214 B Shares	88,424,920 A Shares and 28,216,214 B Shares
Taavet Hinrikus[3]	0	0	0	93,616,498 A Shares and 53,966,926 B Shares	93,616,498 A Shares and 53,966,926 B Shares
Dean Nash[4]	0	268,138	121,862	0	0

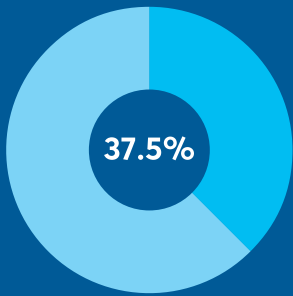
1. As at 31 March 2022 (or the date they stepped down from the Board, if earlier).
2. As at 28 June 2022, Matthew Briers holds 210,005 shares, 796,250 RSUs, 531,830 unvested options and 1,174,046 vested options.
3. Taavet Hinrikus stepped down from the Board on 8 December 2021. As at 31 March 2022, he held an interest in 89,851,160 A Shares and 53,966,926 B Shares.
4. Dean Nash stepped down from the Board on 18 June 2021. As at 31 March 2022 he held 98,750 options.

Composition, succession and evaluation.

BAME representation on our Board



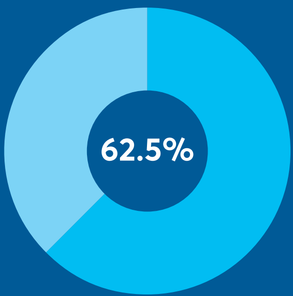
Gender diversity on the Board



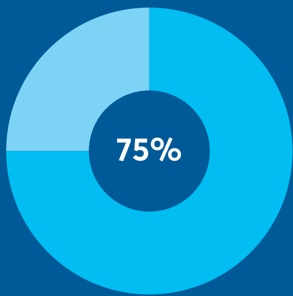
Average age of Executives

45

Board independence



Non-Executives on the Board



Board average tenure (months)

39*

* appointment date to Wise Payments Limited or Wise plc, whichever came first.

Skills matrix

We believe that the background, experience and skill sets of the Directors are well-balanced, ensuring effective contributions, decision-making and accountability. We believe that the Non-Executive Directors bring the requisite experience to the Board, being senior advisers to and/or holding senior positions at notable businesses of varying sizes and stages of growth and operating in various sectors including technology and financial services.

Skills & experience	Kristo Käärmann	Matthew Briers	David Wells	Clare Gilmartin	Hooi Ling Tan	Ingo Uytdehaage	Alastair Rampell	Terri Duhon
CEO/business leadership	●	●	●	●	●	●		
UK Listed plc				●				●
Finance and Accounting		●	●			●		●
Regulatory Experience			●		●	●		●
People and Culture		●		●	●			●
Risk Management		●	●			●		●
Corporate Governance			●					●
Business Ethics			●					●
Financial services/Fintech	●	●					●	●
Global Operations	●	●	●		●	●		
Audit/Risk Committee			●			●		●
Remuneration Committee								●
Nomination Committee								●

Board training and induction

Ongoing training

As a newly public company navigating a complex regulatory environment, we understand the importance of keeping our Board up to date with their legal, regulatory and governance responsibilities, and making sure they are aware of the latest internal and external developments. We also expect our Directors to keep their knowledge and skills up to date.

During the year the Board received the following training and updates:

- Duties under section 172(1) of the Companies Act 2006, provided by Slaughter and May LLP
- Life as a Listed Company, provided by Linklaters LLP
- The Takeover Code, provided by Linklaters LLP
- ESI Strategy, provided by our General Counsel
- Diversity and Inclusion, provided by our People team
- The UK CGC, provided by the Company Secretary

The Board received a regular Board coverage report which included updates on:

- Trading and share price
- Media coverage
- Competitors
- Regulatory news
- Upcoming trends
- Fintech sector trends
- Horizon scanning

The Board also had regular briefings with our auditors PwC.

The Company Secretary will work with the Chair on identifying further deep dive and training opportunities for the next financial year.

Induction

The Company Secretary oversees a comprehensive induction programme for our new Directors. Our induction programmes are tailored to the individual Director and include a suite of reference documents, online learning and briefings with the Senior Leadership Team (SLT). Each Director has received a detailed introduction to our business, how we work and the market in which we operate.

The Company Secretary provides key corporate governance training for Directors on topics such as Director's duties, the UK CGC, and important internal policies such as our conflicts of interest, related parties, share dealing and insider trading policies. The Company Secretary also provides a general introduction to the Board and any relevant Committees for new Directors.

The SLT also provide a tailored briefing on each business area, covering our mission and strategy, products, customers, people, operations, how we manage our risks and how we remain compliant. Each Director also receives recent Board and Committee materials, financial reports and relevant policies.

Depending on previous knowledge and experience, additional sessions are made available to dive deeper into specific topics as required.

Board evaluation

An internally facilitated evaluation of the effectiveness of the Board, its Committees and the Chair took place during March and April 2022. The evaluation was conducted through a combination of an online questionnaire and interview with the Company Secretary. Questions covered the following areas:

- The purpose and role of the Board
- Strategy and culture
- Stakeholder engagement
- Risk management
- Board governance
- Leadership, membership and group dynamics
- Director self-assessment

The evaluation concluded that the Board, its Committees and each of the Directors were effective. Opportunities for improvement focused on:

- The addition of a further Independent Non-Executive Director to the Board, which will be progressed by the Nomination Committee during the next financial year.
- Increased focus on the customer by the Board. At the May 2022 Board meeting a live interview was conducted with a customer on his experience with Wise.
- Further alignment between the Board and management on how culture is to be monitored and assessed by the Board. A formal workforce engagement plan will be implemented during the next financial year.
- Enhancements to meeting papers.

The Nomination Committee will consider whether the next evaluation should be externally facilitated.

Nomination committee report.

David Wells
Chair of the Nomination Committee

Role and responsibilities

As detailed within its Terms of Reference, the Committee has Board-delegated authority to:

- regularly review the structure, size and composition (including the balance of skills, knowledge, experience and diversity) of the Board;
- ensure that appointments and succession plans are based on merit and objective criteria and, within that context, promote diversity of gender, social and ethnic backgrounds, cognitive and personal strengths; and
- ensure that plans are in place for an orderly succession to Board and senior management positions and oversee the development of a diverse pipeline for succession, taking into account the challenges and opportunities facing the Company, and the skills and expertise needed on the Board in the future.

Dear Wise Owner,

I am pleased to present our first Nomination Committee ("**NomCo**") Report, covering the period from listing to 31 March 2022.

The NomCo was formed on 18 June 2021, just prior to listing, and since its formation has made significant progress on expanding the skills, capability and diversity of our Board. Prior to listing, the composition of the Wise Payments Limited Board was reviewed and a decision was made to hire two additional Independent Non-Executive Directors – Clare Gilmartin and Hooi Ling Tan. On listing we had a 50% independent Board. Following the resignation of Taavet Hinrikus as Chair and Director in December 2021, and the appointment of Terri Duhon as an Independent Non-Executive Director in January 2022, we now have a majority independent board, in line with the UK CGC. The newly appointed Directors bring much valued experience, skills and diversity to the Board.

In addition to building an independent Board, the Committee was focused on building strength and resilience in the Senior Leadership Team (SLT), and has commenced a rigorous review of succession planning in this area.

Membership

The Committee is chaired by David Wells and its other members are Independent Non-Executive Director, Hooi Ling Tan and our CEO, Kristo Käärmann.

Members of the People team also attend meetings by invitation and provide support to the Committee as needed. The Group Company Secretary acts as Secretary to the Committee. Following each meeting the Chair provides an update to the Board.

Member	Number of scheduled meetings attended
David Wells (Chair)	3/3
Hooi Ling Tan (Independent NED)	3/3
Kristo Käärmann	3/3

Board of Directors pre- and post-listing

Prior to listing, the Nomination Committee of Wise Payments Limited oversaw and recommended the appointment of Clare and Hooi Ling to the Board of Wise plc. Clare and Hooi Ling joined the Board shortly before listing, along with Ingo Uytdehaage and Alastair Rampell, both Directors of Wise Payments Limited.

Taavet stepped down as Chair and Director in December 2021 and David Wells, the Senior Independent Non-Executive Director, was appointed as his successor by the Board on 8 December 2021.

For more information on Board composition and the changes made prior to listing please see the Directors' Report on page 113.

FY2022 key activities

- The Committee oversaw the search and recommended the appointment of Terri Duhon to the Board and Audit and Risk Committee on 1 January 2022.
- The Committee recommended changes to Committee composition. David stepped down from the Audit and Risk Committee on Terri's appointment.

- The Committee reviewed and approved the approach to CEO and Senior Leadership Team (SLT) succession planning and tracked progress against these plans, in line with the UK CGC requirement to ensure that plans are in place for orderly succession to both the board and senior management positions, and to oversee the development of a diverse pipeline for succession.
- The Committee reviewed the Company's progress on diversity, equity and inclusion.
- The Committee discussed and approved the form of the Board evaluation conducted during March and April 2022. In May 2022 the Committee reviewed the results of the evaluation and recommended a number of actions to the Board. For more information see page 78.

FY2023 focus areas

- Board and Senior Leadership Team (SLT) long-term succession planning.
- Further review of Board Committee composition.
- Review of the Board's independence and balance of skills, knowledge and experience to determine if an additional Independent Non-Executive Director should be appointed.
- Implementation of a formal Board diversity policy. Diversity and inclusion practices are currently built into the end to end search process, details of which are included below.
- Whether an externally-facilitated Board evaluation should be conducted during the next financial year.

Board diversity and progress

Following the appointments of Clare, Hooi Ling and Terri, our board is now 37.5% female and the Non-Executive Director gender split is 50/50.

Board and senior management composition

	2021	2022
Board size	8	**8**
Average age: Executive Directors	45	**45**
Average age: Non-Executive Directors	43	**45**
% women Directors: all	25%	**38%**
% of women Directors: Non-Executive Directors	33%	**50%**
% of women Directors: Executive Directors	0%	**0%**
% BAME Board Directors: all	12.5%	**12.5%**
% BAME: Non-Executive Directors	16.7%	**16.7**
% BAME Board Directors: Executive Directors	0%	**0%**
% of women Executive Directors	0%	**0%**
% women: senior management* and their direct reports	50%	**53%**

* Defined as per the UK CGC

While we do not currently have a formal Board diversity policy, diversity, equity and inclusion is built into our leadership and executive (including Directors') recruitment framework. Specific measures that we have taken include:

- Leadership recruiting team training in unconscious bias.
- Awareness training offered to interview teams.
- Standardised processes that are applied equally for all candidates.
- Clear and objective criteria for selection to mitigate performance bias.
- Limited requirements for the role to minimise self selecting out.
- Gender decoder used to ensure neutral language in job descriptions and any promotional materials.
- Targeted selection to ensure a diverse candidate pipeline.
- Diversity tracking at each stage of the selection process.
- A diverse and representative interview panel on every search.

Selection process for new Non-Executive Directors

When considering new appointments to the Board, the Committee works with our Head of Leadership and Executive Recruitment to review requirements for the role and agree a search strategy in line with the Board succession planning policy.

We have built an in-house leadership and executive recruitment team who bring extensive experience in executive search, having worked in both leading global search firms and Fortune 500 companies. Our team uses executive search methodologies to identify, engage and assess both active and passive talent. This approach gives us access to more of the market. Our high touch, candidate experience allows us to manage long-term candidate relationships and engage directly with the best talent. Diversity and inclusion practices are embedded into our end to end search process to ensure that we build a diverse Board with different ideas, skill sets and backgrounds.

Set out below is an overview of the search and selection process:

- Analysis of business need and current Board composition to understand the ideal candidate profile.
- Key skills and competencies identified with clear criteria for selection to mitigate performance bias.
- Target companies, networks, industry bodies and relevant associations identified.
- Identification, review and targeting of candidates.
- Competency based interview and selection process with a diverse interview panel.

Expanding skills, capability and diversity

Overview as to how this was put in practice for the most recent Non-Executive Director hire, Terri Duhon

1. Selection criteria

The ideal profile was defined:

Key skills and competencies	Required	Preferred
Brings diversity of thought and opinion to the Board	X	
Recent experience serving as a Non-Executive Director on a Risk Committee in an organisation of comparable size and complexity (FTSE 100)	X	
Deep European regulatory and government relations experience. Dealing with the relevant regulatory agencies/bodies in Europe (EBA, ESMA, EIOPA, ECB, BoE)	X	
Risk background (Operational, Financial or Reputational) – Risk/Compliance/Governance/Legal/PR background	X	
Experienced Non-Executive Director (served on multiple Boards)		X
Industry experience (FS/Fintech)		X
Growth/scale up/innovation experience (ideally working with a Founder-led board)		X

2. Search strategy

A search strategy was developed targeting the following companies and networking groups:

- Financial services and fintech companies of comparable size & complexity.
  - European fintechs
  - Innovative, scaled financial services companies in Europe
  - Challenger/neo banks
  - Payment institutions
- Diverse networking groups and associations e.g. Women on Boards, Women in Payments, BAME in the boardroom.
- Cranfield Female FTSE report.

3. Interview and selection

After reviewing more than 250 profiles, a long list of 42 was selected, 76% of whom were female. This long list was reviewed through a diversity lens to produce a second long list of 24, 96% of whom were female. Our short list was 91% female.

Shortlisted candidates were interviewed by the Chair, Committee members and Chair of the ARC. The preferred candidate also met with members of the Senior Leadership Team (SLT), Company Secretary and external audit partner.

4. Induction

As part of her induction Terri Duhon met with a broad range of people from across Wise, both virtually and in-person, including all members of the Senior Leadership Team (SLT). Specific sessions focused on themes such as ‘People’ and ‘Risk and Controls’.More information on our induction programme can be found on page 78.

Director Election (AGM)

In line with the provisions of the UK CGC and the Articles of Association, all Directors will retire at the forthcoming AGM.

David Wells
Chair

28 June 2022

Audit and risk committee report.

Ingo Uytdehaage
Chair of the Audit and Risk Committee

Role and responsibilities

The ARC has key responsibilities relating to audit and risk matters for the Group as a whole, including:

- monitoring and assessing the integrity of the financial statements, formal announcements and regulatory information in relation to the Group's financial performance, as well as significant accounting judgements;
- reviewing the effectiveness of, and ensuring that management has appropriate internal controls over, financial reporting;
- engaging with and reviewing and monitoring the relationship with the external auditor and overseeing its appointment, remuneration, independence and engagement for non-audit services;
- providing oversight of the work of Internal Audit and monitoring and assessing the effectiveness, performance, resourcing, independence and standing of the Internal Audit function;
- advising the Board on the Group's overall risk appetite, tolerance and strategy, and the principal and emerging risks the Group is willing to take in order to achieve its long-term strategic objectives; and
- reviewing the adequacy and effectiveness of the Company's processes and procedures to manage risk and the internal control framework, including the design, implementation and effectiveness of those systems.

Dear Wise Owner,

I am pleased to present an overview of our Audit and Risk Committee ("**ARC**") activities and key areas of focus covering the period from listing to 31 March 2022 (the period).

The ARC was formally constituted on 18 June 2021, just prior to listing, and we have since established ourselves as central to the monitoring of internal controls, risk management and the integrity of financial reporting to ensure owners' interests are protected and aligned to sustain long-term growth.

During the year our focus has been on embedding the three lines of defence model, review and approval of risk related policies and review and approval of the Group's Annual Report and Accounts.

Membership

The ARC is made up of three Independent Non-Executive Directors. There have been a few changes to Committee membership during the period, explained below:

Member	Number of scheduled meetings attended*
Ingo Uytdehaage (Chair)	4/4
David Wells (Independent NED)**	3/4
Hooi Ling Tan (Independent NED)***	4/4
Clare Gilmartin (Independent NED)	4/4
Terri Duhon (Independent NED)****	1/4

* There were also a number of ad hoc meetings held throughout the year.
** David Wells stepped down as an ARC member on 8 December 2021, when he became Chair of the Board.
*** Hooi Ling Tan stepped down as an ARC member on 18 March 2022
**** Terri Duhon joined the ARC on 1 January 2022.

The Committee consists of members that have relevant and diverse experience in audit and risk, and we were very pleased to welcome Terri Duhon whose experience further strengthens the Committee. I would like to thank David Wells and Hooi Ling Tan for their contribution.

Further detail on the experience and expertise of each member of the ARC is detailed in the section Board of Directors on pages 56 to 59.

Governance

In order to support the ARC the following Wisers regularly attend ARC meetings by invitation:

- Head of Compliance
- Chief Financial Officer
- Head of Internal Audit
- General Counsel
- Chief Technology Officer
- Head of Operations
- VP Growth

Representatives from the owners of first line risks also attend ARC meetings and the ARC is supported by a member of the Company Secretary team.

As Chair of the ARC, I make sure to meet regularly with members of the Senior Leadership Team (SLT), the Head of Internal Audit and our external auditor, PwC. We also make sure to hold Independent Non-Executive Director only sessions. I also provide regular updates to the Board on the key discussion points raised and escalate any matters that I feel are relevant for the Board.

The key activities of the Committee in FY2022

The Committee met four times this year. Three of these meetings were our regular quarterly meetings and one meeting was convened to approve our half year financial statements.

Each regular meeting included reviews from our first, second and third line of defence and updates from our external auditor. An area of particular focus was the implementation of the three lines of defence model and the review of its effectiveness.

Summarised below are the key activities of the ARC during the period:

- Adopted the Terms of Reference for the ARC
- Monitored the implementation and progress of the three lines of defence
- Reviewed and reported to the Board on the Group's interim and year end Financial Statements
- Evaluated adjustments in the financial statements and judgements made
- Reviewed the planning and communication of the Group's Interim results announcement
- Provided oversight of the Financial Position, Prospects and Procedures workstreams with a focus on safeguarding:
- Approved the Internal Audit plan for the year
- Reviewed, discussed and maintained oversight of PwC findings in relation to risk, governance and controls impacting the financial statements and reporting.

We also carried out a review of the ARC's effectiveness.

The key activities the ARC has prioritised for FY2023 include

- Reviewing and approving the financial statements for the FY2022 financial year
- Scrutinising key areas of financial judgement
- Monitoring and overseeing the implementation of the three lines of defence model
- Reviewing and approving internal audit plans and overseeing management action plans
- Reviewing the effectiveness of whistleblowing processes
- Reviewing capital and liquidity adequacy
- Monitoring and advising the Board on the regulatory landscape
- Reviewing and monitoring current and emerging and geopolitical risks
- Overseeing climate change risk assessments and its effect on the Group's risk taxonomy. Providing oversight of management's review of the financial impact climate change risks.

I look forward to meeting you at our AGM, where we will ask you to vote on the Board's recommendation to reappoint PwC as our Auditors and adopt this report.

Ingo Uytdehaage
Chair of the Audit and Risk Committee

28 June 2022

Activities of the ARC during the period

i) Financial reporting

The ARC is responsible for reviewing the Annual Report and Accounts and all interim reports during the period. It conducts its reviews with management and the external auditors. As part of the review process, the ARC:

- Ensured that there were accurate, timely financial results and effective implementation of accounting standards and judgements
- Assessed and ensured there were adequate and accurate disclosures meeting IFRS requirements on significant matters which took place in the Group during the financial year
- Reviewed management explanations and approved all key accounting estimates and judgements
- Reviewed application of accounting policies and processes
- Made recommendations to the Board on the approval of the Annual Report and Accounts, once they were determined to be fair, balanced and understandable

Significant areas of financial reporting, critical accounting judgements and key sources of estimation uncertainty that the ARC considered relating to the financial statements for the financial year are detailed in Table 1 below.

ii) Fair, balanced and understandable

The ARC reviewed the content of this Annual Report and Accounts and concluded that, taken as a whole, it is fair, balanced and understandable and provides the information necessary for shareholders to assess Wise's position, performance, business model and strategy.

In arriving at this conclusion, the ARC considered all discussions it held during the period with management and both the internal and external auditors, all reports it received and any explanation and feedback it received on areas where more clarity was requested.

In the opinion of the ARC, the Annual Report is fair:

- All information necessary for owners' understanding of Group strategy and performance was included in the report.
- The financial statements and KPIs presented within the report are consistent with the messages in the Strategic Report and statements made by the CEO and Chair of the Group.

In the opinion of the ARC, the Annual Report is balanced:

- Equal prominence has been placed in the front end of the Annual Report where the Strategic Report and Corporate Governance Report are included; to the back end of the Annual Report where the Group's Consolidated Financial Statements and Notes are found.
- The message conveyed to the owners throughout the report is consistent and accurate.
- The required statutory financial accounting in the financial statements is appropriately balanced against any non-GAAP adjusted measures reported by the Group.
- All adjusted measures are adequately explained and are disclosed with appropriate prominence.
- Where strategy and performance are reported, the impact of both favourable and adverse trends and probable events are disclosed in a balanced manner.
- Key judgments and significant issues reported in the Strategic Report and in this Audit and Risk Committee Report are aligned to key accounting estimates and judgements found within the financial statements.
- The principal risks presented within the Strategic Report on pages 42 to 49 are consistent with the Group's business operating model and strategy driving the Group's financial performance.

In the opinion of the ARC, the Annual Report is understandable:

- The language used throughout the report is easily understood by the reader.
- All important messages are highlighted and where abbreviations or specialised terms are used, these are explained.
- The framework of the Annual Report is clear and presented succinctly with an easily understood contents page.
- Owners are able to easily locate all relevant information within the Annual Report and where appropriate for better understanding, important areas are more concisely reported.

The ARC presented its reviews and opinion to the Board in order for the Directors to confirm that they consider the Annual Report and Accounts, taken as a whole, is fair, balanced and understandable, and provides the information necessary for owners to assess the Company's position, performance, business model and strategy.

Within the Directors' Report on page 113, the Directors explain their responsibility for preparing the Annual Report and Accounts and state their opinion.

iii) Risk management and internal controls

Risk management

The ARC has delegated responsibility from the Board, to oversee the Group's risk management, internal controls and the work of the Internal Audit function.

The ARC monitors and reviews the effectiveness of risk management, through the following activities:

- reviewing the embedding and testing the culture of risk management across the organisation;
- reviewing regular risk reports from the first line and second line;
- approval of the compliance monitoring and testing plan; and
- reviewing resourcing in the second line teams.

In doing so,the ARC relies on regular reporting by the First Line, Risk Management, Compliance and Internal Audit teams.

The ARC's primary focus for FY2022 has been the following:

- overseeing the implementation and embedding of the Group's Risk Management framework. It assessed and reviewed the progress made against individual milestones and ensured the model was articulated and aligned across the Group in a coherent and consistent manner;
- reviewing and monitoring of the Group's principal and emerging risks and risk appetite. The ARC reviewed management updates on the Group's risk taxonomy, identified areas requiring development and questioned management on how this would be achieved;

- challenging management's implementation of effective processes of risk identification, assessment and mitigation;
- monitoring the Group's most significant risks specifically in the areas of regulatory and financial crime;
- monitoring the work on ITGC improvement to address any identified gaps in change and access management (refer to 'Internal Control' below for more information); and
- providing oversight of operational resilience and financial adequacy relating to capital and liquidity of the Group.

More information on the Group's risk management framework, the description of the Group's principal risks, the procedures in place to identify emerging risks, and an explanation of how these are being managed or mitigated can be found in the Risk management section of this Annual Report on pages 42 to 49.

Internal Audit

To support the Board in its assessment of the effectiveness of the Group's internal control processes, the ARC also worked closely with the Group's Internal Audit function.

The Internal Audit function's primary role is to provide independent and objective assurance of the effectiveness of risk management, control and governance processes of the Group.

The Head of Internal Audit is a regular attendee at the ARC meetings, providing regular updates and reports on the progress of the internal audit plans including internal control issues raised and management's actions to remedy the deficiencies. The ARC reviews and discusses the updates and reports.

The ARC monitors and reviews the effectiveness and independence of the Group's Internal Audit function through the following activities:

- Approval of the Internal Audit Plan for FY2022, including coverage of key risks and business activities;
- Reviewing internal audit report findings which includes overall rating as to the status of the area being audited, rationale for the rating, actions to be taken by management and the specified timetable;
- Monitoring and ensuring that management appropriately addressed issues raised by Internal Audit function;
- Overseeing and ensuring that the Internal Audit function is adequately resourced; and
- Monitoring engagement of Internal Audit with Senior Leadership and key business stakeholders.

The ARC satisfied itself that the quality, experience and expertise of the Internal Audit function is appropriate for the business.

The Internal Audit function adheres to The Institute of Internal Auditors' mandatory guidance, which has been adopted into the function charter and methodology.

The Internal Audit function meets regularly with Senior Leadership and draws on the expertise of the teams across the Group functions and geographical locations. This ensures that it maintains a current understanding of key business activities, risks and control developments sufficient to execute relevant assurance activities. Further, the Head of Internal Audit meets regularly with the Chair of the ARC, independent of management, as well as with the external auditors.

The Internal Audit function completed reviews of key risk areas and made recommendations to management to remediate identified control gaps. The ARC monitors the ongoing remediation of the control gaps.

Internal Control

The ARC completed a review of the effectiveness of the Group's system of internal control, including risk management, for the current financial year.

The effectiveness review included an assessment of the Group's risk management system currently in place, the examination of the Group's methods of identification of principal and emerging risks, assessments of the quality and completeness of the internal audit plan, the Internal Audit function's level of engagement with various business areas and management's efficiency in closing outstanding issues in a timely manner.

As it related to internal controls over financial reporting, management is responsible for establishing and maintaining adequate internal controls over financial reporting. These are designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external reporting purposes. The financial reporting internal control system covers the financial reporting process and the Group's process for preparing consolidated accounts. The framework includes controls that operate that promote effective risk management and overarching governance exercised by the Board(s), at the subsidiary and Group levels.

It further includes policies and procedures which require the following:

- the maintenance of records that, in reasonable detail, accurately and fairly reflect transactions including the acquisition and disposal of assets;
- reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with International Financial Reporting Standards;
- reasonable assurance regarding the prevention or timely detection of unauthorised use of the Group's assets; and
- controls and procedures around the approval of the Group's Financial Statements.

Lastly, the Wise Disclosure Committee oversees the reporting processes to meet our obligations under UK listing and related regulations. The integrity of disclosures is underpinned by structures and processes within the Group Finance and Group Risk functions that support rigorous analytical review of financial reporting and the maintenance of proper accounting records.

The ARC reviewed management's actions and progress to remedy any failings or weaknesses identified through the operation of our framework of controls.

In particular, during the year it was determined that the control environment associated with IT access and change management required significant improvements, specifically in the design and operation of controls for granting and monitoring user access and developing and deploying changes to, key systems and supporting infrastructure.

In response, during the financial year Management has been:

- Reviewing and redesigning identity and access management processes, specifically related to provisioning and recertification of user access across key systems and underlying infrastructure. Where excessive rights have been identified, comprehensive reviews have been performed to determine if access had been misused during the period;
- Implementing additional measures to enforce robust segregation of duties, through automated controls where possible, to reduce the risk of error or fraud;
- Implementing additional monitoring processes to identify unauthorised or potentially suspicious activities; and
- Enhancing security measures within our product change lifecycle, improving testing and approval controls within change management.
- Areas for improvement that Management will continue to focus on include further reducing sensitive access privileges and evolving the monitoring processes to identify unauthorised or potentially suspicious activities.
- Management has also undertaken a detailed testing as follows:
- Performed a comprehensive assessment of access rights across high risk functions and significantly reduced the number of users with these accesses;
- Performed a detailed review of operational losses recorded in the audit period to assess if the material internal fraud occurred; and
- Performed a detailed review of other possible fraud indicators to identify if any unauthorised changes were made to data which could impact the reliability of financial reporting.
- Lastly, several areas for improvement were noted in our regulatory compliance programmes related to Safeguarding and Financial Crime, which Management has started to address. The ARC will monitor the completion of these activities to ensure the appropriate controls are implemented to comply with all relevant laws and regulations.

  The ARC has considered the results of their ongoing assessment as described above, and evaluated the results of substantive testing undertaken by Management as a result of identified control weaknesses. The ARC has communicated the results of its assessment of the company's risk management and internal controls systems to the Board of the Group. Taking into account the completed and ongoing remediation and results of substantive testing.

- The ARC recommended to the Board of the Group that the annual financial statements are fairly presented.

The statement by the Board can be found within the Corporate governance statement on pages 63 to 70 of the Annual Report.

iv) External audit

External auditor

The ARC oversees the Group's relationship with its external auditor, PricewaterhouseCoopers LLP ("PwC"), ensuring objectivity, independence and effectiveness are monitored on a regular basis.

PwC has completed their first audit of the Company, but has been engaged by the wider Group since 2016 when the Wise Payments Limited previously TransferWise Limited) was incorporated. The Senior Audit partner, Mark Jordan, has been in the role since July 2021, the first year of a possible five year rotation, and remained as Senior Audit partner for the year ended 31 March 2022.

The ARC satisfied itself with the effectiveness of the external auditor and the external audit process in the following ways:

- The review and approval of PwC's half-year review plan and full year external audit plan, including the scope and timing of the external audit by key audit risk areas, materiality and proposed fees, ensuring that it was consistent with the Committee's view of the scope and quality required of the audit engagement.
- PwC's Breaking the Audit Cycle programme was introduced, which assisted engagement teams in bringing work forward to flatten working peaks. Additionally, earlier review by senior members of the engagement team was emphasised. This, together with a methodical audit plan by PwC, meant the audit was conducted efficiently.
- Management regularly attended Committee meetings during which the Committee obtained feedback from management on their evaluation of the effectiveness of the external auditor. The Committee discussed and considered the PwC findings when challenging management in the areas of financial reporting and risk management.

The ARC maintained oversight of policies relating to safeguards and measures in place to protect the independence and objectivity of the external auditor. These included the following:

- PwC provided a letter of independence to the ARC reporting that it had considered its independence in relation to the audit and confirmed that it complied with UK regulatory and professional requirements and that its objectivity was not compromised.
- The ARC satisfied itself that the External Audit Engagement Partner has a thorough understanding of the business. The External Audit Engagement Partner regularly attends the Committee's meetings with management and constructively challenges management on technical, governance and risk issues. In line with the FRC Ethical Standard, the External Audit Engagement Partner is rotated every five years. After 5 years, the External Audit Engagement Partner shall not subsequently participate in the engagement until a further period of five years has elapsed. The ARC, together with the Group may decide under certain circumstances, to extend the appointment to seven years if it is needed to safeguard the quality of the external audit in times of change to the structure of the business.
- During independent meetings held with PwC, the ARC reviewed the findings of the audit with PwC and discussed areas PwC identified as being at higher risk of causing material misstatements in the financial statements.

Provision of non-audit services by the external auditor

Group policy permits the provision of permitted audit related services and permitted non-audit services, as specified in the FRC Revised Ethical Standard 2019, by the Group's auditor, PwC, with the prior approval of the ARC.

PwC is primarily engaged for the provision of statutory audit work for the Group and its subsidiaries. However, PwC occasionally carries out non-audit services for the Group, in the line with the policy, given its in-depth understanding of the Wise business and its knowledge of the Group's operations.

The ARC reviewed every engagement and considered the following in each review, prior to approval:

- based on its own judgement and management assessment of the appointment, that the engagement of the external auditor for the provision of non-audit service to the Group will not impair the auditor's independence or objectivity;
- an assessment of all potential external firms with the expertise to undertake the non-audit service for the Group and if any conflicts of interest exist between the Group and the potential external firm;
- the risk that the non-audit service may create conflicts of interest for PwC; and
- the total fees that would be paid to PwC following any engagement for non-audit service.

The ARC has implemented a formal set of policies governing the provision of non-audit services by the Group's external auditor. The policies are aligned to FRC guidance and are reviewed on an annual basis to ensure they remain fit for purpose and are adhered to by the Group.

The policy for non-audit services includes the following:

- The external auditor is not used where another professional firm can provide the same or similar service.
- Prior approval must be obtained from the Chair of the ARC for the engagement of the external auditor for any permitted audit related services and any permitted non-audit services, as specified by the FRC Revised Ethical Standard 2019. The Chair of the ARC will only approve after the ARC has properly assessed threats to auditor independence and the safeguards have been applied in accordance with FRC guidance on ethical standards.
- All services not on the list of permitted audit related services and permitted non-audit services in the FRC Revised Ethical Standard 2019 cannot be provided by the external auditor. Examples of such services include internal audit services, implementation of information technology, accounting and bookkeeping services, certain tax services, valuation and actuarial valuation services.
- Unless the permitted services are required by law or regulation, Group policy requires that the FRC recommended non-audit services cap will apply. The total fees for such services provided by the external auditor are capped at 70% of the average of the fees paid to the external auditor globally in the last three consecutive financial years for the audit of Wise plc (the Parent), its controlled undertakings and of the consolidated financial statements of the Group. Examples of such services include the review of the interim financial statements, services in connection with Client Assets Sourcebook (CASS) audit services, reporting on covenant and loan agreements and any additional assurance work or agreed upon procedures, authorised by those charged with governance, performed on material included within or referenced from the annual report of an entity relevant to an engagement.
- Permitted non-audit related services required by law or regulation are exempt from the non-audit services cap. Examples of such services include reporting on internal financial controls when required by law or regulation, safeguarding assessments carried out by PwC as required by the FCA and all services which supported the Group's listing in order to meet legal and regulatory requirements.
- Group policy places restrictions on the employment of former employees of the auditor.

During the financial year, PwC were engaged to provide a total of £399k in non-audit services. These services primarily related to CASS, safeguarding and other regulatory reporting required globally.

The ARC concluded that it was in the best interests of the Group to purchase these services from PwC on the basis that they were able to provide them more efficiently than an alternative provider (or, in some cases, they were required to be performed by the external auditor).

Appointment and re-appointment of the external auditor

Following the recommendation of the Board, PwC was appointed as auditors on 21 September 2021 to audit the financial statements of the Group for the year ended 31 March 2022, and subsequent financial periods. This is therefore the first period of uninterrupted engagement. PwC's appointment was overseen by the ARC.

The ARC ensures that the external audit services contract is put out to tender every ten years as recommended by the CMA and in line with existing best practice. It is the intention of the Group that the next tender will be no later than 2026.

At the forthcoming AGM, a resolution to re-appoint PwC as the external auditor and to authorise the ARC to set their remuneration will be proposed. The ARC is responsible for negotiating and agreeing the statutory audit fee and scope of the statutory audit. The criteria used by the ARC in auditor selection, evaluation and re-appointment include the experience and skill of the auditor, the geographical locations of their network of offices, their past performance and fees charged.

The Statutory Audit Services for Large Companies Market Investigation (Mandatory Use of Competitive Tender Processes and Audit Committee Responsibilities) Order 2014 does not apply to the Company.

Table 1

Significant matters considered in relation to the financial statements

The ARC assessed the quality and appropriateness of, and adherence to, the Group's accounting policies and principles. It reviewed whether the accounting estimates and judgements made by management were appropriate. The significant matters considered by the ARC are set out below:

Reporting matter	Actions taken by the ARC
Valuation of deferred tax Recognition of the deferred tax asset (DTA) requires an assessment of the probability of future taxable profit, based on robust profit forecasts.	The ARC reviewed the DTA recognition methodology which is based on the core 5 year forecast prepared by management and approved by the Board, which is also used for the going concern and viability assessment. The committee challenged management assumptions around, extending the forecast for an additional year, the appropriateness of the risk adjustment for years three to six and concluded they were both reasonable. Therefore the DTA was appropriately recognised at 31 March 2022.
Going concern and viability The Directors must satisfy themselves as to the Group's viability and confirm that they have a reasonable expectation that it will continue to operate and meet its liabilities as they fall due. The period over which the Directors have determined it is appropriate to assess the prospects of the Group has been defined as three years. In addition, the Directors must consider if the going concern assumption is appropriate.	The ARC reviewed reports from management that set out its view on both the shorter-term going concern and longer-term viability of the Group. These included: • considering the duration and appropriateness of the period over which the assessment has been conducted Reviewing the Group's principal risks as set out in the Risk management section on pages 42 to 49. • reviewing the Group's business plan including whether the identification and description of evidence and assumptions in the planning scenarios were realistic and relevant, taking into account factors such as the business climate and macroeconomic factors. • review of the outputs of the model against the Group's liquidity profile, regulatory liquidity and capital requirements and debt covenants. • on-going geopolitical situation at the time of reporting. Having challenged and considered the outcomes of management's assessment, the ARC concluded to recommend the Viability Statement to the Board for approval and considers that related disclosures are sufficiently clear and transparent.
Alternative performance measures (APMs) Such measures are considered by the Directors of the Company as providing a better understanding of Group performance when read in conjunction with the financial statements prepared under IFRS.	The ARC reviewed all references to APM within this Annual Report and concluded that: • the disclosures were accurate and sufficient for readers' understanding; • there was clarity as to how APM reconciled to the reported measures under IFRS; and • APMs were not given greater prominence of disclosure compared Revenue and other income recognition

Other matters:

	Issue addressed by the ARC	Actions taken by the ARC
Other income recognition	The contracts with certain partners contain performance conditions and milestones, whereby any cash consideration received up front is deferred until it is probable that these conditions and milestones are met. Additionally, these incentives are classified as other income rather than revenue from contracts with customers.	The ARC challenged management's assessment of the probability of achieving the contractual milestone and was satisfied with the explanation provided and conclusion reached with respect to the classification and recognition of other income.
Contingent liabilities arising out of potential litigations	During the Group's ordinary course of business, it may be subject to a number of contingencies arising from litigation and claims brought by partner operations, governmental authorities in countries where group subsidiaries operate, including tax authorities, and customers.	ARC received Litigation Reports from management on all active and potential litigation and disputes. The ARC reviewed and agreed with management's judgement of the severity of the issue and probability of the outcome of the uncertain litigation event, the existing level of provisions recognised and management's assessment of any additional provisioning needed.
Financial crime	The compliance with regulatory requirements, to ensure that Wise implements appropriate controls to prevent, and detect instances where, our platform is being used for money laundering/financial crime activity.	The ARC reviewed Internal Audit findings, existing control gaps and management actions required to remediate any gaps. The ARC monitored ongoing remediation to timely completion to achieve necessary compliance objectives.
Third party risk management	This third party risk management policy ("TPRM") summarises the systems and processes in place to enable Wise to identify, assess, monitor and report on key risks which arise as a result of relationships Wise has or proposes to have with its third parties.	The ARC reviewed and approved the TPRM, ensuring that it was appropriate for the business.
Safeguarding	The compliance with regulatory requirements, to ensure that customer funds are safeguarded and segregated, with relevant systems and controls. Considering the results and findings from the safeguarding audits completed during the year.	The ARC considered Internal Audit findings as well as the results of the external audit completed on safeguarding and reviewed management actions on how to deal with this matter with a global perspective.
Transfer pricing and tax strategies	Transfer pricing and tax strategies are updated and reviewed annually.	The ARC reviewed the transfer pricing strategy talking into consideration portfolio and regulatory factors, and tax strategy looking at tax status per region and risks.
Internal fraud	The development maintenance of a robust control environment around customer payment processing to meet Wise's business, customer and regulatory objectives, including any developments required.	The ARC reviewed Internal Audit findings, existing control gaps and management actions required to remediate any gaps. The Board also reviewed results of substantive testing performed to support assessment of the fair presentation of the financial statements.
Treasury (market risk)	An overview of how Treasury works in Wise, and the difference between treasury product and corporate treasury how market risk is managed with respect to risk appetite.	The ARC reviewed treasury plans and approved the risk appetite relating to interest rate risk, taking into consideration current circumstances around interest rates.

Annual statement from the Chair of the remuneration committee.

Clare Gilmartin
Chair of the Remuneration Committee

Role and Responsibilities

As detailed within its Terms of Reference, the Committee has Board-delegated authority on key responsibilities relating to remuneration matters, including:

- develop the Company's Policy on executive remuneration and monitor its ongoing appropriateness;
- determine the remuneration for the Executive Directors and the senior management plus the Chair of the Board;
- oversee the remuneration of our wider workforce and ensure that our Policy for the senior team is consistently structured; and
- oversee the operation of the Group's share schemes.

Dear Wise Owner,

As Chair of the Remuneration Committee, I am pleased to present our first Directors' Remuneration Report since our admission to the London Stock Exchange on 7 July 2021 (Admission).

I want to thank my predecessor, David Wells, for his leadership of the Remuneration Committee and for his continued support as a valued member.

This report is divided into three sections:

i. the Annual Statement explaining the approach and principles that underpin our remuneration approach at Wise
ii. the Directors' Remuneration Policy, which sets out our proposed Policy on the remuneration of our Directors. The proposed Policy will be presented to shareholders under a binding vote at the inaugural Annual General Meeting ("AGM") on 23 September 2022; and
iii. the Annual Report on Remuneration, setting out the remuneration outcomes from the period of incorporation and the proposed remuneration arrangements for the upcoming year.

Membership and composition

Since Admission, the Committee comprised three Independent Non-Executive Directors.

Member	Number of scheduled meetings attended*
Clare Gilmartin (Chair)	3/3
David Wells (Independent Non-Executive Director)	3/3
Ingo Uytdehaage (Independent Non-Executive Director)	3/3

*There were also a number of ad hoc meetings held throughout the year.

Following a review of Committee membership and as previously announced, Clare Gilmartin was appointed Chair of the Remuneration Committee on 1 April 2022, succeeding David Wells who had been Chair since Admission and remains a valued member of the Remuneration Committee. Clare Gilmartin has experience of remuneration having served on the Committee since joining the Board.

Governance

In order to support the Remuneration Committee, the following are regular attendees at committee meetings:

- Head of Reward;
- CEO; and
- Company Secretarial Manager.

The Committee meets regularly with our advisers and holds Independent Non-Executive Director only sessions. No individual takes part in any decision in relation to his or her own remuneration and no member of the Committee has any personal financial interest (other than as a Wise shareholder) in the decisions made by the Committee, nor do they have any day-to-day involvement in running the business.

The key activities and decisions of the Committee since incorporation

- The appointment of remuneration advisors to the Remuneration Committee.
- Approval of the proposed post-listing Remuneration Policy that will be subject to a vote at the 2022 AGM.
- Initial review of the wider remuneration arrangements for the senior management.
- Review of the Committee's performance since Admission, its composition and Terms of Reference, as part of the annual Board evaluation process.

Further detail on the experience and expertise of each member of the Committee is detailed in the section Board of Directors on pages 56 – 62.

For more information on the Committee's Terms of Reference visit https://wise.com/owners

Context for remuneration at Wise

As a Committee, we are committed to ensuring the Company's leadership is motivated to deliver long-term sustainable growth.

The proposed Policy (set out on page 94) is an evolution of the approach outlined in the Prospectus at listing. Since then, with our independent remuneration advisers, the Committee has undertaken a review of Executive Director and Non-Executive Director remuneration at Wise. This included i) a benchmarking exercise of UK, European, and US technology and Fintech peers; ii) a review of relevant legislation, regulation and UK Corporate Governance Code principles and market practice, and iii) extensive consultation of both shareholders and management at Wise. The consultation exercise provided an opportunity to comment on the Company's approach to remuneration and the rationale for the proposed Policy. More detail about the shareholder consultation exercise is set out on page 93 in this letter.

Our resulting proposed policy is broadly based on four key principles:

Remuneration principles:

1. We believe it is critical to the delivery of our mission that we can attract, motivate and retain the very best of global technology talent. We operate in a highly competitive global marketplace for talent, comprising publicly listed and private global Fintech and technology companies as well as traditional financial services companies, and competition for talent is intense. It is therefore crucial for Wise to continue to offer competitive total compensation.
2. We have a long-term mission and are focused on building long-term sustainable value for shareholders. Our compensation is weighted towards the long-term and has a high equity component. Historically we have not paid annual bonuses at Wise, and do not plan to in FY2023 for our incumbent Executive Directors, in line with the approach for our wider employee base.
3. We believe our employees should be shareholders in Wise to further align their success with all shareholders. In practice, this means that a substantial component of our compensation is variable and delivered in shares. This share-based compensation has been key in hiring and retaining our key leaders as the Company has evolved.
4. As per our Prospectus, we have completed a comprehensive review of remuneration arrangements to ensure that the proposed Policy: (i) is suitable for a UK company with a standard listing; (ii) complies with the provisions of the 2018 UK Corporate Governance Code; (iii) meets requirements based on applicable regulations (including the FCA's MIFIDPRU Remuneration Code (SYSC 19G)); and (iv) aligns with general investor expectations. Further information on our shareholder consultation process can found on page 93.

The proposed Policy is intended to operate for a three-year period from the 2022 AGM and the Committee is confident that the proposed approach will support the delivery of the Company's key objectives during its initial years as a public company.

A note on CEO remuneration

It is worth noting that whilst the proposed Policy is designed to cover all Executive Directors, the CEO has elected to abstain from both the annual bonus and the Long-term Incentive Plan and has requested for his salary not to be reviewed for the term of the proposed Policy. As a significant shareholder in the Company holding 18.16% of the Class A Shares, it is the Committee's view that the CEO is sufficiently aligned to other shareholders and the long-term success of the Company.

Wise remuneration structure for Executive Directors

The structure has been designed using Wise's four key remuneration principles and consists of three components:

Fixed remuneration

Wise Executive Directors have historically had low annual base salaries. This was relevant for a time when the Company was private. At the time the CFO was granted shareholdings as part of their total compensation and the CEO held a large proportion of founder shares (as above). However, over time, we expect to transition and offer market competitive salaries at Wise.

We believe it to be appropriate for this transition to take multiple years, but will start in FY2023 by increasing the CFO's salary by 20%.

As referred to above, the CEO's salary will remain unchanged for the term of the proposed policy.

Any incoming Executive Directors would be hired at market competitive salaries.

Pension contributions for Executive Directors are aligned with the wider employee base in the country where the individual is based. UK based Executive Directors' employer contributions will be 5% of salary or such contribution required by legislation, subject to alignment with the wider workforce.

The benefits available to Executive Directors will include private medical insurance and relocation assistance. Where additional benefits are introduced for the wider employee base, Executive Directors may participate on broadly similar terms.

Annual bonus

Although we do not expect to award an annual bonus in FY2023 to the incumbent Executive Directors. The proposed Policy will include the option to award an annual bonus in time, should the Committee feel it necessary to motivate leadership or for succession.

The maximum bonus opportunity is capped at 150% of salary with the target bonus set at 50% of the maximum opportunity. The measures would be based on a range of financial and qualitative (e.g. defined strategic, risk, environmental, social and governance (ESG) measures) performance measures relevant for the particular performance year. At least 50% of performance measures would be financial. If bonuses are operated, the measures and targets will be set annually at the start of the financial year and will be disclosed retrospectively.

33% of any bonus will be deferred into share-based awards which will vest after three years, subject to continued employment.

Malus and clawback will apply.

Long-term Incentive Plan (LTIP)

In line with the principle of weighting remuneration towards the long-term and alignment with shareholder success, the proposed Policy allows for a maximum LTIP opportunity of up to 650% of salary in the event of no annual bonus. In a year where an annual bonus award is made, the maximum LTIP opportunity will be limited to 500% of salary.

The Committee recognises that this long-term incentive opportunity level is high in the UK listed company environment, however this element of the Policy will be used carefully to ensure that we can compete for the best talent with the skills necessary to execute on a very ambitious and challenging growth strategy and pay competitively to the global technology market in which we compete for talent. This maximum opportunity also remains lower than opportunity levels offered by some of our key competitors in international markets.

The LTIP awarded in FY2023 will be based 100% on financial performance measures, split evenly between relative TSR and volume growth measures. Going forward (beyond FY2023) at least 80% of the LTIP forward looking performance measures are expected to be financial, with any balance being made up of a mix of risk, strategic and ESG measures. The Committee believes that our remuneration approach aligns the long-term interests of executives and shareholders, as the Executive Directors will only earn maximum incentive opportunity if these challenging long-term performance measures are met.

Malus and clawback will apply.

The CEO has elected to abstain from participating in the LTIP for the duration of the Policy.

Share ownership

Whilst our current Executive Directors already hold significant shareholdings, as the Policy is designed to cater for the future it includes share ownership guidelines in line with market best practice. Executive Directors will therefore continue to be subject to share ownership guidelines of 300% of base salary, and this requirement will continue for two years post cessation of employment.

Implementation for FY2023

Fixed remuneration

As a first step in transitioning to market aligned salaries, the CFO will receive a salary increase of 20% during FY2023, transitioning from £280,000 to £335,000. For a workforce with already broadly market aligned salaries, the average salary increase throughout FY2022 was 7.53%.

The CEO's salary, per above, will remain unchanged.

Annual bonus

We do not expect to award an annual bonus in FY2023 to the incumbent Executive Directors.

Long-term incentive plan (LTIP)

It is intended that an LTIP award of 650% of salary will be made to the CFO in FY2023, in line with the proposed Policy.

The vesting level of this award will be subject to Relative TSR performance (vs FTSE 250) and volume growth measures. The relative TSR performance measure will ensure reward is linked to superior share price growth, as compared to other UK listed companies. The volume growth performance measure ensures reward is linked to growth of customers and transactions, which in turn has historically led to unit cost reduction and enabled investment in long-term sustainable value growth.

LTIP award will vest on the third anniversary of the date of grant to the extent performance conditions over a three-year performance period are met and subject to continued employment.

Shares from vested LTIP awards must be held for a further two years to help ensure that performance delivered over the performance period is sustainable.

Further details on the intended LTIP grant targets can be found on page 112.

Shareholder consultation

In early 2022, we conducted a consultation exercise with our major shareholders (representing approximately 80% of our issued share capital) and the key UK proxy advisory bodies (i.e. ISS, Glass Lewis, The Investment Association).

Many of our shareholders have held shares in Wise since pre-Admission and are therefore familiar with aspects of our remuneration structure, culture and mission. However, the Committee wanted to ensure that shareholders and proxy advisers were provided with the opportunity to comment on the Company's approach to remuneration and the rationale for the proposed Policy. The Remuneration Committee considered the feedback received, noting that this was broadly supportive given the market context and current point in Wise's development. No changes were made to the proposed Policy following the shareholder engagement exercise.

The Committee found the engagement process to be extremely valuable and we are grateful for the feedback that was shared. On behalf of the Committee, I would like to thank all those who engaged with us during this process. We remain dedicated to continuous and open dialogue with our shareholders and proxy advisers and look forward to continued engagement on an ongoing basis. We will also consider any feedback received at the Annual General Meeting (AGM) and throughout the year and would welcome any feedback or comments on the Directors' Remuneration Report more generally.

All-employee remuneration

The Committee carefully considers the pay and benefits offered to employees across the whole of Wise, as well as other related workforce policies and practices.

Our culture and remuneration principles are aligned across the Company.

Base pay and benefits for all employees at Wise (excluding Executive Directors as per above) is market competitive. As stated above, it is our intention to move the CFO's salary to a market competitive level over the coming years.

All employees at Wise receive share awards, thereby ensuring all are motivated to deliver long-term success of the Company mission, and all are aligned to shareholder success.

As described in the 'Our people' section of this Annual Report on pages 22 to 27, we continue to build on our employee engagement, our diversity and inclusion initiatives and monitor our gender pay gap. We are taking steps to establish a workforce engagement programme, which will be another critical input to our evolution of remuneration at Wise.

In conclusion

The Committee has crafted a Policy that supports the Company's overall mission and will help us to drive long-term success. Importantly, it helps Wise to attract, retain, and motivate the talent we need to deliver our mission, within a competitive global marketplace for talent. Further context on the Company's mission and strategy can be found within the Strategic Report on pages 6 to 15.

I look forward to your support for both the Directors' Remuneration Report and Directors' Remuneration Policy (subject to a binding shareholder vote). If you would like to discuss any aspect of this Remuneration Report, I would be happy to hear from you. You can contact me through the Company Secretary, Jane Fahey. I will also be available at the Company's AGM to answer any questions.

On behalf of the Committee and the Board,

Clare Gilmartin
Chair of the Remuneration Committee

28 June 2022

Directors’ Remuneration Policy

The following section sets out the proposed Directors’ Remuneration Policy, which will be submitted for approval at the 2022 AGM. The Remuneration Committee intends that the new Policy will operate for three years. This Policy has been designed to attract, retain, and motivate world-class talent in order to deliver our mission and long-term sustainable success.

In designing the Policy, the members of the Committee have brought their experience to bear and have sought independent advice without management present to ensure that decisions have been reached objectively and appropriately. Ahead of submitting the Policy to shareholders, input was collected from management and external advisers.

This is consistent with our four key remuneration principles:

1. We believe it is critical to the delivery of our mission that we can attract, motivate and retain the very best of global technology talent. We operate in a highly competitive global marketplace for talent, comprising publicly listed and private global fintech and technology companies as well as traditional financial services companies, and competition for talent is intense. It is therefore crucial for Wise to continue to offer competitive total compensation.
2. We have a long-term mission and are focused on building long-term sustainable value for shareholders. Our compensation is therefore weighted towards the long term and has a high equity component. Historically we have not paid annual bonuses at Wise, and do not plan to in FY2023 for our incumbent Executive Directors in line with the wider employee base.
3. We believe our employees should be shareholders in Wise to further align their success with all shareholders. In practice, this means that a substantial component of our compensation is variable and delivered in shares. This share-based compensation has been key in hiring and retaining our key leaders as the Company has evolved.
4. As per our Prospectus, we have completed a comprehensive review of remuneration arrangements to ensure that the proposed Policy: (i) is suitable for a UK company with a standard listing; (ii) complies with the provisions of the 2018 UK Corporate Governance Code; (iii) meets requirements based on applicable regulations (including the FCA’s MIFIDPRU Remuneration Code (SYSC 19G); and (iv) aligns with general investor expectations.

Directors’ Remuneration Policy

Remuneration elements	Year 1	Year 2	Year 3	Year 4	Year 5
Fixed pay Base salary	Base salary				
Fixed pay Benefits and pension	Benefits and pension				
Annual bonus (malus and clawback provisions apply)	Maximum opportunity: 150% of salary	1/3 in shares Three-year deferral period subject to continued employment			
Long-term Incentive Plan (malus and clawback provisions apply)	Maximum opportunity: 500-650% of base salary Three-year performance period			Two-year holding period	
Shareholding requirements	Executive Directors are required to build and maintain a 300% base salary minimum shareholding whilst in employment and for two years post-employment				

Alignment with Provision 40 of the UK Corporate Governance Code

When developing the Remuneration Policy, the Committee was mindful of, and feels it has appropriately addressed, the following factors set out in Provision 40 of the 2018 UK Corporate Governance Code:

Clarity	• The Policy is designed to be simple and support long-term, sustainable performance. • The Policy is in line with UK listed company practice. • The Policy clearly sets out the elements of remuneration that may be used, the limits in terms of quantum and the discretions which could be applied if appropriate.
Simplicity	• Our remuneration structures are as simple as possible and market typical, whilst at the same time incorporating the necessary structural features to ensure strong alignment to performance and strategy and minimise the risk of rewarding failure. • The details of each element are clearly set out in the Policy.

Risk	• The Remuneration Policy has been shaped to discourage inappropriate risk taking through a weighting of incentive pay towards long-term incentives. Additional measures include:
	  • When considering performance measures and target ranges, the Committee will take account of the associated risks and liaise with the Audit Committee as necessary.
	  • Post-vesting holding periods to encourage a long-term, sustainable mindset.
	  • Enforceable malus and clawback provisions across all variable incentive plans.
	  • No Executive Director or other member of management is present when their own remuneration is under discussion.

Predictability	• The potential reward outcomes are easily quantifiable and are set out in the illustrations provided in the Policy. • Performance can be reviewed at regular intervals to ensure there are no surprises in outcomes at the end of the performance period.
Proportionality	• Incentive outcomes will be contingent on successfully meeting stretching performance measures aligned to the delivery of the Company’s strategy. • The Committee retains discretion to override formulaic outturns.
Alignment to culture	• The Policy encourages long-term shareholding, which is aligned with the Company culture and mission. • Measures used in the variable incentive plans will be selected to reflect the KPIs of the business.

Remuneration Policy elements

The following table sets out each element of the Remuneration Policy for the Executive Directors, explaining how each element operates and links to the corporate strategy, the maximum opportunity and any applicable performance metrics.

Pay element and purpose clarity	Operation	Opportunity	Performance metrics, weighting and assessment
Base salary To provide a base level of remuneration to attract, retain and motivate Executive Directors with the necessary experience and expertise to deliver the Company's strategy.	Normally reviewed annually, with increases at the discretion of the Company and the Committee. When setting base salaries, the Committee takes into account a number of factors including (but not limited to): • skills and experience of the individual; • the size, scope and complexity of the role; • salary increases across the wider workforce; and • salary levels for comparable roles in other similarly sized companies globally. An out-of-cycle review may be conducted if the Committee determines it is appropriate.	Whilst there is no maximum salary level, salary increases are normally considered in relation to wider salary increases across the workforce. For the duration of the proposed Policy post Admission, salary increases at a level higher than the average workforce increase may be necessary in certain circumstances, such as where an Executive Director has been appointed to the Board on an initial salary which is lower than the desired market positioning or where there has been a change in role or responsibility.	None.
Benefits To provide competitive, cost-effective benefits based on the market in which the Executive Director is employed.	The Executive Directors benefits are currently aligned to the wider workforce. Executive Directors' receive benefits which include (but are not limited to) medical insurance and other benefits provided more widely across the Company from time to time. Other market standard benefits, including but not limited to, car allowance, relocation expenses, dental insurance, life assurance, tax equalisation may be provided, as deemed appropriate by the Committee. Benefits vary by country. In the event that the Company were to introduce HMRC qualifying all-employee share plans (or similar outside the UK), the Executive Directors may be eligible to participate on the same basis as other eligible employees.	The maximum is based on the cost to the Company of providing the benefits described. If Wise were to introduce HMRC qualifying all-employee share plans, participation will be capped by any HMRC or other limits applying to the respective plan.	None.
Pensions To provide market competitive retirement benefits	Contribution to the Company pension plan or a cash allowance in lieu of pension. Pension contributions for Executive Directors are aligned with the employees based in the country where the individual is based.	UK based Executive Directors' employer contributions will be 5% of salary, in line with the wider UK workforce.	None.

Pay element and purpose clarity	Operation	Opportunity	Performance metrics, weighting and assessment
Annual bonus To attract, motivate and retain high-calibre Executive Directors to deliver our mission and long-term sustainable success.	As set out above, the Committee has not historically awarded annual bonuses, nor does it plan to in FY2023. However, in the event that an annual bonus is considered relevant at some point in the future, the Remuneration Committee would determine the amount payable after the year-end, based on performance against measures. No more than two thirds of the annual bonus would be paid out in cash after the end of the financial year. The remaining amount would be deferred into share-based awards which would vest after three years, subject to continued employment. Any annual bonus, including any deferred bonus, would be subject to malus and clawback provisions as set out on page 100. Bonus awards would be non-pensionable. The incumbent CEO has elected to abstain from participating in annual bonus arrangements for the duration of the Policy. In addition, no bonus arrangement will be operated for the incumbent CFO in FY2023.	The annual bonus Policy maximum is 150% of base salary. 50% of maximum is achievable for 'target' performance.	In the event that an annual bonus is operated, it will be based on stretching financial, strategic and operational measures relevant to the particular performance year, with the majority of the bonus (at least 50%) being linked to financial measures. These metrics would be set annually at the start of the financial year, and disclosed retrospectively. Following the end of the performance period the Committee would review the appropriateness of the formulaic outcome and retain the discretion to adjust the outcome if considered appropriate, taking into account factors including, but not limited to, the underlying performance of the business and shareholder and stakeholder experience.

Pay element and purpose clarity	Operation	Opportunity	Performance metrics, weighting and assessment
Long-term incentives To encourage our Executive Directors to deliver long-term sustainable growth and to provide alignment with shareholders' interests and reward exceptional performance.	Long-term incentive awards are made under the LTIP. The Committee may award Executive Directors annual grants of share awards which are subject to performance conditions. LTIP awards will normally vest on the third anniversary of the date of grant to the extent performance conditions over a three-year performance period are met and subject to continued employment. The net of tax number of shares that vest will be subject to a two-year holding period post-vesting. Awards will be subject to malus and clawback provisions as set out on page 100. The incumbent CEO has elected to abstain from participating in the LTIP for the duration of the Policy.	The maximum award level will be capped at 650% of base salary per annum, based on the face value of shares at the date of grant. In a year where an Executive Director receives an annual bonus award, the maximum LTIP award will be capped at 500% of base salary to ensure that the overall variable incentive opportunity is limited to 650% of salary.	Performance will normally be measured over a period of no less than three years. The Committee will review the performance measures and weightings for each award to ensure alignment with Wise's long-term strategy. At least 80% of the award will be measured on relative TSR or other financial metrics, with the balance comprising risk, strategic and ESG measures. No more than 25% of an award may vest for 'threshold' performance, with straight-line vesting to the maximum vesting of 100% of the award. Following the end of the performance period the Committee will review the appropriateness of the formulaic outcome and retain the discretion to adjust the outcome if considered appropriate, taking into account factors including, but not limited to, the underlying performance of the business and shareholder and stakeholder experience.

Pay element and purpose clarity	Operation	Opportunity	Performance metrics, weighting and assessment
Shareholding requirement To align with shareholders' interests and to foster a long-term mindset.	Executive Directors are required to accrue and then maintain a holding of Class A Shares with a value of 300% of salary within five years of appointment to the Board, as assessed by the Committee on an annual basis. All beneficially owned shares, deferred bonus shares, vested shares subject to a holding period under the LTIP and unvested time-based share awards count towards the shareholding requirements. **Post-employment** Any Executive Director leaving the Company will be expected to retain the lower of the shares held at cessation of employment and shares to the value of 300% of salary for a period of two years, subject to the Remuneration Committee in exceptional circumstances amending the requirement. This will be managed via the individuals' nominee accounts and is a contractual condition in their employment contract. Shares purchased by the Executive Directors are not included in the post-employment shareholding requirement. The shareholding requirement ceases to apply on death. Remuneration Committee discretion can be applied in implementing the shareholding requirement.	Not applicable.	Not applicable.
Non-Executive Directors To provide an appropriate fee level to attract and retain Non-Executive Directors and to appropriately recognise the responsibilities and time commitment.	Non-Executive Directors are paid an annual base fee and may be paid additional fees for serving on Board Committees, acting as Senior Independent Director and as Chair of Board Committees (or to reflect other additional responsibilities and/or additional/unforeseen time commitments). Additional fees may be paid to a NED should they be required to assume executive duties on a temporary basis. There is no performance-based variable pay or pension provided to the Chair or the other Non-Executive Directors. Business expenses incurred in respect of their duties (including any tax thereon) are reimbursed.	Fees for the Chair are set by the Committee. Fees for the other NEDs are set by the Board, excluding the NEDs. Fees are reviewed, but not necessarily increased, annually. Fee levels are determined based on an estimate of the expected time commitments of each role and by reference to comparable fee levels in other companies of a similar size and complexity to Wise and the prevailing rates of other non-executives at the time.	None.

Discretions retained by the Committee in operating the incentive plans

Any share-based awards granted under the Policy will be granted under the appropriate share plan operated by Wise. In administering these plans, the Remuneration Committee retains flexibility to apply the relevant discretions provided under the rules of the plans. These include (but are not limited to) discretions relating to the grant of awards, the determination of performance measures, weightings and targets; the treatment of awards in the event of cessation of employment, including the determination of good leaver status, or any corporate event affecting Wise; and a discretion to vary performance conditions in accordance with their terms or if any event happens which causes the Committee reasonably to consider it appropriate to do so.

Following the end of the performance period the Committee retains the discretion to adjust the formulaic outcomes under the annual bonus and LTIP if considered appropriate, taking into account factors including, but not limited to, the underlying performance of the business and shareholder and stakeholder experience. Remuneration Committee discretion can be applied in implementing the shareholding requirement.

The Remuneration Committee also retains discretion to make minor amendments to the Remuneration Policy without obtaining shareholder approval (for example, for regulatory, tax, administrative purposes or to take account of a change in legislation).

Whilst not relevant to date, any use of the above discretions would, where relevant, be explained in the Annual Report on Remuneration.

Malus and clawback

Any variable remuneration awards made to Executive Directors under the Policy, including annual bonus, deferred bonus shares and share awards, will be subject to malus and clawback provisions. Malus refers to the reduction, including to nil, of unvested or unpaid awards. Clawback refers to the recovery of any value delivered in connection with the award.

Malus can be applied at the discretion of the Committee, and clawback provisions can be triggered in cases defined in the applicable contractual terms, including in summary circumstances of misconduct or failure to meet appropriate standards of fitness and propriety, errors or material misstatements resulting in overpayment or over-allocation of awards, material failures of risk management, responsibility for conduct that resulted in significant losses, an instance of corporate failure affecting the Company or entities representing a material proportion of the Company or behaviour resulting in material reputational damage.

Clawback may be effected in the clawback period defined by the Committee in respect of the relevant award, that would not usually be less than two years following the determination of a bonus or the vesting of an LTIP award.

The Committee will ensure that robust mechanisms are operated to ensure that these provisions are enforceable.

Selection of performance measures and targets

The measures selected will be aligned with Wise's strategy and key performance indicators, and will align with shareholder success. The Remuneration Committee will set demanding targets for variable pay in the context of Wise's strategic objectives, annual budgets and long-term financial forecasts.

Statement of consideration of shareholder views

In devising the Policy, the Remuneration Committee consulted Wise's largest shareholders and was encouraged by the support received for the proposals. The finalised Policy takes market practice, all relevant regulation, proxy agency guidelines and shareholder feedback into account. In considering the operation of the Remuneration Policy, the Remuneration Committee will take into account the published remuneration guidelines and specific views of shareholders and proxy voting agencies. Furthermore, the Remuneration Committee will consider specific concerns or matters raised at any time by shareholders on remuneration.

Remuneration Policy for Executive Directors and employees in general

Wise's remuneration for all employees is aligned to the remuneration principles set out in this report on page 94.

Pay mix	The remuneration package for the Executive Directors is more heavily weighted towards share ownership than for other employees to ensure the focus of our senior leaders is on the continued long-term, sustainable success of the business.
Salary	Wise's approach to salary reviews is consistent across the Company and the workforce salary environment is taken into consideration when reviewing salary increases for Executive Directors.
Pension	All UK employees, including the Executive Directors, are eligible to become members of Wise's defined contribution pension scheme. Under the Remuneration Policy, the pension contribution level for UK-based Executive Directors is aligned (as a percentage of salary) with the wider UK workforce.
Bonus	Wise does not currently operate annual bonus arrangements, and we do not expect to award a bonus in FY2023 to the incumbent Executive Directors. However, the Committee felt that including the option to award an annual bonus within the proposed Policy was necessary to provide flexibility for the future, in case it is required in order to motivate leadership or for succession.
Long-term incentives	All Wise employees are currently eligible for grants of time-based share awards. Wider employee share ownership is a key objective for the business, aligning the interests of employees with the Company's mission and business strategy, and with shareholder interests.

Statement of consideration of employment conditions elsewhere in the Company

When making remuneration decisions, to ensure there is a fair and consistent approach to remuneration, the Committee considers pay and employment conditions across the Company as a whole. The Committee reviews base salaries, pension provision and share awards for the senior executive group, receives regular updates on any changes to the wider Company Remuneration Policy and monitors information on the annual base salary reviews and share awards made to employees across the Company. This information is then used to inform decision-making for executive pay, such as determination of salary increases for Executive Directors with reference to the range of base pay increases within the Company. In addition to internal insights, the Committee also uses external benchmarking data to inform decision making and a comprehensive benchmarking exercise of UK, European and US technology and Fintech peers was carried out by our independent remuneration advisers to support the design of our proposed Remuneration Policy.

Employee engagement scores and findings from internal surveys such as our annual 'Wiser Pulse' survey are also reviewed at all levels of the Company and help to shape the ongoing people strategy across Wise as a whole. Details on engagement at Wise can be found in the Our people section on page 26.

As a newly listed company, we are building the employee engagement strategy for communicating Executive Director compensation to the wider employee population. As this is the first year and first policy of this type at Wise, at the time of publication of this report, the Committee has not formally consulted employees on Executive Director remuneration to date. A consultation plan is being built to ensure sufficient time is allocated to focus on these matters and consultation will be carried out in the event that any significant changes to remuneration and employment policies are proposed.

In the next financial year, in respect of workforce engagement, the Board intends to leverage the geographic base of the Non-Executive Directors, which reflects the geographic spread of the Wise workforce, and agree a calendar of engagement activities for each Non-Executive Director.

Further details on our compliance with the Code can be found in the Corporate Governance Statement on page 63.

External appointments

With the approval of the Board, Executive Directors may accept external appointments as non-executive directors and retain the fees.

Recruitment Policy

When setting remuneration packages for new Executive Directors, pay will be set in line with the Remuneration Policy. Several factors will be considered including the geography in which the role is located or is recruited from, the candidate's experience and skills and the remuneration levels of other Executive Directors and colleagues in the business.

The Remuneration Committee may offer additional cash or share-based awards in connection with the recruitment of external candidates to buyout awards forfeited by the individual when leaving the former employer. The Committee will seek, in the first instance, to deliver such awards under the terms of the existing annual bonus and/or share plan arrangements but it may be necessary in some cases to make buyout awards on more bespoke terms.

Where the Executive Director is expected to relocate from their home location, the Committee may agree that the Company will meet certain relocation expenses.

Legacy incentives

Payments may be made to satisfy commitments made prior to the approval of this Remuneration Policy. This includes payments made under the share plan arrangements operated on or prior to Admission (the "Legacy Incentive Plans") or payments made to satisfy legacy arrangements agreed prior to (and not in contemplation of) an employee being promoted to the Board. All outstanding obligations may be honoured and payment will be permitted under this Remuneration Policy.

Service agreements and letters of appointment

Executive Directors' service contracts

The Executive Directors have a service contract requiring three months' notice of termination from either party as shown below:

Executive Director	Date of appointment	Date of current contract	Notice from the Company	Notice from the individual	Unexpired period of service contract
Kristo Käärmann	28 April 2021	16 June 2021	3 months	3 months	Rolling
Matthew Briers	18 June 2021	25 June 2021	3 months	3 months	Rolling

Letters of appointment for Non-Executive Directors

The Chair of the Board and Non-Executive Directors' terms of appointment are set out in their respective letters of appointment. The letters of appointment require up to 6 months' notice of termination from either party as shown below. On termination, at any time, Non-Executive Directors are entitled to any accrued but unpaid fees but not to any other compensation.

The table below details the letters of appointment for each Non-Executive Director:

Non-Executive Directors	Date of appointment	Date of current letter of appointment	Notice from the Company	Notice from the individual
Alastair Rampell	18 June 2021	21 June 2021	1 month	1 month
Clare Gilmartin	18 June 2021	21 June 2021	1 month	1 month
David Wells	18 June 2021	21 June 2021	1 month	1 month
Hooi Ling Tan	19 June 2021	21 June 2021	1 month	1 month
Ingo Uytdehaage	19 June 2021	21 June 2021	1 month	1 month
Terri Duhon	1 January 2022	8 December 2021	1 month	1 month

All Directors are subject to re-election every three years in accordance with the Company's Articles of Association. In line with corporate governance best practice, all Directors currently put themselves forward for annual re-election at each AGM.

Policy on payment for departure from office

On termination of an Executive Director's service contract, the Committee will take into account the departing Director's duty to mitigate their loss when determining the amount of compensation. The Committee's Policy is described below and will be implemented taking into account the contractual entitlements, the specific circumstances for the departure and the interests of shareholders.

<table>
<tr><th>Component of pay</th><th>Voluntary resignation</th><th>'Good leaver' (e.g. death, ill health, disability; or in other circumstances at the Remuneration Committee's discretion)</th></tr>
<tr><td>Base salary, pension and benefits</td><td colspan="2">Paid or provided for the proportion of the notice period worked and any untaken holidays pro-rated to the leaving date.

While the Company's preference is mitigation in these circumstances, at times a Payment in Lieu of Notice ("PILON") may be made in relation to any period of contractual notice period not worked. The PILON may be paid in a lump sum or in instalments subject to mitigation.</td></tr>
<tr><td>Annual bonus</td><td>No payment of annual bonus for that year.</td><td>Where employment ends during a bonus year, the bonus eligibility for that bonus year would be pro-rated, unless the Committee determines otherwise.

Where employment ends after the end of a bonus year and prior to payment, eligibility for the normal bonus for that completed bonus year would usually be retained in full.

Any bonus awarded would normally be payable at the normal time unless the Committee determines it should be assessed and paid earlier, and may be paid in cash without deferral.</td></tr>
<tr><td>Bonus deferral awards</td><td colspan="2">Unvested awards will normally continue to vest on their original vesting schedule, unless the Committee determines they should vest earlier, and will not be subject to time pro-rating.</td></tr>
<tr><td rowspan="2">LTIP awards</td><td>Unvested awards will usually lapse.</td><td>Unvested awards will usually continue to vest on their vesting schedule and will be subject to time proration unless the Committee determines otherwise.

Performance-based awards will remain subject to the relevant performance conditions.

The Committee will retain discretion to assess performance (in the case of performance-based awards) and allow awards to vest at an earlier date if considered appropriate.</td></tr>
<tr><td colspan="2">Vested but unexercised options would usually be retained. Any post-vesting holding period would usually continue to apply, unless the Committee determines otherwise.</td></tr>
</table>

If termination is for serious misconduct or other reasons where employment could have been terminated without notice, there will be no bonus eligibility and any bonus deferral awards and/or outstanding share-based awards (including vested but unexercised options) would usually lapse in full.

On a change of control, share-based awards would usually vest, subject to any applicable performance conditions (assessed on such a basis as the Committee may consider appropriate) and time pro-rating (unless the Committee decides to disapply time pro-rating or the award is a bonus deferral award). Alternatively, awards may be rolled over into replacement awards offered by an acquiring company.

The Committee will have the authority to settle any actual or potential legal claims against the Company (including but not limited to unfair dismissal) that might arise on termination. The Company may pay an amount considered reasonable by the Committee in respect of fees for legal and/or tax advice and outplacement support for the departing Executive Director as appropriate.

Illustrations of application of the Remuneration Policy

The charts below set out the potential value and composition of the CEO and CFO remuneration packages under the proposed Directors' Remuneration Policy. Given the CEO's decision to abstain from the variable components for the duration of the Policy, two approaches are presented.

For each approach, the charts show four scenarios: (i) minimum, (ii) target, (iii) maximum, and (iv) maximum with 50% share price growth. The basis of calculation for each scenario is set out in the tables below.

	Minimum	Target	Maximum	Maximum plus 50% share price growth
Fixed pay Policy	• Salary effective from 1 April 2022. • Benefits based on current cost of provision.			
FY2023 implementation	CEO: • The CEO has elected to abstain from participating in salary review process • Benefits based on current cost of provision. CFO: • Salary effective from 1 April 2022. • Benefits based on current cost of provision.	CFO: • Salary effective from 1 April 2022. • Benefits based on current cost of provision.	CFO: • Salary effective from 1 April 2022. • Benefits based on current cost of provision.	
Annual bonus Policy	Nil. No annual bonus arrangement is expected to be operated for the incumbent Executive Directors in FY2023.			
FY2023 implementation	CEO: The CEO has elected to abstain from participating in the annual bonus CFO: Nil. No annual bonus arrangement is expected to be operated for the CFO in FY2023.			
LTIP **Maximum award: 650% of salary** Policy	Nil payout.	Midpoint between 25% threshold and 100% maximum, i.e. 62.5%	100% of maximum	100% of maximum plus 50% share price growth
FY2023 implementation	CEO: The CEO has elected to abstain from participating in the LTIP. CFO: Nil payout	CEO: Abstained from participating in LTIP CFO: Midpoint between 25% threshold and 100% maximum, i.e. 62.5%	CEO: Abstained from participating in LTIP CFO: 100% of maximum	CEO: Abstained from participating in LTIP CFO: 100% of maximum plus 50% share price growth

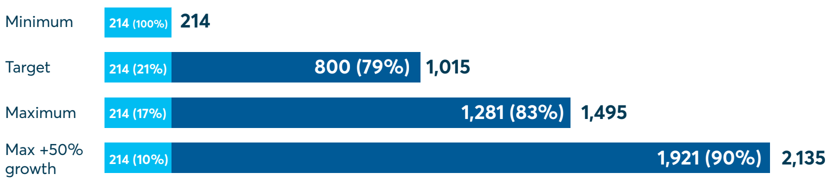
Maximum potential compensation under proposed Directors' Remuneration Policy

The following charts set out the potential value and composition of the CEO and CFO remuneration packages under the proposed Directors' Remuneration Policy for the year ending 31 March 2023. This includes an LTIP for the CEO for illustration purposes, but as above, the CEO has elected to abstain from participating in the LTIP for the life of the Policy.

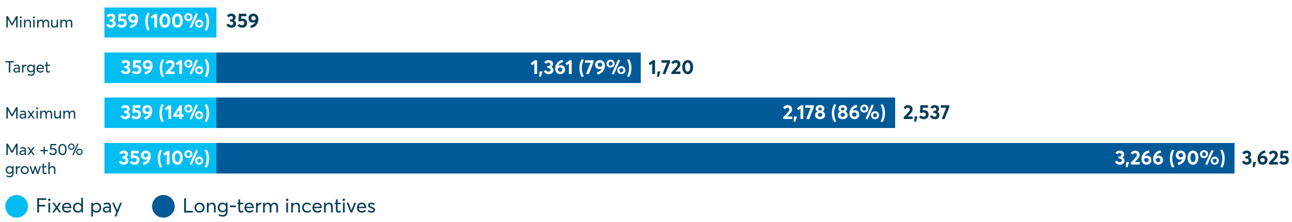
Remuneration (Policy – only LTIP)

Chief Executive Officer

(Illustrative purposes only)



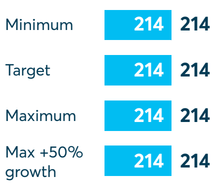
Chief Financial Officer



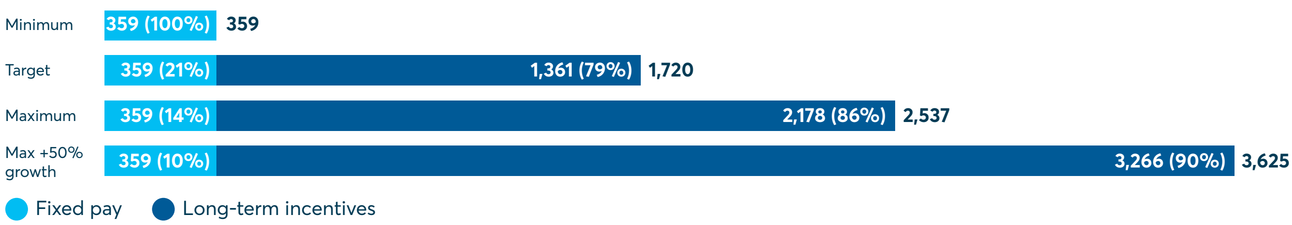
Remuneration (FY2023 implementation)

The chart below sets out the potential value and composition of the CEO and CFO remuneration packages under the proposed Directors' Remuneration Policy as it is intended to operate for the year ending 31 March 2023. No variable remuneration elements are included for the CEO, as he has elected to abstain from participating in the annual bonus and LTIP for the life of the Policy.

Chief Executive Officer



Chief Financial Officer



Annual Report on Remuneration

The following pages 106 to 112 provide details of Wise's remuneration arrangements in the period from incorporation of the Company on 18 February 2021 to 31 March 2022 and how Wise's Remuneration Policy will be implemented in FY2023. The sections of this part of the report which are subject to audit have been highlighted.

Single total figure of remuneration – Executive Directors (audited)

The following audited table sets out the single total figure of remuneration for Executive Directors in respect of qualifying services with the Company. The Executive Directors started receiving remuneration in respect of qualifying services with the Company with effect from the date of the pre-Admission Group reorganisation. However, the remuneration reported relates to the period from incorporation at 18 February 2021 to year end at 31 March 2022. No prior year comparison has been provided as the Company was only incorporated during this reporting period.

	Kristo Käärmann £'000	Matthew Briers £'000
Salary[1]	153	217
Taxable benefits[2]	0.5	0.5
Pension-related benefits[3]	8	–
Total fixed pay	161	217
Annual bonus[4]	–	–
Performance-based share awards	–	–
Total variable pay	–	–
Total[5]	**161**	**217**

1. The annual base salaries for the CEO and CFO were set at Admission at £197,000 and £280,000 respectively.
2. The benefits total represents the taxable value of benefits paid. Benefits provided to Executive Directors include private health insurance. The benefits provided remain the same as prior to Admission.
3. Executive Directors have the ability to opt into pension benefits equivalent to 5% of salary. Matthew Briers has opted out of pension benefits. No Executive Director has a prospective entitlement to a defined benefit pension.
4. No bonus was paid to the CEO or CFO during the reporting period and no bonus awards have been granted to either Executive Director to date.
5. In the period since its incorporation to the date of the pre-Admission Group reorganisation the CEO and CFO did receive remuneration, and Matthew Briers received the grant of an award under the Legacy Incentive Plans, in respect of their former roles with the pre-existing Wise group. This remuneration is not included in the above single total figure as it does not relate to the provision of, nor was in respect of an agreement to provide, qualifying services with Wise plc. For completeness, a summary of the remuneration paid to the CEO and CFO during this period is included below. Details of awards under the Legacy Incentive Plans are also given below.

Remuneration from the pre-existing Wise Group

In the period between incorporation and the pre-Admission Group reorganisation, the CEO and CFO received remuneration from the pre-existing Wise Group. Details of this are set out below.

Pre-reorganisation CEO remuneration notes

During this period, the CEO, Kristo Käärmann, received base salary payments of £66,644, benefits with a taxable value of £209 and pension-related benefits with a value of £3,332. Additionally, as part of the pre-Admission Group reorganisation Wise Payments Limited, issued 50,001 £1.00 per share redeemable preference shares to the CEO (these shares being specifically required as part of the reorganisation steps and following the completion of the steps they were redeemed). The requirement for the CEO to pay for these shares was waived by Wise Payments Limited. The waiver was treated as taxable income for the CEO and the income tax and employer and employee National Insurance contributions that became due in respect of it, in the amount of £94,342, was paid by the Company.

Pre-reorganisation CFO remuneration notes

During this period, the CFO, Matthew Briers, received base salary payments of £81,190 and benefits with a taxable value of £209. The CFO also received an award under the Legacy Incentive Plan with a value of £4,116,700. Details of this award were disclosed in the Prospectus and can be found in the 'Legacy incentives held by our Executive Directors, including awards granted in the year (audited)' section of this report.

Legacy incentives held by our Executive Directors, including awards granted in the year

As set out in the Prospectus, our CFO holds awards over Class A Shares under the Legacy Incentive Plans which were operated by the Company prior to Admission. These awards were not accelerated as a result of Admission, and so remain outstanding subject to service-based vesting conditions.

Details of the CFO's Legacy Incentive Plan awards are included below[1]:

Date of grant	Type of award	Number of Class A Shares under award	Exercise price	Vesting date
16 June 2021	Share award (Restricted Stock Units)[2]	910,000[3]	£0.00	Award vests quarterly over the period from 1 November 2021 to 1 November 2025
28 January 2020	Share option (Non-qualifying stock options)[2]	1,418,170	£0.00	Award vests monthly over the period from 1 November 2019 to 1 November 2023
14 December 2017	Share option (Non-qualifying stock options)[2]	650,000	£0.00	Award vested monthly over the period from 1 November 2017 to 1 November 2021
8 December 2016	Share option (Non-qualifying stock options)[2]	3,562	£0.00	Award vested monthly over the period from 7 September 2015 to 7 September 2019
15 June 2016	Share option (Non-qualifying stock options)[2]	1,080,040	£0.00	Award vested monthly over the period from 7 September 2015 to 7 September 2019
4 December 2015	Share option (CSOP award)[2]	187,928	£0.16	Award vested monthly over the period from 7 September 2015 to 7 September 2019

1. Share awards were initially granted as awards over A Shares in Wise Payments Limited. Figures displayed in the table show the number of Wise plc Class A Shares subject to the awards following the share split and exchange of the awards undertaken in preparation for Admission.
2. Legacy time based awards, including unvested awards, are not subject to performance measures but to continued employment.
3. The award granted on 16 June 2021 was originally granted as an award over 35,000 A Shares in Wise Payments Limited, prior to being exchanged for an award over Wise Plc Class A Shares and adjusted to account for the 1:26 share split undertaken in preparation for Admission. The face value at grant of this award was £4,116,700, calculated based on an estimated valuation of shares in Wise Payments Limited prepared for certain tax purposes on 30 March 2021 of £117.62 per share. In line with the wider employee share plan, this award was granted on the basis that an existing award had fully vested, and as per the Company's practices, a new grant was given.

Full details of the terms of the Legacy Incentive Plans can be found in the Prospectus at https://wise.com/owners on page 190

Directors' share interests (audited)

The table below summarises the interests in shares held by Directors who served in the period 18 Feb 2021 to 31 March 2022, including the shareholdings of their connected persons. With the exception of individuals who served as Directors during the reporting period, including Matthew Briers, there have been no changes in the shareholdings of the Directors from 31 March 2022 to the date of this report.

During employment, Executive Directors are required to build and maintain a shareholding of Class A Shares equivalent to at least 300% of their base salary. The shareholdings of the CEO and CFO on 31 March 2022 exceed this requirement.

	Beneficially owned shares on 31 March 2022[1]		Awards under the Legacy Incentive Plans over Class A Shares					
	Class A Shares	Class B Shares	Unvested legacy share awards	Unvested legacy share options	Persons connected	Vested but not exercised legacy share options	Shareholding requirement as a percentage of salary	Shareholding requirement met
Executive Directors[5]								
Kristo Käärmann	186,078,489	186,022,590	N/A	N/A	779,766 A Shares, 779,766 B Shares	N/A	300%	Yes
Matthew Briers	184,273		853,138	590,928	–	1,114,958	300%	Yes
Non-Executive Directors[5]								
Alastair Rampell	–		–	–	88,424,920 A Shares, 28,216,214 B Shares	–	N/A	N/A
Clare Gilmartin[1]	96,720		–	–	–	–	N/A	N/A
David Wells[1]	–		–	–	239,616 A Shares	923,000	N/A	N/A
Hooi Ling Tan[2]	96,720		–	–	–	–	N/A	N/A
Ingo Uytdehaage[1]	–		–	–	–	572,000	N/A	N/A
Terri Duhon	–		–	–	–	–	N/A	N/A
Taavet Hinrikus	89,851,160	53,966,926	–	–	–	–	N/A	N/A
Dean Nash	–		–	–	–	98,750	N/A	N/A

1. The Remuneration Committee did not determine or approve the grants made to Non-Executive Directors under the Legacy Incentive Plans as these awards were determined by the Wise Payments Limited Board pre-Admission.
2. As set out in the Prospectus, prior to Admission and in the context of Wise operating as a private company, David Wells and Ingo Uytdehaage held options under the Legacy Incentive Plans which were originally granted as options over A shares in Wise Payments Limited ("WPL A Shares"). In preparation for Admission, these were exchanged for options over Class A Shares in Wise. The options resulting from the exchange, effected on 22 June 2021, comprised an option over 923,000 Class A Shares and an option over 572,000 Class A Shares for David Wells and Ingo Uytdehaage respectively.
3. As set out in the Prospectus, prior to Admission and in the context of Wise operating as a private company, Clare Gilmartin and Hooi Ling Tan held options under the Legacy Incentive Plans over WPL A Shares. Clare Gilmartin option was granted on 11 February 2021 over 193,440 WPL A Shares and Hooi Ling Tan's option was granted on 21 June 2021 over 96,720 WPL A Shares. Clare Gilmartin and Hooi Ling Tan exercised 96,720 options prior to Admission. Clare Gilmartin's remaining options were lapsed.
4. In the period from incorporation until 31 March 22 to 31 March 22 and in connection with incorporation of the Company and the Admission process, other individuals temporarily sat as directors of the Company prior to Admission without holding shares in the Company. Dean Nash, the former General Counsel, did not hold any Class A Shares as at the date of his termination of employment with Wise on 7 January 2022.
5. Share awards were initially granted as awards over A Shares in Wise Payments Limited. Figures displayed in the table show the number of Wise plc Class A Shares subject to the awards following the share split and exchange of the awards undertaken in preparation for Admission. Taavet Hinrikus's holdings are held by held via Notorious OU, a Persons Connected.
6. Paul Newcombe served as a Director for the period 18 February 2021 to 28 April 2021. He received no remuneration and held no share interest in this period; nor did he receive any scheme awards

Directors' interests under share plans (audited)

Director	Date of grant	As at 18 February 2021	Awards made during the year[1]	Number of shares vesting during the year	Number of shares lapsing during the year	As at 31 March 2022	Date of vesting	Face value of awards[2]
Matthew Briers	16/06/2021	0	910,000	56,862[3]	0	853,138	Award vests quarterly over the period from 1 November 2021 to 1 November 2025	4,116,700
Hooi Ling[4]	21/6/2021	0	96,720	96,720	0		7/7/2021	437,546

1. Share awards were initially granted as awards over A Shares in Wise Payments Limited. Figures displayed in the table show the number of Wise plc Class A Shares subject to the awards following the share split and exchange of the awards undertaken in preparation for Admission.
2. Based on an external 409a valuation received as at 30 March 2021 of £4.523847 to the nearest two decimal places.
3. Matthew Briers had a vesting of 56,862 RSUs on 1 November 2021. Exercise price was £0.00 and market value at the time of exercise was £477,698 (at £8.40 per share).
4. Hooi Ling Tan exercised 96,720 options prior to Admission. The exercise price for the grant was £0.00 and the market price at date of exercise was £8.80.

Single total figure of remuneration – Non-Executive Directors (audited)

The following audited table sets out the single total figure of remuneration for Non-Executive Directors in respect of qualifying services with the Company in respect of the period from incorporation at 18 February 2021 to year end at 31 March 2022. No prior year comparison has been provided as the Company was only incorporated during this reporting period.

	Non-Executive Directors Fees £'000[1]	Taxable benefits	Pension-related benefits	Total
Alastair Rampell[2]	–	–	–	–
Hooi Ling Tan[3]	–	–	–	–
Clare Gilmartin[3,5]	–	–	–	–
Ingo Uytdehaage[5]	4	–	–	4
David Wells[5]	5	–	–	5
Terri Duhon	43	–	–	43
Taavet Hinrikus	9	0.3	0.5	10

1. The above Directors were each appointed to the Board on 18 June 2021, save for Hooi Ling Tan who was appointed on 19 June 2021 and Terri Duhon who was appointed on 1 January 2022. Taavet Hinrikus ceased to be a Director from 8 December 2021.
2. Alastair Rampell has voluntarily waived all fees in relation to his appointment as a Non-Executive Director of Wise plc. Therefore no fees were paid during the period.
3. Clare Gilmartin and Hooi Ling Tan did not receive fees for their appointments to the Board during FY2022.
4. Awards under the Legacy Incentive Plans. As referred to in the section on Directors' Share Interests, and as set out in the Prospectus, prior to Admission and in the context of the Group operating as a privately owned company, certain Directors were granted and held options under the Legacy Incentive Plans. Options were granted to David Wells and Ingo Uytdehaage in respect of their prior roles as directors of Wise Payments Limited. Hooi Ling Tan was granted an option on 21 June 2021, with a face value on grant of £437,546 (calculated based on an estimated valuation of WPL A Shares prepared for certain tax purposes on 30 March 2021 of £117.62). Clare Gilmartin was granted an option on 11 February 2021, in anticipation of her commencing office as a director of Wise Plc. The face value on grant of this option, net of the value of the part of the option which lapsed during the year, was £437,546 (calculated based on an estimated valuation of WPL A Shares prepared for certain tax purposes on 30 March 2021 of £117.62). As reported in the section on Directors' Share Interests and in the Prospectus, the options held by Clare Gilmartin and Hooi Ling Tan were exercised either shortly prior to, or shortly following, Admission. The options of David Wells and Ingo Uytdehaage remain outstanding.
5. Since Admission, the Remuneration Committee comprised three Independent Non-Executive Directors, Clare Gilmartin, David Wells and Ingo Uytdehaage.

Payments for loss of office and/or payments to former Directors (audited)

Taavet Hinrikus stepped down from his role as Chair on 8 December 2021. Taavet did not receive any payments for loss of office. Following his ceasing to be a Director, Taavet has continued as an employee of Wise and receives remuneration for that role.

No other payments for loss or office or payments to past Directors were made.

Percentage change in Directors' remuneration

Since the Company was only incorporated during the reporting period, there is no comparable remuneration to disclose for the prior year. Full disclosure on the percentage change for Director and employee remuneration, in line with the Companies (Directors' Remuneration Policy and Directors' Remuneration Report) Regulations 2019, will be provided in future remuneration reports.

CEO remuneration

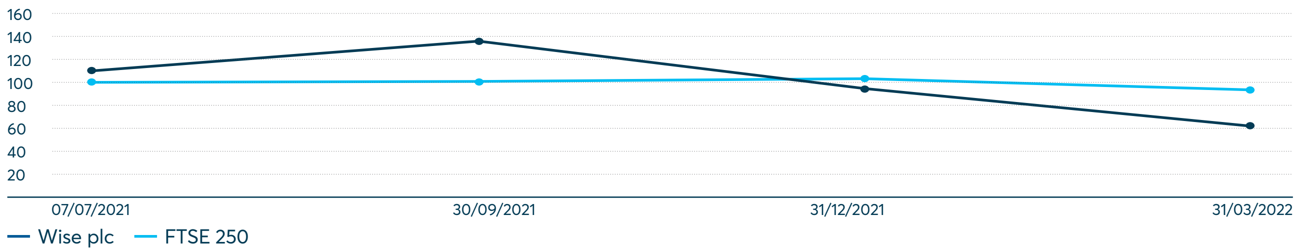
The table below sets out the CEO's single figure of total remuneration in the period from 22 June 2021 to year end at 31 March 2022, which consisted solely of the CEO's fixed remuneration.

	(£'000)
Total remuneration	161
Annual bonus as % of maximum	N/A
Shares vesting as % of maximum	N/A

TSR against comparator group index

Wise PLC shares began unconditional trading on the London Stock Exchange's Main Market on 7 July 2021. This graph shows the value, by 31 March 2022, of £100 invested in Wise Plc on 7 July 2021 (date of Admission), compared with the value of £100 invested in the FTSE 250 index on a daily basis. We have chosen the FTSE 250 Index as it provides the most appropriate and widely recognised index for benchmarking the Company's corporate performance since Admission.

Total shareholder return



CEO pay ratio

UK regulation requires companies with more than 250 UK employees to publish a ratio to show CEO pay versus that of their UK employees.

The CEO pay ratio table shows the ratio of pay between the CEO of Wise and Wise's UK employees. The ratio compares the total remuneration of the CEO against the total remuneration of the median UK employee and those who sit at the 25th and 75th percentiles.

Financial year	Method	Lower quartile	Median	Upper quartile
FY2022	Option B	3:1	2:1	1:1

* Details provided in respect of the period from 22 June 2021 to 31 March 2022.

	CEO	Lower quartile	Median	Upper quartile
Salary	£153,222	£50,250	£72,000	£67,833
Total pay and benefits	£161,426	£53,302	£76,139	£138,768

Wise's CEO pay ratios have been calculated using Option B, based on the availability of data at the time the Annual Report was published. This uses the most recently disclosed gender pay data to identify the three employees that represent our 25th, 50th and 75th percentile employees. This methodology has been used as it enables us to use the remuneration data we have available and we are comfortable it provides a robust reflection of remuneration across our UK employees.

The total remuneration for these individuals has been calculated based on all components of pay for FY2022, including base salary, share awards granted within the year, pension, benefits, and where applicable, on-call allowances. We have reviewed individuals above and below those people representative of the quartiles, the methodology for arriving at the gender pay data and share awards throughout the period.

For the upper quartile, the total compensation of the individual one above the 75th percentile employee has been included within the disclosure and with this adjustment, we are comfortable that the remuneration shown for the CEO pay ratio is reasonably representative of the quartiles. No other adjustments were necessary and no elements of employee remuneration have been excluded from the pay ratio calculation. The date by reference to which the Company determined the 25th, 50th and 75th percentile employees was 31 March 2022.

The Remuneration Committee is comfortable that the pay ratio shown above is consistent with our pay, reward and progression policies for the Company's employees as a whole. Due to the inclusion of employee share awards at grant, which are typically on a four-year vesting schedule or sooner in relation to a promotion, there may be slight fluctuations in the CEO pay ratios year to year. Conversely, as the incumbent CEO has elected to abstain from participating in any variable remuneration components for the life of the proposed Remuneration Policy, significant year to year volatility is not expected for the foreseeable future.

Diversity, equity and inclusion (DEI)

We have reported annually on our gender pay gap for several years. Wise has a strong female presence globally, however there are areas where gender hiring is still a concern. Our founders are male, and a large portion of the Wise SLT is based out of the UK office are male, meaning that these factors heavily influence our gender pay gap. Additionally, as with many technology companies, a significant proportion of our highest paying roles still sit within our Engineering team, a discipline which has a history of being largely dominated by men.

Based on the UK gender pay gap reporting requirements, our 2020/21 UK gender pay gaps of 19.51% (median) and 20.00% (mean) show a year on year decrease in both measures (compared to 23.43% and 24.00% in FY2020), however we still have work to do.

Wise is committed to improving the gender balance across all levels of the business and this is a core focus for DEI at the Company as a whole. Key objectives include attracting more women to work in areas where gender balance has been weak, such as our Engineering teams (where 88% of our employees are male) and specifically targeting and supporting the development of female senior leaders in the Company.

Further information about our DEI initiatives across the workforce are set out in the 'Our People' section from pages 22 to 27.

The Company's latest Gender Pay Gap Statement can be found on the Wise website: https://wise.com/gb/blog/gender-pay-gap-FY2021

	Mean	Median
Hourly rate of pay	FY2022: 20.00% FY2021: 23.43%	FY2022: 19.51% FY2021: 24.00%
Bonus pay	FY2022: 49.71% FY2021: 86.66%	FY2022: -44.93% FY2021: 0.00%

Relative importance of spend on pay

The table below shows Wise's expenditure on employee pay during FY2022, compared to distributions to shareholders by Wise during FY2022. Since the Company was only incorporated during the reporting period, there is no comparable information to disclose for the prior year.

	FY2022 £m
Distribution to shareholders	-
Total employee pay	184.8

External advisers

In March 2022, following a comprehensive tendering process, the Remuneration Committee appointed Aon to be its independent advisers on executive remuneration. No fees had been charged in respect of this advice as at 31 March 2022.

The Board is satisfied that Aon provides advice which is objective and independent and that the team providing the advice did not have any connections with the Company that may impair its independence.

Aon also provides advisory and placement services in respect of Financial Lines and General Lines insurances to the Company. Prior to Aon's appointment, the Board reviewed the potential for conflicts of interest and assessed whether appropriate safeguards were in place. The Committee is satisfied that these additional services did not prejudice Aon's position as the Committee's independent adviser.

Statement of dilutive impact

The Company reported in the Prospectus that Class A Shares may be issued to satisfy awards under the Legacy Incentive Plans and the employee share plan arrangements to be operated by Wise following Admission.

In respect of the Legacy Incentive Plans, at Admission there were awards outstanding over 93,959,944 Class A Shares. In the period from Admission to 31 March 2022, awards over 40,926,029 Class A Shares were exercised, and awards over 3,540,114 Class A Shares lapsed, resulting in awards over 58,750,437 Class A Shares remaining outstanding as at 31 March 2022.

During FY2022 the Company issued 30 million Class A Shares to the Company's employee benefit trust for the purpose of satisfying the exercise of these awards. Taking into account the shares held by the employee benefit trust at Admission, and after satisfying the exercise of awards, as at 31 March 2022 the employee benefit trust held 40,940,970 Class A Shares.

As also set out in the Prospectus, from Admission Wise adopted a new employee share plan, the Wise plc Long-term Incentive Plan (the "LTIP"), and in any 10-year period the number of Class A Shares which may be issued or be issuable under the LTIP and under any other discretionary share plan adopted by the Company may not exceed 5% of the issued post-Admission ordinary share capital of the Company from time to time. As an indication of the level of grants under the LTIP, taking account of awards granted during FY2022 (and assuming those awards were to vest in full), the number of further awards available to Wise to grant as at 31 March 2022 was equal to approximately 4.32% of the issued ordinary share capital on such date.

Statement of shareholding voting

This is the first Policy and Directors' Remuneration Report submitted to shareholders. Disclosure of the voting results at the FY2023 AGM will be presented both in the Annual Report on Remuneration for FY2023 and on https://wise.com/owners

Implementation of Policy for FY2023

Base salaries	There will be no change to the annual base salaries for the CEO. A salary increase of 20% is proposed for the CFO. CEO: £197,000 CFO: £335,000
Benefits and pension	Executive Directors will continue to receive an employer pension contribution of 5% of base salary. No changes are proposed to the benefits provision for the Executive Directors.
Annual bonus	It is not expected that there will be any Annual bonus awards to the incumbent Executive Directors in FY2023.
LTIP	Subject to shareholder approval of the Policy at the 2022 AGM, the Remuneration Committee intends to grant an LTIP award with a maximum of 650% of salary to the CFO. The LTIP award will be subject to performance measures, to be assessed over a performance period comprising FY2023 to FY2025, based on relative TSR and volume growth (weighted 50% each) and the measures for each are set out within the table below. Vesting will be on a straight-line basis between the threshold and maximum for both elements.
NED fees	Non-Executive Director fees were set on Admission, as set out below. These fees will not be increased for FY2023. Chair fee: £275,000 Non-Executive Director base fee: £170,000 Senior Independent Director: Nil Nomination and Remuneration Committee Chairs: £10,000 Audit and Risk Committee Chair: £15,000 Workforce Engagement Lead: Nil

FY2023 LTIP grant – performance measures

Performance measures	Weighting	Threshold	Maximum
Relative TSR vs FTSE 250	50%	Median	Upper quartile and above
Volume growth	50%	CAGR 20% for the performance period	CAGR 30% for the performance period

Approved by the Board

Clare Gilmartin,
Chair of the Remuneration Committee

28 June 2022

Directors' report.

The Directors present their report, together with the audited consolidated financial statements of the Company for the year ended 31 March 2022.

The Strategic Report and the Directors' Report together form the Management Report for the purposes of the Disclosure Guidance and Transparency Rules (DTR) 4.1.8R.

In accordance with s414C (11) of the Companies Act, some of the matters required to be included in the Directors' Report have been included elsewhere in the Annual Report. These matters are cross referenced below and together form part of the Directors' Report.

Disclosures	Annual report section	Page
Risk management objectives and policies	Strategic Report	41
Going concern and viability statement	Strategic Report	50
Transactions with related parties	Note 23 to the Group Consolidated financial statements	153
Greenhouse gas emissions	Strategic Report	28
Workforce engagement	Strategic Report	36
Directors' biographies	Corporate Governance Report	58
Corporate Governance Statement	Corporate Governance Report	63
Directors' conflicts of interest	Corporate Governance Report	75
Directors' indemnities	Corporate Governance Report	76
Information on how the Directors have had regard for the Company's stakeholders, and the effect of the regard	Strategic Report	34

Other information to be disclosed in the Directors' Report is given in this section.

The Directors' Report fulfils the requirements of the Corporate Governance Statement for the purposes of DTR 7.2.3R. Further information is available online at wise.com/owners.

Both the Strategic Report and the Directors' Report have been drawn up and presented in accordance with, and in reliance upon, applicable English company law, and the liabilities of the Directors in connection with those reports shall be subject to the limitations and restrictions provided by such law.

Dividends

The Group has not declared or paid out any dividends for the year ended 31 March 2022.

Powers of the Directors

The Company's Articles of Association (the 'Articles') set out the powers of the Directors. Subject to UK Company law, the Articles and any directions given by special resolution of the Company, the Directors have been granted authority to exercise all the powers of the Company.

The Articles may only be amended by way of special resolution at a general meeting of the Company's shareholders.

Appointment and replacement of Directors

The appointment and replacement of Directors is governed by the Articles, the 2018 UK CGC, and the Companies Act 2006 and related legislation.

Under the Articles, Directors may be appointed, either to fill a vacancy or as an addition to the existing Board, by ordinary resolution of the Company or by resolution of the Board. If appointed by the Board, a Director must retire and, if willing to act, seek election at the next AGM following appointment.

In addition, the Articles require all Directors to retire at each AGM and, if willing to do so, offer themselves for re-election. This aligns to the requirements of provision 18 of the UK CGC. Further details can be found on page 76 of the Corporate Governance Report.

In addition to the powers set out in the Companies Act 2006, the Articles provide for the removal of a Director before the expiration of their period of office by ordinary resolution of the Company.

Future business developments

The Group, via its comprehensive network of localised infrastructure is able to respond to market trends and propel business development. Future business development is overseen and monitored as part of the Group's business as usual activities. The Group's strategy in relation to future business developments is articulated via its product development, market strategy,mission pillars and business model which invests heavily in generating growth. More information can be found in the following sections of the Strategic report:

- Market overview on page 9;
- Our products on page 10;
- Our mission pillars on page 12; and 'how we invest in growth' model, found within the CFO Review on page 18

The Board

The membership of the Board and biographical details of the Directors are provided on page 58. Changes to the Directors during the year and up to the date of this report are set out on page 57. A summary of the rules related to the appointment and replacement of Directors and Directors' powers can be found on page 76. Details of Directors' interests in the Company's Ordinary Shares, options held over Ordinary Shares, interest in share options and long-term incentive plans are set out on page 76.

The Directors of the Company during the year and up to the date of approval of these financial statements were:

- Kristo Käärmann
- Matthew Briers
- Taavet Hinrikus[1]
- Clare Gilmartin
- Hooi Ling Tan
- Alastair Rampell
- Ingo Uytdehaage
- David Wells
- Terri Duhon
- Dean Nash[2]

1. Resigned as Company Director and Chair on 8 December 2021.
2. Resigned as Company Director on 18 June 2021.

Compensation for loss of office

There are no agreements in place between the Company and its Directors or employees for compensation for loss of office or employment as a result of a takeover bid.

Change of control

There are no significant agreements to which any member of the Group is a party that take effect, alter or terminate upon a change of control of the Company following a takeover bid.

Branches and overseas registered officers

The Group, through various subsidiaries, has branches in a number of different jurisdictions in which the business operates. Further information on Wise subsidiaries and the branches outside of the UK is disclosed in note 6 of the Company financial statements.

Post balance sheet events

There have been no material post balance sheet events.

Political donations

No political donations or contributions to political parties under the Companies Act 2006 have been made during the financial year. The Group policy is that no political donations be made or political expenditure incurred. The Group made a number of charitable donations throughout the year totalling £0.4 million.

Research and development

Expenditure on the research phase of projects to develop new product for our customers is recognised as an expense when incurred. Costs that are directly attributable to a projects' development phase and meet IAS 38 capitalisation criteria are recognised as intangible assets. Refer to note 12 in the Consolidated Group financial statements for details on total expenditure and amounts capitalised.

Share capital structure

On 22 June 2021, in connection with the preparation for the direct listing on the London Stock Exchange, Wise Payments Ltd undertook a share reorganisation in which all shares (ordinary and preference) were redesignated into a single Class of A Ordinary Shares, following which, each Class A Ordinary Share was split into 26 Class A Ordinary Shares. Wise Payments Ltd then undertook a bonus issue of B Ordinary Shares.

On the same day and following the above share reorganisation, Wise Payments Ltd shareholders entered into a share-for-share exchange agreement with the shareholders of Wise plc, acquiring Wise Payments Ltd's Class A and Class B Shares with nominal values of £0.000 01 and £0.000 000 001, in exchange for the issue of Wise plc Class A and Class B Shares with nominal values of £0.01 (i.e. 1,000 times greater than the nominal value of Wise Payments Ltd's Class A Ordinary Shares) and £0.000 000 001, respectively. As a result, Wise plc became the ultimate parent company of the Group (the 'Parent Company'), with a 100% indirect investment in Wise Payments Ltd through Wise Financial Holdings Ltd.

As at the date of this report, the Company's issued share capital consists of 1,024,589,856 A Ordinary Shares of £0.01 each and 398,889,814 B Ordinary Shares of £0.000 000 001 each. All issued shares were fully paid up, amounting to an aggregate nominal share capital of £10,245,898.958889. Each A Ordinary Share is listed on the Official List maintained by the FCA and admitted to trading on the Main Market of the London Stock Exchange. Further details of the Company's share capital can be found in Note 18 of the Consolidated Group Financial Statements on page 149.

Rights attaching to shares and restrictions on transfer

Each Class A shareholder is entitled to one vote for each Class A Share held, subject to any restrictions on total voting rights as set out in the Company's articles of association. Class A 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 Ordinary Share held, subject to any restrictions on total voting rights as set out in the Company's Articles of Association. Class B Ordinary 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 Ordinary Shares are strictly non-transferable, non-tradeable and non-distributable to any person or entity whatsoever.

Save for deadlines for voting by proxy, there are no restrictions on voting rights attached to, or on the transfer of, the Company's A Shares and B Shares. Full details regarding the exercise of voting rights at the 2022 AGM, whether in person or by proxy, will be set out in the Notice of AGM. To be valid, the appointment of a proxy to vote at a general meeting must be received not less than 48 hours before the time of the meeting.

The Company is not aware of any agreements between the holders of the A and B Shares that may restrict their transfer or the voting rights attaching to them.

None of the Company's A and B Shares carry any special rights regarding control of the Company.

Authority to allot or buy back shares

The Company was granted authority at the 22 June 2021 General Meeting to purchase in the market its own shares up to a maximum number of 99,458,986 A Ordinary Shares. No shares were purchased under this authority in the year to 31 March 2022 and up to the date of this report. This authority expires at the conclusion of the 2022 AGM, or if earlier at the close of business on 30 September 2022. This is a standard authority that the Directors have no present intention of exercising.

The Directors were granted authority on 27 April 2021 to allot relevant securities up to an aggregate amount of £50,001. 50,000 Redeemable Non-Voting Preference shares were allotted under this authority on 28 April 2021. This authority expired on 27 April 2022. On 29 November 2021 the Redeemable Non-Voting Preference shares were redeemed by the Company as part of the post listing actions.

On 22 June 2021 the Directors were granted additional authority to allot up to 331,529,952 Class A Shares, and comprising equity securities up to a further 331,529,952 Class A Shares in connection with an offer by way of a rights issue. This authority expires at the conclusion of the 2022 AGM or if earlier at the close of business on 30 September 2022. 30,000,000 Class A Shares were allotted under this authority in the year to 31 March 2022. An ordinary resolution will be proposed for renewal of this authority at the 2022 AGM.

Substantial shareholdings

Notifications received by the Company in accordance with DTR 5 are published via the regulatory Information Services and on the Company's website. As at the date of this report, the Company had been advised of the following voting interests in the company, amounting to more than 3% of the Company's issued share capital.

Name	Total number of voting rights	% of total voting rights
Kristo Käärmann	1,868,079,459	41.1
IA Venture Strategies Fund II, LP and IA Venture Strategies Side Fund II, LP	502,283,928	10.96
Baillie Gifford & Co	234,520,022	5.116

In the period between 31 March 2022 and the date of this report, the Company received no further notifications in accordance with DTR 5.

Share-based employee compensation

The nature, accounting policies and key terms of the employee share option plan remain consistent with those disclosed in the Wise Payments Limited 2021 Annual Report and Accounts, unless stated otherwise below.

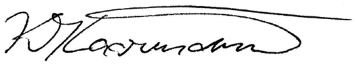
After the reorganisation of the Group, as described above, share options for Wise Payments Limited Ordinary Shares were replaced with share options for Wise plc Class A Ordinary Shares. The same share-split ratio was applied as for the share capital reorganisation described above.

As the result of the reorganisation, Wise Payments Limited transferred its share-based payment reserves to retained earnings as the obligation to settle share-based payment awards would be with Wise plc. This transfer did not impact consolidated results of the Group following the reorganisation and is reflected in the standalone financial statements of Wise Payments Limited.

Diversity

Wise is an inclusive employer and diversity is at the heart of our organisation. We give full and fair consideration to applications for employment by disabled persons and the continued employment of anyone incurring a disability while employed by us. Training, career development and promotion opportunities are equally applied for by all our employees regardless of disability. Our disclosures relating to the employment of women in senior management roles, diversity, employee engagement and policies are set out on pages 26, 27, 36 and 52.

The Directors' Report, which has been prepared in accordance with the requirements of the Companies Act 2006, has been approved by the Board and signed on its behalf by:



Kristo Käärmann
Co-founder and CEO

28 June 2021

Statement of Directors' responsibilities in respect of the financial statements.

The Directors are responsible for preparing the Annual Report and Accounts and the financial statements in accordance with applicable law and regulation.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have prepared the group financial statements in accordance with UK-adopted international accounting standards and the company financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, comprising FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland", and applicable law).

Under company law, Directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the group and company and of the profit or loss of the group for that period. In preparing the financial statements, the Directors are required to:

- select suitable accounting policies and then apply them consistently;
- state whether applicable UK-adopted international accounting standards have been followed for the group financial statements and United Kingdom Accounting Standards, comprising FRS 102 have been followed for the company financial statements, subject to any material departures disclosed and explained in the financial statements;
- make judgements and accounting estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis, unless it is inappropriate to presume that the Group and the Parent Company will continue in business.

The Directors are responsible for safeguarding the assets of the Group and Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The Directors are also responsible for keeping adequate accounting records that are sufficient to show and explain the group's and company's transactions and disclose with reasonable accuracy at any time the financial position of the Group and Company and enable them to ensure that the financial statements and the Directors' Remuneration Report comply with the Companies Act 2006.

The Directors are responsible for the maintenance and integrity of the company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

Directors' confirmations

Each of the Directors, whose names and functions are listed in the Corporate Governance section confirm that, to the best of their knowledge:

- the Group financial statements, which have been prepared in accordance with UK-adopted international accounting standards, give a true and fair view of the assets, liabilities, financial position and profit of the group;
- the Parent Company financial statements, which have been prepared in accordance with United Kingdom Accounting Standards, comprising FRS 102, give a true and fair view of the assets, liabilities and financial position of the company; and
- the Strategic Report and the reports of the Directors contained within this Annual Report provides a fair view of the development and performance of the business and the position of the Group and the Parent Company, together with a description of the principal risks and uncertainties that it faces.

In the case of each Director in office at the date the Directors' report is approved:

- so far as the Director is aware, there is no relevant audit information of which the Group's and Company's auditors are unaware; and
- they have taken all the steps that they ought to have taken as a director in order to make themselves aware of any relevant audit information and to establish that the group's and company's auditors are aware of that information.

Audit and auditor

Each of the Directors at the date of approval of this Directors' Report confirms that:

- to the best of their knowledge there is no relevant audit information of which the Group and the Parent Company's auditor is unaware; and
- they have taken all the steps that they ought to have taken as a Director in order to make themselves aware of any relevant audit information and to establish that the Group's and Parent Company's auditor is aware of that information.

PwC has indicated its willingness to continue in office as auditor and, on the recommendation of the Audit and Risk Committee, a resolution to reappoint PwC as the Company's auditors will be proposed at the AGM. Any remuneration received by PwC for: (i) auditing the Annual Report; and (ii) any other (non-audit) services has been disclosed in note 7 to the Group's financial statements.

Approval of Annual Report

This Directors' Report was approved by the Board on 28 June and signed on its behalf by

Kristo Käärmann
Co-founder and CEO

28 June 2022

Financial Statements

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Independent auditors' report to the members of Wise plc

Report on the audit of the financial statements

Opinion

In our opinion:

- Wise plc's Group financial statements and Company financial statements (the "financial statements") give a true and fair view of the state of the Group's and of the Company's affairs as at 31 March 2022 and of the Group's profit and the Group's cash flows for the year then ended;
- the Group financial statements have been properly prepared in accordance with UK-adopted international accounting standards;
- the Company financial statements have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, comprising FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland", and applicable law); and
- the financial statements have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements, included within the Annual Report and Accounts 2022 (the "Annual Report"), which comprise: the Consolidated and Company statements of financial position as at 31 March 2022; the Consolidated statement of profit or loss and other comprehensive income, the Consolidated statement of cash flows, the Consolidated statement of changes in equity for the year then ended and Company statement of changes in equity for the period then ended; and the notes to the financial statements, which include a description of the significant accounting policies.

Our opinion is consistent with our reporting to the Audit and Risk Committee.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) ("ISAs (UK)") and applicable law. Our responsibilities under ISAs (UK) are further described in the Auditors' responsibilities for the audit of the financial statements section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

We remained independent of the Group in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, which includes the FRC's Ethical Standard, as applicable to listed public interest entities, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

To the best of our knowledge and belief, we declare that non-audit services prohibited by the FRC's Ethical Standard were not provided.

Other than those disclosed in note 7, we have provided no non-audit services to the Company in the period under audit.

Our audit approach

Context

The Group's financial statements are a consolidation of 30 legal entities and one consolidation entity. One entity, Wise Payments Limited, is split into six reporting branches. We consider Wise Payments Limited (including its branches) to be one reporting unit. All other legal entities, as well as individual consolidation entities are considered to be reporting units. We consider the Group to consist of 31 reporting units. The Group results are presented for the year ended 31 March 2022 as a continuation of the consolidated financial statements of Wise Payments Limited as explained in note 1.2. The Company is presented for the period ended 31 March 2022 from incorporation on the 18 February 2021.

Overview

Audit scope

- Our audit focused on those entities with the most significant contribution to the Group's revenues. Of the Group's 31 reporting units, we identified five, which in our view, required an audit of their complete financial information for Group reporting purposes. These were Wise Payments Limited, Wise Europe SA, Wise US Inc., Wise Australia Pty Ltd and Wise plc. We also audited material consolidation journals. Cash at bank and in hand balances across all reporting units were in scope. All audits were performed by the Group engagement team, with the exception of procedures over laws and regulations where we instructed six component auditor teams to perform specified procedures in order to leverage their local understanding of the regulatory environment. The reporting units within the scope of our work, and work performed centrally by the Group team, accounted for 89% of Group revenue.

Key audit matters

- Recognition of deferred tax asset (Group)
- Cash and bank balances and short-term financial investments (Group and Company)

Materiality

- Overall Group materiality: £4,278,000 based on 1% of revenue, averaged over three years.
- Overall Company materiality: £1,340,000 based on 1% of total assets.
- Performance materiality: £2,673,000 (Group) and £1,005,000 (Company).

The scope of our audit

As part of designing our audit, we determined materiality and assessed the risks of material misstatement in the financial statements.

Key audit matters

Key audit matters are those matters that, in the auditors' professional judgement, were of most significance in the audit of the financial statements of the current period and include the most significant assessed risks of material misstatement (whether or not due to fraud) identified by the auditors, including those which had the greatest effect on: the overall audit strategy; the allocation of resources in the audit; and directing the efforts of the engagement team. These matters, and any comments we make on the results of our procedures thereon, were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

As a result of the listing of the Group during the year, key audit matters have been included for the first time this year.

This is not a complete list of all risks identified by our audit.

Key audit matter	How our audit addressed the key audit matter
Recognition of deferred tax asset (Group) At 31 March 2022, the Group has recognised gross deferred tax assets of £113.6m (31 March 2021: £56.7m) of which £105m (31 March 2021: £51.8m) arose in the UK. Recognition of the Group's deferred tax asset requires management judgement and is a key area of audit effort due to the quantum of the balance and the judgements involved in determining the likelihood of realisation of the asset. The expectation that the asset will be realised is dependent on a number of factors, including whether there will be sufficient taxable profits in future periods to support utilisation of the asset. Refer to note 9 and Significant matters considered in relation to the financial statements section of the Audit and Risk Committee Report.	1) We understood management's processes in respect of assessing the recoverability of deferred tax assets. 2) We assessed the appropriateness and measurement of the deferred tax asset recognised through discussions with the Group's tax function, testing supporting documentation and assessing the recoverability of the deferred tax asset. 3) In respect of the recoverability of deferred tax assets, we evaluated management's assessment as to whether there were sufficient taxable profit forecasts to support the recognition of the deferred tax assets and performed the following: a) verified the integrity of formulae and the mathematical accuracy of management's underlying model; b) evaluated management's future cash flow forecasts, including comparing budgeted results to actual performance in prior periods and the process by which the forecasts were prepared ensuring consistency of cash flows with those used for the purpose of the Group's going concern and viability assessments; c) tested and assessed the measurement of temporary differences and the assumptions in relation to their reversal; and d) performed our own independent sensitivity analysis to understand the impact of alternative profit scenarios on the recovery period. Based on the procedures performed, we are satisfied that management's forecast taxable profits support the recognition of Group's deferred tax assets and the related disclosures in the financial statements are appropriate.
Cash and bank balances and short-term financial investments (Group and Company) Being a money transfer business, the Group has 30 legal entities with circa 500 separate bank accounts. The Group has £6,056.3m of cash and short-term financial investments of £1,192.4m covering the liability from Wise Accounts (amounts owed to customers) of £6,783.2m. Bank accounts are regularly reconciled and a mix of automated and monitoring controls are in place. However, due to limitations in the IT control environment (as explained in the audit scope section below and the Board's commentary in the corporate governance statement), we are unable to obtain audit evidence from the operation of these controls. Given the nature of operations, complexity and the IT control matters, our audit focused on procedures to test the existence of cash and bank balances. Refer to notes 14 and 15 and the Internal Control section of the Audit and Risk Committee Report.	1) We obtained management's schedule of bank accounts prepared for the audit and compared this against known bank accounts from previous years; 2) We independently confirmed 99.99% of the cash financial statement line item with third party banks with alternative procedures performed on the remaining immaterial balance; 3) We also obtained independent direct confirmations for the nil-value balance accounts as at year end and verified the closure letters for the bank accounts closed during the year; 4) For confirmations received where the bank would not confirm that there were no other bank accounts, we performed additional procedures such as logging on to online banking with management and ensuring no other accounts were listed; 5) We performed procedures to verify whether there were any transactions during the year for the nil-value balance accounts confirmed by the bank, with no corresponding GL code; 6) We tested 100% of bank reconciliations from the bank statement to general ledger as at 31 March 2022 and tested a sample of the reconciling items substantively; 7) We also tested bank reconciliations during the year on a sample basis; and 8) We independently confirmed 100% of the short-term financial investments line item with third party banks. From our procedures performed, we did not identify any material misstatements in the bank and cash balances or short-term financial investments.

How we tailored the audit scope

We tailored the scope of our audit to ensure that we performed enough work to be able to give an opinion on the financial statements as a whole, taking into account the structure of the Group and the Company, the accounting processes and controls, and the industry in which they operate.

The Group is organised into 31 reporting units and the Group financial statements are a consolidation of these reporting units. The reporting units vary in size. We identified five units that required a full scope audit of their financial information due to either their size or risk characteristics. These were Wise Payments Limited, Wise Europe SA, Wise US Inc., Wise Australia Pty Ltd and Wise plc. We also audited material consolidation journals. All reporting units were subject to audit procedures over cash at bank and in hand balances, due to their contribution to the Group's balance sheet. Our audit scope was determined by considering the significance of each reporting unit's contribution to revenue, and individual financial statement line items, with specific consideration to obtaining sufficient coverage over significant risks.

We also considered the continuing improvement in information technology systems when determining the audit approach. We note that these systems are not yet configured in a way that would allow for IT general controls to be effectively tested and relied upon, therefore our audit approach was adapted.

We planned the audit to gain the required level of audit evidence from substantive testing across all balances and transactions, including testing IT system reports that are relied on for the purpose of the audit. See Internal Control section in the Audit and Risk Committee Report.

The Group operates under a unitary control structure, meaning that all books and records are maintained and accessible in the UK. Therefore all audit work was performed by the Group engagement team with the exception of procedures over laws and regulations where we instructed six component auditor teams to perform specific procedures in order to leverage their local understanding of the regulatory environment. The Group team also performed the audit of the Company.

Materiality

The scope of our audit was influenced by our application of materiality. We set certain quantitative thresholds for materiality. These, together with qualitative considerations, helped us to determine the scope of our audit and the nature, timing and extent of our audit procedures on the individual financial statement line items and disclosures and in evaluating the effect of misstatements, both individually and in aggregate on the financial statements as a whole.

Based on our professional judgement, we determined materiality for the financial statements as a whole as follows:

	Financial statements – Group	Financial statements – Company
Overall materiality	£4,278,000.	£1,340,000.
How we determined it	1% of revenue, averaged over three years	1% of total assets
Rationale for benchmark applied	Based on the benchmarks used in the Annual Report, revenue is in our view the primary measure used by the shareholders in assessing the performance and growth of the Group and is a generally accepted auditing benchmark.	We believe that total assets is the primary measure used by the shareholders in assessing the performance of the entity, and is a generally accepted auditing benchmark for non trading companies.

For each reporting unit in the scope of our Group audit, we allocated a materiality that is less than our overall Group materiality. The range of materiality allocated across reporting units was between £401,903 and £4,031,089. Certain reporting units were audited to a local statutory audit materiality that was also less than our overall Group materiality.

We use performance materiality to reduce to an appropriately low level the probability that the aggregate of uncorrected and undetected misstatements exceeds overall materiality. Specifically, we use performance materiality in determining the scope of our audit and the nature and extent of our testing of account balances, classes of transactions and disclosures, for example in determining sample sizes. Our performance materiality was 62.5% of overall materiality (75% for the Company), amounting to £2,673,000 for the Group financial statements and £1,005,000 for the Company financial statements.

In determining the performance materiality, we considered a number of factors – the history of misstatements, risk assessment and aggregation risk and the effectiveness of controls – and concluded that an amount in the middle of our normal range (at the upper end for the Company) was appropriate.

We agreed with the Audit and Risk Committee that we would report to them misstatements identified during our audit above £210,000 (Group audit) and £67,000 (Company audit) as well as misstatements below those amounts that, in our view, warranted reporting for qualitative reasons.

Conclusions relating to going concern

Our evaluation of the Directors' assessment of the Group's and the Company's ability to continue to adopt the going concern basis of accounting included:

- Obtaining and examining management's base case forecasts for the twelve month period from the date of authorisation of the financial statements, checking that these forecasts have been subject to board review and approval;
- Considering the historical reliability of management forecasting for cash flows by comparing budgeted results to actual performance over a period of two years;
- Reviewing the key inputs into the model, such as volumes and take rate to ensure that these were consistent with our understanding and the inputs used in other key accounting judgements in the financial statements such as deferred tax recoverability;
- Performing our own independent sensitivity analysis to understand the impact of changes in cash flow on the resources available to the Group;
- Reviewing the covenants applicable to the Group's borrowings and assessing whether the forecasts supported ongoing compliance with the covenants; and
- Reading management's paper to the Audit and Risk Committee in respect of going concern, and agreeing the forecasts set out in this paper to the underlying base case cash flow model.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the Group's and the Company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

In auditing the financial statements, we have concluded that the Directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

However, because not all future events or conditions can be predicted, this conclusion is not a guarantee as to the Group's and the Company's ability to continue as a going concern.

In relation to the Directors' reporting on how they have applied the UK Corporate Governance Code, we have nothing material to add or draw attention to in relation to the Directors' statement in the financial statements about whether the Directors considered it appropriate to adopt the going concern basis of accounting.

Our responsibilities and the responsibilities of the Directors with respect to going concern are described in the relevant sections of this report.

Reporting on other information

The other information comprises all of the information in the Annual Report other than the financial statements and our auditors' report thereon. The Directors are responsible for the other information. Our opinion on the financial statements does not cover the other information and, accordingly, we do not express an audit opinion or, except to the extent otherwise explicitly stated in this report, any form of assurance thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If we identify an apparent material inconsistency or material misstatement, we are required to perform procedures to conclude whether there is a material misstatement of the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report based on these responsibilities.

With respect to the Strategic Report and Directors' report, we also considered whether the disclosures required by the UK Companies Act 2006 have been included.

Based on our work undertaken in the course of the audit, the Companies Act 2006 requires us also to report certain opinions and matters as described below.

Strategic Report and Directors' report

In our opinion, based on the work undertaken in the course of the audit, the information given in the Strategic Report and Directors' report for the year ended 31 March 2022 is consistent with the financial statements and has been prepared in accordance with applicable legal requirements.

In light of the knowledge and understanding of the Group and Company and their environment obtained in the course of the audit, we did not identify any material misstatements in the Strategic Report and Directors' report.

Directors' Remuneration

In our opinion, the part of the Directors' remuneration report to be audited has been properly prepared in accordance with the Companies Act 2006.

Corporate governance statement

ISAs (UK) require us to review the Directors' statements in relation to going concern, longer-term viability and that part of the corporate governance statement relating to the Company's compliance with the provisions of the UK Corporate Governance Code, which the Listing Rules of the Financial Conduct Authority specify for review by auditors of premium listed companies. Our additional responsibilities with respect to the corporate governance statement as other information are described in the Reporting on other information section of this report.

Based on the work undertaken as part of our audit, we have concluded that each of the following elements of the corporate governance statement is materially consistent with the financial statements and our knowledge obtained during the audit, and we have nothing material to add or draw attention to in relation to:

- The Directors' confirmation that they have carried out a robust assessment of the emerging and principal risks;
- The disclosures in the Annual Report that describe those principal risks, what procedures are in place to identify emerging risks and an explanation of how these are being managed or mitigated;
- The Directors' statement in the financial statements about whether they considered it appropriate to adopt the going concern basis of accounting in preparing them, and their identification of any material uncertainties to the Group's and Company's ability to continue to do so over a period of at least twelve months from the date of approval of the financial statements;
- The Directors' explanation as to their assessment of the Group's and Company's prospects, the period this assessment covers and why the period is appropriate; and
- The Directors' statement as to whether they have a reasonable expectation that the Company will be able to continue in operation and meet its liabilities as they fall due over the period of its assessment, including any related disclosures drawing attention to any necessary qualifications or assumptions.

Our review of the Directors' statement regarding the longer-term viability of the Group was substantially less in scope than an audit and only consisted of making inquiries and considering the Directors' process supporting their statement; checking that the statement is in alignment with the relevant provisions of the UK Corporate Governance Code; and considering whether the statement is consistent with the financial statements and our knowledge and understanding of the Group and Company and their environment obtained in the course of the audit.

In addition, based on the work undertaken as part of our audit, we have concluded that each of the following elements of the corporate governance statement is materially consistent with the financial statements and our knowledge obtained during the audit:

- The Directors' statement that they consider the Annual Report, taken as a whole, is fair, balanced and understandable, and provides the information necessary for the members to assess the Group's and Company's position, performance, business model and strategy;
- The section of the Annual Report that describes the review of effectiveness of risk management and internal control systems; and
- The section of the Annual Report describing the work of the Audit and Risk Committee.

We have nothing to report in respect of our responsibility to report when the Directors' statement relating to the Company's compliance with the Code does not properly disclose a departure from a relevant provision of the Code specified under the Listing Rules for review by the auditors.

Responsibilities for the financial statements and the audit

Responsibilities of the Directors for the financial statements

As explained more fully in the Statement of Directors' responsibilities in respect of the financial statements, the Directors are responsible for the preparation of the financial statements in accordance with the applicable framework and for being satisfied that they give a true and fair view. The Directors are also responsible for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Directors are responsible for assessing the Group's and the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Directors either intend to liquidate the Group or the Company or to cease operations, or have no realistic alternative but to do so.

Auditors' responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud, is detailed below.

Based on our understanding of the Group and industry, we identified that the principal risks of non-compliance with laws and regulations related to laws and regulations set by the Financial Conduct Authority (FCA), the National Bank of Belgium (NBB), the Australian Prudential Regulation Authority (APRA), Financial Crimes Enforcement Network (FinCEN), Consumer Financial Protection Bureau (CFPB), relevant state regulators in the United States as well as any other regulators regulating activities of subsidiaries of the Group, as well as relevant Anti-Bribery and Corruption, Anti-Money Laundering and sanctions legislation in each of the territories in which the Group operates, and we considered the extent to which non-compliance might have a material effect on the financial statements. We also considered those laws and regulations that have a direct impact on the financial statements such as Companies Act 2006 and relevant tax legislation in each of the territories in which the Group operates. We evaluated management's incentives and opportunities for fraudulent manipulation of the financial statements (including the risk of override of controls), and determined that the principal risks were related to posting of inappropriate journal entries impacting revenue, misreporting of corporate cash and cash in transit balances and understatement of customer liabilities. Audit procedures performed by the engagement team included:

- Review of correspondence with and reports to the regulators, including the FCA, NBB, APRA, FinCEN, CFPB, and certain relevant state regulators in the United States;
- Review of management's reporting to the Audit and Risk Committee in respect of compliance and legal matters;
- Enquiring of management and review of internal audit reports in so far as they related to the financial statements;
- Obtaining legal confirmations from legal advisors relating to material litigation;
- Identifying and testing journal entries, including those posted with double entries to unusual account combinations;
- Reviewing dispute logs, breaches/incidents log, legal expenses and whistleblowing reports;
- Testing a sample of intra-Group cash in transit balances at the year end to ensure not double counted;
- Performing analytics on cash concentration by geography and subsequent movement to test for round tripping of cash;
- Obtaining confirmations over selected customer balances direct from customers; and
- Reviewing customer complaints and testing a sample based on risk criteria for indications of systemic evidence of understatement of customer liabilities.

There are inherent limitations in the audit procedures described above. We are less likely to become aware of instances of non-compliance with laws and regulations that are not closely related to events and transactions reflected in the financial statements. Also, the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery or intentional misrepresentations, or through collusion.

Our audit testing might include testing complete populations of certain transactions and balances, possibly using data auditing techniques. However, it typically involves selecting a limited number of items for testing, rather than testing complete populations. We will often seek to target particular items for testing based on their size or risk characteristics. In other cases, we will use audit sampling to enable us to draw a conclusion about the population from which the sample is selected.

A further description of our responsibilities for the audit of the financial statements is located on the FRC's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditors' report.

Use of this report

This report, including the opinions, has been prepared for and only for the Company's members as a body in accordance with Chapter 3 of Part 16 of the Companies Act 2006 and for no other purpose. We do not, in giving these opinions, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

Other required reporting

Companies Act 2006 exception reporting

Under the Companies Act 2006 we are required to report to you if, in our opinion:

- we have not obtained all the information and explanations we require for our audit; or
- adequate accounting records have not been kept by the Company, or returns adequate for our audit have not been received from branches not visited by us; or
- certain disclosures of Directors' remuneration specified by law are not made; or
- the Company financial statements and the part of the Directors' remuneration report to be audited are not in agreement with the accounting records and returns.

We have no exceptions to report arising from this responsibility.

Appointment

Following the recommendation of the Board, we were appointed by the Directors on 21 September 2021 to audit the financial statements for the period ended 31 March 2022, and subsequent financial periods. This is therefore our first period of uninterrupted engagement.

Other matter

As required by the Financial Conduct Authority Disclosure Guidance and Transparency Rule 4.1.14R, these financial statements form part of the ESEF-prepared annual financial report filed on the National Storage Mechanism of the Financial Conduct Authority in accordance with the ESEF Regulatory Technical Standard ('ESEF RTS'). This auditors' report provides no assurance over whether the annual financial report has been prepared using the single electronic format specified in the ESEF RTS.

Mark Jordan (Senior Statutory Auditor)
for and on behalf of PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
London

28 June 2022

Consolidated statement of profit or loss and other comprehensive income

For the year ended 31 March 2022

	Note	2022 £m	2021 £m
Revenue	6	**559.9**	421.0
Cost of sales	7	**(185.8)**	(151.7)
Net credit losses on financial assets	7	**(2.2)**	(8.8)
Gross profit		**371.9**	260.5
Administrative expenses	7	**(321.4)**	(217.5)
Interest income from investments and operating assets		**3.9**	1.9
Interest expense from operating assets		**(6.7)**	(3.8)
Other operating income		**5.8**	3.8
Other operating expenses		**(4.8)**	–
Operating profit		**48.7**	44.9
Finance expense		**(4.8)**	(3.8)
Profit before tax		**43.9**	41.1
Income tax expense	9	**(11.0)**	(10.2)
Profit for the year		**32.9**	30.9
Other comprehensive (loss)/income			
Items that may be reclassified to profit or loss:			
Fair value loss on investments, net		**(17.2)**	(3.0)
Currency translation differences		**2.7**	(3.8)
Total other comprehensive loss		**(14.5)**	(6.8)
Total comprehensive income for the year		**18.4**	24.1
Earnings per share*			
Basic, in pence	10	**3.40**	3.31
Diluted, in pence	10	**3.18**	3.04

* See note 10 for further information on the weighted average number of shares included in the calculation of the comparable earnings per share.

All results are derived from continuing operations.

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

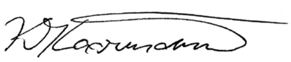
Consolidated statement of financial position

As at 31 March 2022

	Note	2022 £m	2021 Represented* £m
Non-current assets			
Deferred tax assets	9	**113.6**	56.7
Property, plant and equipment	11	**22.6**	24.0
Intangible assets	12	**20.3**	27.5
Trade and other receivables	13	**14.3**	15.1
Total non-current assets		**170.8**	123.3
Current assets			
Current tax assets		**7.3**	1.1
Trade and other receivables	13	**137.6**	81.3
Short-term financial investments	14	**1,192.4**	737.5
Cash and cash equivalents	15	**6,056.3**	3,358.6
Total current assets		**7,393.6**	4,178.5
Total assets		**7,564.4**	4,301.8
Non-current liabilities			
Trade and other payables	16	**15.7**	22.6
Provisions		**2.2**	–
Deferred tax liabilities	9	**0.5**	2.0
Borrowings	17	**90.2**	95.2
Total non-current liabilities		**108.6**	119.8
Current liabilities			
Trade and other payables	16	**7,034.2**	3,888.6
Provisions		**1.6**	2.6
Current tax liabilities		**5.3**	2.0
Borrowings	17	**5.5**	3.5
Total current liabilities		**7,046.6**	3,896.7
Total liabilities		**7,155.2**	4,016.5
Equity			
Share capital	18	**10.2**	9.4
Equity merger reserve	19	**(8.0)**	(8.0)
Share-based payment reserves		**200.5**	124.5
Own shares reserve		**(0.4)**	–
Other reserves		**(17.8)**	(0.7)
Currency translation reserve		**0.2**	(2.5)
Retained earnings		**224.5**	162.6
Total equity		**409.2**	285.3
Total liabilities and equity		**7,564.4**	4,301.8

* Comparative balances have been represented to show the impact or reorganisation (refer to note 1.1) and to present the current provisions separately from the trade and other payables (refer to note 16).

The accompanying notes form an integral part of these consolidated financial statements. The Group consolidated financial statements on pages 125 to 153 were authorised for issue by the Board of Directors on 28 June 2022 and were signed on its behalf by:



Kristo Käärmann
Co-founder and CEO

28 June 2022

Consolidated statement of changes in equity

For the year ended 31 March 2022

	Note	Share capital* £m	Equity merger reserve £m	Share-based payment reserves £m	Own shares reserve £m	Other reserves £m	Currency translation reserve £m	Retained earnings £m	Total equity £m
At 1 April 2020		9.4	111.1	63.8	–	2.3	1.3	8.9	196.8
Profit for the year		–	–	–	–	–	–	30.9	30.9
Fair value loss on investments		–	–	–	–	(3.0)	–	–	(3.0)
Currency translation differences		–	–	–	–	–	(3.8)	–	(3.8)
Total comprehensive income for the year		–	–	–	–	(3.0)	(3.8)	30.9	24.1
Share-based employee compensation expense		–	–	36.9	–	–	–	–	36.9
Deferred tax on share-based compensation		–	–	26.6	–	–	–	–	26.6
Issue of share capital		–	0.9	(2.8)	–	–	–	2.8	0.9
Reduction of share capital		–	(120.0)	–	–	–	–	120.0	0.0
At 31 March 2021		9.4	(8.0)	124.5	–	(0.7)	(2.5)	162.6	285.3
Profit for the year		**–**	**–**	**–**	**–**	**–**	**–**	**32.9**	**32.9**
Fair value loss on investments, net	19	**–**	**–**	**–**	**–**	**(17.2)**	**–**	**–**	**(17.2)**
Currency translation differences		**–**	**–**	**–**	**–**	**–**	**2.7**	**–**	**2.7**
Total comprehensive income for the year		**–**	**–**	**–**	**–**	**(17.2)**	**2.7**	**32.9**	**18.4**
Issue of share capital	18	**0.8**	**–**	**–**	**(0.8)**	**–**	**–**	**–**	**–**
Share-based compensation expense	20	**–**	**–**	**42.5**	**–**	**–**	**–**	**1.0**	**43.5**
Tax on share-based compensation	9	**–**	**–**	**58.7**	**–**	**–**	**–**	**–**	**58.7**
Employee share schemes	20	**–**	**–**	**(25.2)**	**0.4**	**–**	**–**	**28.1**	**3.3**
Redemption of preference shares		**–**	**–**	**–**	**–**	**0.1**	**–**	**(0.1)**	**–**
At 31 March 2022		**10.2**	**(8.0)**	**200.5**	**(0.4)**	**(17.8)**	**0.2**	**224.5**	**409.2**

* The share capital presented reflects the share capital structure of Wise plc as if it had been the ultimate parent of the Group as of the comparative date. See note 18 for further details.

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

Consolidated statement of cash flows

For the year ended 31 March 2022

	Note	2022 £m	2021 £m
Cash flows from operating activities			
Cash generated from operations	21	**3,134.1**	2,076.3
Interest received		**21.1**	7.6
Interest expense paid		**(10.7)**	(6.0)
Corporate income tax paid		**(6.5)**	(4.0)
Net cash generated from operating activities		**3,138.0**	2,073.9
Cash flows from investing activities			
Payments for property, plant and equipment		**(4.6)**	(2.3)
Payments for intangible assets		**(7.3)**	(20.9)
Payments for financial assets at FVOCI		**(868.4)**	(723.9)
Proceeds from sale and maturity of financial assets at FVOCI		**389.8**	75.3
Proceeds from sublease		**0.1**	–
Net cash used in investing activities		**(490.4)**	(671.8)
Cash flows from financing activities			
Proceeds from issues of shares and other equity		**3.4**	0.9
Proceeds from borrowings	17	**43.0**	118.6
Repayments of borrowings	17	**(43.0)**	(90.0)
Principal elements of lease payments	17	**(3.8)**	(3.9)
Interest paid on leases	17	**(0.9)**	(0.8)
Net cash (used in)/generated from financing activities		**(1.3)**	24.8
Net increase in cash and cash equivalents		**2,646.3**	1,426.9
Cash and cash equivalents at beginning of the year	15	**3,358.6**	2,077.6
Effects of exchange rate changes on cash and cash equivalents		**51.4**	(145.9)
Cash and cash equivalents at end of the year	15	**6,056.3**	3,358.6

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

Notes to the Group consolidated financial statements

For the year ended 31 March 2022

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 the United Kingdom. The Company was incorporated under the Companies Act 2006 on 18 February 2021 under the name "456 Newco plc" and changed its name to Wise plc on 17 June 2021. 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 money transfer services. Further information on the Group's operations and principal activities is presented in the Strategic Report.

The Company became the parent company of the former Transferwise Limited group on 22 June 2021 as a consequence of the pre-listing reorganisation (see below). The parent of the group for the comparative period was Wise Payments Ltd (formerly Transferwise Ltd).

Group reorganisation and listing

The Class A Shares of the Company were admitted to trading on the London Stock Exchange on 7 July 2021. In relation to the listing of the Company on the London Stock Exchange on 7 July 2021, the following steps were completed on 22 June 2021:

- the existing preferred and Ordinary Shares in Wise Payments Ltd were re-designated as A Ordinary Shares and a share split was undertaken;
- the existing shareholders of Wise Payments Ltd were offered the opportunity to elect to receive the B Shares, in addition to their A Shares, to create a dual-class share structure comprising A Shares and B Shares. Such B Shares were issued by way of bonus issue to such electing, existing shareholders;
- the existing shareholders in Wise Payments Ltd entered into a share for share exchange with Wise plc, pursuant to which Wise plc acquired the entire issued share capital of Wise Payments Ltd in exchange for the issue of matching Class A Shares, Class B Shares and a non-voting redeemable preference share in Wise plc to the existing shareholders (and any unexercised options and unvested awards over shares in Wise Payments Ltd were exchanged for options over Class A Shares in Wise plc).

As a result of the reorganisation, Wise Payments Ltd transferred its share-based payment obligations to Wise plc, who will be responsible for the settlement of the share-based payment awards. At the same time the Company became the ultimate parent company of the entities comprising, at that point in time, the Group. This transfer did not impact the post-reorganisation consolidated results of the Group.

1.2 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 Group reorganisation undertaken on 22 June 2021, as disclosed in note 1.1, does not constitute a business combination under IFRS 3 Business Combinations. Therefore it was accounted for as a capital reorganisation. The set of consolidated financial statements included in this Annual Report have been prepared as a continuation of the consolidated financial statements of Wise Payments Ltd. As such, the comparative equity of the Group is adjusted to reflect the statutory share capital, equity merger reserve and own share reserve of the Company as if it had always been the ultimate parent of the Group, using the retrospective presentation method.

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, except for certain financial assets measured at fair value.

The principal accounting policies applied in the preparation of these consolidated financial statements are set out in note 2. These policies have been consistently applied to all the years presented, unless otherwise stated.

Preparation of financial statements requires significant accounting judgements and estimates which have been laid out in note 3.

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 in which future costs are substantially higher than the forecast and future trading is less than forecasted. Management expects that sufficient liquidity and regulatory capital requirement headroom is 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.

Note 1. Presentation of the consolidated financial statements continued

1.3 Basis of consolidation

The financial statements comprise the consolidated financial statements of Wise plc and its subsidiaries as at 31 March 2022.

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.

Note 2. Summary of significant accounting policies

2.1 Changes in 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 2021:

- Amendments to IFRS 9, IAS 39, IFRS 7, IFRS 4 and IFRS 16 – Interest Rate Benchmark Reform – Phase 2
- Amendment to IFRS 16 – Covid-19 Related Rent Concessions beyond 30 June 2021

The adoption of the above 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 2021 that would be expected to have a material impact on the Group.

New standards, amendments and interpretations not yet adopted

The following amendments are effective for annual periods beginning on or after 1 January 2022. These amendments have not been early adopted by the Group. None of the amendments are expected to have a material impact on the Group in the current or future reporting periods or on foreseeable future transactions:

- Amendments to IAS 37 – Onerous Contracts: Cost of Fulfilling a Contract
- Amendments to IAS 16 – Property, Plant and Equipment: Proceeds before Intended Use
- Annual Improvements to IFRS (2018-2020 cycle): IFRS 9 Financial Instruments – Fees in the '10 per cent' Test for Derecognition of Financial Liabilities
- IFRS 17 Insurance Contracts
- Amendments to IFRS 3 – Reference to the Conceptual Framework
- Amendment to IAS 1 – Classification of Liabilities as Current or Non-current
- Amendments to IAS 1 and IFRS Practise Statement 2 – Disclosure of Accounting Policies
- Amendments to IAS 8 – Definition of Accounting Policies
- Amendments to IAS 12 – Deferred Tax related to Assets and Liabilities arising from a Single Transaction
- Amendments to IFRS 10 and IAS 28 – Sale of contribution of assets between an investor and its associate or joint venture
- Amendments to IFRS 4 Insurance contract – deferral of IFRS 9
- Annual improvements on IFRS 1, IFRS 9, IAS 41 and IFRS 16

2.2 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 twelve 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 twelve 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.

2.3 Foreign currencies translation

The Group's consolidated financial statements are presented in Pounds Sterling. For each entity, the Group determines the functional currency and items included in the financial statements of each entity are measured using that 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 operating 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 as follows:

- assets and liabilities for each balance sheet presented are translated at the closing exchange rate at the date of that balance sheet;
- income and expenses are translated at average monthly exchange rates (unless exchange rates fluctuate significantly during the year, in which case the exchange rates at the transaction date are used), and
- all resulting exchange differences are recognised in other comprehensive income.

2.4 Cash and cash equivalents

Cash and cash equivalents include cash on hand, on-demand deposits, Money Market Funds (MMF) and other short-term high quality liquid investments with original maturities of three months or less and e-money held with payment processing partners. Cash that has been paid out from the Group bank account but has not been delivered to the bank account of the beneficiary is classified as cash in transit. Cash collateral deposits the Group holds with its counterparties are recognised under Trade and other receivables in the statement of financial position.

Customer deposits

The Group recognises financial assets and liabilities for the funds customers hold on their accounts ("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. 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.

Principles to determine the point of delivery are the same as applied in revenue recognition; see note 2.10. Cash that has been paid out but has not yet been delivered to the beneficiary account is reflected as cash in transit to customers.

The Group is subject to various regulatory safeguarding compliance requirements with respect to customer funds. As safeguarding requirements may vary across the different jurisdictions in which the Group operates, the Group holds customer funds in segregated accounts and other high quality liquid assets such as MMFs and investment grade bonds.

2.5 Financial assets

Investments and other 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.

In order for a financial asset to be classified and measured at amortised cost or FVOCI, it needs to give rise to cash flows that are 'solely payments of principal and interest (SPPI)' on the principal amount outstanding. This assessment is referred to as the SPPI test and is performed at an instrument level. Financial assets with cash flows that are not SPPI are classified and measured at fair value through profit or loss, irrespective of the business model.

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. Financial assets classified and measured at amortised cost are held with the objective to collect contractual cash flows, while financial assets classified and measured at fair value through OCI are held with the objective of both holding to collect contractual cash flows and selling.

The Group classifies debt securities (e.g. bonds) as FVOCI pursuant with the above policy 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. On disposal of these debt investments, any related balance within the FVOCI reserve is reclassified to profit or loss.

Recognition and derecognition

Purchases and sales of financial assets are recognised on the settlement date according to market conventions. Financial assets are derecognised when the rights to receive cash flows from the financial assets have expired or have been transferred and the Group has transferred substantially all the risks and rewards of ownership. Cash flows in relation to purchase or sale of these instruments are classified as investing activities in the consolidated cash flow statement.

Measurement

At initial recognition, the Group measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at fair value through profit or loss are expensed in profit or loss. Financial assets at amortised costs 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.

Impairment

The Group recognises an allowance for expected credit losses (ECL) for trade receivables and uses a simplified approach in calculating ECLs. Therefore, the Group does not track changes in credit risk, but instead recognises a loss allowance based on lifetime ECLs at each reporting date. 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 debt instruments held at FVOCI, the Group applies the low credit risk simplification. At every reporting date, the Group evaluates whether or not the debt instrument is considered to have low credit risk using all reasonable and supportable information that is available without undue cost or effort.

In making that evaluation, the Group reassesses the internal credit rating of the debt instrument. In addition, the Group considers that there has been a significant increase in credit risk when contractual payments are more than 30 days past due.

The Group's debt instruments held at FVOCI consisted solely of quoted bonds that are graded in the top investment category Aa2 and better by Moody's Credit Rating Agency and, therefore, are considered to be low credit risk investments. It is the Group's policy to measure ECLs on such instruments on a 12-month basis. However, when there has been a significant increase in credit risk since origination, the allowance will be based on the lifetime ECL. The Group uses the ratings from Moody's both to determine whether the debt instrument has significantly increased in credit risk and to estimate ECLs.

Refer to notes 2.19 and 4.2 for further information on trade receivables and expected credit losses.

2.6 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. The Group does not hold or issue derivative financial instruments for trading or speculative purposes.

Changes in the fair value of any derivative instruments that do not qualify for hedge accounting are recognised immediately in the income statement.

2.7 Property, plant and equipment

Property, plant and equipment is stated at historical cost less accumulated depreciation and any accumulated impairment losses. Historical cost includes expenditure that is directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.

Note 2. Summary of significant accounting policies continued

Depreciation is charged so as to allocate the cost of assets less their residual value over their estimated useful lives, using the straight-line method. Right-of-use assets are depreciated over the lease term (2-7 years). Capitalised reconstruction and internal design costs of leased office space (shown as 'Leased office improvements' in the Notes to the Group Consolidated Financial Statements) are depreciated over the lease term (typically 2-5 years) and other office equipment over 2 years.

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

2.8 Intangible assets – Internally generated software development costs

The Group develops software used in provisioning of its services. Development costs that are directly attributable to the design, development and testing of the software controlled by the Group are recognised as intangible assets when the following criteria are met:

- it is technically feasible to complete the software so that it will be available for use;
- management intends to complete the software;
- there is an ability to use the software;
- it can be demonstrated how the software will generate probable future economic benefits;
- adequate technical, financial and other resources to complete the development and to use the software are available; and
- the expenditure attributable to the software during its development can be reliably measured.

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 the software development employee costs.

Other development expenditures that do not meet these criteria are recognised as an expense as incurred. Development costs previously recognised as an expense are not recognised as an asset in a subsequent period.

Capitalised development costs, domain and licence purchases are recorded as intangible assets and amortised over their estimated useful economic lives. 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.

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.

2.9 Trade and other payables

Trade payables 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. Other payables, which relate to Wise Accounts and money transfers that have not been processed by the Group at the reporting date, are non-derivative liabilities to individuals or business customers for money they hold with the Group and do not constitute borrowings.

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

2.10 Revenue recognition

The Group primarily generates revenue from money transfers and Wise Account, including conversions and debit card services.

The Group recognises revenue according to the principles of IFRS 15 using the five-step model:

1. Identify the contracts with customers
2. Identify the performance obligations in the contract
3. Determine the transaction price
4. Allocate the transaction to the performance obligations in the contract
5. Recognise the revenue when (or as) the entity satisfies the performance obligation

A customer enters into the contract with the Group at the time of opening a Wise Account or initiating a money transfer. Generally, the customer agrees to the contractual terms by formally accepting, on Wise's website or the App, the terms and conditions of the respective service, which detail the Group's performance obligations and fees.

In the case of debit card services, it is at the time the card is made available for use and the customer is able to either make a payment or a withdrawal.

The fees charged to customers are shown to them upfront prior to the transaction being initiated. For international transfers, a single upfront fee per transaction is charged, consisting of a fixed and variable amount. The amount of both the fixed and the variable portion of the fee depends on a number of factors, including the currency route, the transfer size, the type of transaction being undertaken and the payment method used.

As there is typically a single performance obligation associated with each type of service provided to a customer, the revenue is recognised at the point in time when the performance obligation has been satisfied. For money transfers it is upon delivery of funds to the recipient. In case of money conversions it is when a customer balance is converted into a different currency and for debit card services it is upon transaction capture.

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

Other revenue

In FY2022 the Group launched a new investment product which allows customers to purchase investments using their Wise Account balance ("Assets"). The Group generates revenue from charging a fee on the value of the assets under management. The revenue, which is accrued on a daily basis, 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. Therefore, the Group does not recognise financial assets and liabilities for the Assets.

2.11 Other income recognition from contracts with partners

Income from contracts with partners is recognised over their contractual terms as the relevant performance conditions are met. The contracts may contain certain performance conditions and milestones. The Group defers any cash consideration received up front until it is probable that these conditions and milestones are met.

2.12 Interest income and expense

Interest income from investments and interest earned from holding customer funds on Wise Accounts is recognised as interest income from investments and operating assets using the effective interest rate method. Investments are classified as financial assets at fair value through other comprehensive income, whilst Wise Accounts holding customer funds are financial assets measured at amortised cost.

Interest expense incurred from holding customer funds on Wise Accounts primarily relate to negative interest rates on euro denominated balances.

2.13 Leases

A lease is a contract or part of a contract that conveys to the lessee the right to control the use of an identifiable asset for a period of time in exchange for consideration.

The Group as the lessee

Initial measurement

At the commencement date, a lessee shall recognise a right-of-use asset and a lease liability. At the commencement date, a lessee shall measure the right-of-use asset at cost. The cost of the right-of-use asset shall comprise:

- the amount of the initial measurement of the lease liability;
- any lease payments made at or before the commencement date, less any lease incentives received;
- any initial direct costs incurred by the lessee; and
- an estimate of costs to be incurred by the lessee in dismantling and removing the underlying asset, restoring the site on which it is located or restoring the underlying asset to the condition required by the terms and conditions of the lease.

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 predominantly related to office spaces leased in various locations. The lease liability is measured at the present value of the lease payments that are not paid at that date. The lease payments are discounted using the interest rate implicit in the lease, if that rate can be readily determined.

If that rate cannot be readily determined, the lessee shall use the lessee's incremental borrowing rate, being the rate that the individual lessee would have to pay to borrow the funds necessary to obtain an asset of similar value to the right-of-use asset in a similar economic environment with similar terms, security and conditions.

At the commencement date, the lease payments included in the measurement of the lease liability comprise the following payments for the right to use the underlying asset during the lease term that are not paid at the commencement date:

- fixed payments, less any lease incentives receivable;
- variable lease payments that depend on an index or a rate, initially measured using the index or rate as at the commencement date. Variable lease payments that depend on an index or a rate include, for example, payments linked to a consumer price index;
- amounts expected to be payable by the lessee under residual value guarantees;
- the exercise price of a purchase option if the lessee is reasonably certain to exercise that option; and
- payments of penalties for terminating the lease, if the lease term reflects the lessee exercising an option to terminate the lease.

Subsequent measurement

After the commencement date, a lessee measures the right-of-use asset estimated by applying a cost model. To apply a cost model, a lessee measures the right-of-use asset at cost less any accumulated depreciation and any accumulated impairment losses and adjusted for any remeasurement of the lease liability.

Right-of-use assets are generally depreciated over the shorter of the asset's estimated useful life and the lease term on a straight-line basis.

Otherwise, the lessee shall depreciate the right-of-use asset from the commencement date to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term.

If there are changes in lease payments, there may be a need to remeasure the lease liability. A lessee shall recognise the amount of the remeasurement of the lease liability as an adjustment to the right-of-use asset. However, if the carrying amount of the right-of-use asset is reduced to zero and there is a further reduction in the measurement of the lease liability, a lessee shall recognise any remaining amount of the remeasurement in profit or loss.

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

The Group presents the payments of principal and interest on lease liabilities as part of financing cash flows.

Extension and termination options

Extension and termination options are included in a number of property and equipment leases across the Group. These are used to maximise operational flexibility in terms of managing the assets used in the Group's operations. The extension and termination options held are exercisable only by the Group and not by the lessors.

At the reporting date, the Group is exposed to future cash outflows that are not reflected in the measurement of lease liabilities. These arise from extension options and a termination option available to the Group for a number of lease agreements for office spaces. The Group initially assesses at lease commencement whether it is reasonably certain it will exercise the options and subsequently reassesses it 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.

2.14 Cost of sales

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

- bank and partner fees, including any applicable discounts, incurred in processing customer transfers;
- net foreign exchange costs generated due to customer transactions and 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 required as well as product losses that are directly generated from consumer transactions, including chargeback losses.

Note 2. Summary of significant accounting policies continued

2.15 Current and deferred tax

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. Refer to note 9 for further details.

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.

2.16 Employee benefits

Short-term obligations

Liabilities for wages and salaries, including non-monetary benefits and accumulating annual leave that are expected to be settled wholly within 12 months after the end of the period in which the employees render the related service are recognised in respect of employees' services up to the end of the reporting period and are measured at the amounts expected to be paid when the liabilities are settled. The liabilities are presented as current employee benefit obligations in the balance sheet.

Long-term obligation

Employee entitlement for long-term leave is recognised as a liability using probability of staff departures and leave utilisation.

Share-based payments

The Company operates a scheme, under which the Group receives services from employees as consideration for equity instruments of the Company. The fair value of the employee services received in exchange for the grant of the options and awards is recognised in employee benefit expenses together with a corresponding increase in equity (share-based payment reserves), over the period in which the service and the performance conditions are fulfilled (the vesting period).

The total amount to be expensed is determined by reference to the fair value of the options granted. Non-market vesting conditions are included in assumptions of the number of options and awards that are expected to vest.

The total amount of the grant expense is recognised over the vesting period. At each reporting date, the entity revises its estimates of the number of options and awards that are expected to vest based on the non-market vesting conditions. 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 reserves. Upon exercises of share options, the impact is recognised in retained earnings.

Refer to note 3.4 for the significant accounting estimate in relation to employee share-based payments.

2.17 Employee share trust

The Group provides finance to the Employee Share Ownership Plan (ESOP) Trust 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 income statement. 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.

2.18 Segment reporting

The Group is managed on the basis of a single segment. This is consistent with the internal reporting provided to, and regularly reviewed by, the Chief Operating Decision Maker ("CODM"), which is currently the Board of Directors of the Group. The Group has therefore determined that it has only one reportable segment under IFRS 8, which is 'cross border payment services'. Refer to note 5.

2.19 Trade and other receivables

Trade and other receivables primarily consist of amounts due from payment processors 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 Group applies the simplified approach permitted by IFRS 9, which requires expected lifetime credit losses to be recognised from the initial recognition of the receivables. Refer to note 2.5 above for further information on expected credit losses.

2.20 Earnings per share

Basic earnings per share is 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 ESOP Trust.

Diluted earnings per share adjusts the figures used in the determination of basic earnings per share to take into account:

- the after-income tax effect of interest and other financing costs associated with dilutive potential Ordinary Shares; and

- the weighted average number of additional Ordinary Shares that would have been outstanding, assuming the conversion of all dilutive potential Ordinary 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.

2.21 Borrowings

Borrowings are recognised initially at fair value, net of transaction costs incurred, and are subsequently carried at amortised cost. Any difference between the proceeds (net of transaction costs) and the redemption value is recognised in the income statement over the term of the borrowing using the effective interest method. 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.

2.22 Provisions

Provisions are liabilities where the exact timing and amount of the obligation are uncertain. Provisions are recognised when the Group has a present obligation (legal or constructive) as a result of past events, when an outflow of resources is probable to settle the obligation and when an amount can be reliably estimated. Where the time value of money is material, provisions are discounted to current values using appropriate rates of interest. The unwinding of the discounts is recorded in net finance income or expense.

2.23 Specific allowance for expected credit losses

The Group may recognise specific allowance for individually material financial assets for which credit quality deteriorates significantly. The Group takes into account specific facts and circumstances that might indicate impairment, such as litigation risk, credit rating and financial results of the counterparty. The Group also uses the weighted probability method to assess the recoverability of the amounts and monitors subsequent changes in the assumptions and estimates on a regular basis. The recognised specific allowance amount at the year ended 31 March 2022 is £7.4m (2021: £6.7m). This allowance for credit losses is related to all of our funds being improperly withheld by a Brazilian financial institution, MS Bank S.A. Banco de Câmbio and all of the accounts receivable from the same party. The change in the allowance amount within the year relates to FX movements.

2.24 Legal provisions and contingent liabilities

The Group may become party to litigation proceedings from time to time and recognise a legal provision when a) it has a present obligation as the result of a past event, b) it is probable the outflow of economic resources will be required to settle the obligation and c) a reliable estimate of the such amount can be made. If these conditions are not met, the Group discloses contingent liabilities; unless the likelihood of the outflow of the economic benefit is remote.

The Group did not recognise any legal provision in relation to ongoing litigations for the year ended 31 March 2022 (2021:nil). In addition, the probability of the outflow of the economic benefit for any ongoing litigations is considered remote, thus the Group does not disclose any contingent liability for the year ended 31 March 2022 (2021:nil).

Note 3. Significant accounting judgements, estimates and assumptions

The preparation of the Group's consolidated financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the accompanying disclosures. Uncertainty about these estimates and assumptions could result in outcomes that require a material adjustment to the carrying amounts of assets and liabilities within the next financial year.

Judgements

In the process of applying the Group's accounting policies, management has made the following judgements, which have the most significant effect on the amounts recognised in the consolidated financial statements:

3.1 Customer balances

The Group recognises financial assets and corresponding liabilities for the funds customers hold on 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.

3.2 Deferred taxes

Deferred tax judgement is not dependent on assumptions or other key sources of estimation uncertainty, at the end of the reporting period, that could have a significant risk of causing material adjustment to the carrying amounts of assets and liabilities within the next 12 months. However, it does require estimates that are subject to inherent uncertainty.

Deferred tax assets are recognised for unused tax losses, future share option tax deductions and other temporary differences to the extent that it is probable that sufficient taxable profit will be available against which these assets can be utilised. Management judgement is required to determine the amount of deferred tax assets that can be recognised, based upon the likely timing and the level of future taxable profits. A significant element of the deferred tax asset relates to share-based payments and as referred below, in note 3.4, the share price at the balance sheet date is used in determining the amount of deferred tax asset.

In assessing the probability and sufficiency of future taxable profit, the management takes into account long-term forecasts and whether future profit forecasts are considered 'more likely than not' as supporting evidence for deferred tax asset recognition. The deferred tax asset is recognised at £113.6m (2021: £56.7m).

3.3 Net gains and losses from foreign exchange differences

The Group classifies 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 required, as cost of sales. The Group considers these costs as directly related to and incurred as part of providing services to the customers. The total net foreign exchange differences recognised in the cost of sales for the year ended 31 March 2022 is £13.3m (2021: £18.3m).

Estimates and assumptions

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are described below. The Group based its assumptions and estimates on parameters available when the consolidated financial statements were prepared.

Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising that are beyond the control of the Group. Such changes are reflected in the assumptions when they occur.

3.4 Share-based payments

Estimating fair value for share-based payment transactions requires determination of the most appropriate valuation model, which depends on the terms and conditions of the grant. This estimate also requires determination of the most appropriate inputs to the valuation model including the expected life of the share option or appreciation right, volatility and dividend yield and making assumptions about them.

The cost of share options is determined by the fair value at the date when the grant is made using the Black Scholes model. Further details on the assumptions are disclosed in note 20.

If the average share price within the financial year was higher or lower by 5%, the annual share-based payment compensation expense would be higher or lower by up to £1.1m (2021: £0.8m).

Additionally, the Group uses the share price at the balance sheet date in determining the deferred tax asset. Refer to note 9.

Note 4. Financial risk and capital management

This note further explains the Group's exposure to financial risks and how these risks could affect the Group's future financial performance. Current year profit and loss information has been included where relevant to add context.

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.

4.1 Liquidity risk

The Group monitors its risk of shortage of funds using cash flow forecasting. Management monitors rolling forecasts of the Group's liquidity requirements to make sure it has sufficient cash to meet operational needs. The Group's objective is to maintain a balance between continuity of funding and flexibility through the use of its revolving credit facility, share capital and lease contracts.

The Group's approach to managing liquidity risk is to make sure, as far as possible, that it always has enough liquidity to meet its liabilities when due, under both normal and stressed scenarios, without incurring unacceptable losses or risking damage to the Group's position.

The Group assessed the concentration of risk with respect to refinancing its debt and concluded it to be low. The Group has access to a £212.0m multi currency revolving facility and does not currently have debt maturing within 12 months.

The breakdowns of trade payables and borrowings into current and non-current are shown in notes 16 and 17. See also note 4.5 for the maturity profile of the Group's financial liabilities based on contractual undiscounted payments.

4.2 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.

Credit risk is managed at Group level and comes mainly from the Group's cash and cash equivalents held in banks and investments in bonds. The impairment provisions for financial assets disclosed in note 7 are based on assumptions about risk of default and expected loss rates.

If a bank or other financial institution has no independent credit rating, the Group evaluates its credit quality by analysing its financial position, past experience and other factors.

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

	2022 £m	2021 £m
Asset category		
Cash and cash equivalents	**6,056.3**	3,358.6
Short-term financial investments	**1,192.4**	737.5
Trade and other receivables	**130.1**	76.3
Total assets subject to credit risk	**7,378.8**	4,172.4

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.

Credit risk is mitigated as financial assets subject to credit risk are held with reputable institutions or in highly rated financial investments.

The Group's financial assets breakdown by credit rating of institution is as follows:

	2022 £m	2021 £m
Credit rating (Moody's)		
Cash and cash equivalents		
Aa	**4,249.5**	2,316.9
A	**1,519.0**	710.6
Baa, Ba, B	**62.4**	73.3
Caa	**0.8**	–
No rating*	**36.3**	99.8
Cash in transit	**188.3**	158.0
Total cash and cash equivalents subject to credit risk	**6,056.3**	3,358.60
Short-term financial investments		
Aa	**1,192.4**	737.5
Total short-term financial instruments subject to credit risk	**1,192.4**	737.5
Trade and other receivables		
Aa	**36.3**	14.7
A	**26.8**	1.0
Baa, Ba, B	**20.8**	15.4
No rating*	**46.2**	45.2
Total trade and other receivables subject to credit losses	**130.1**	76.3

* 'No rating' includes payment providers and banks with no public credit rating.

Before deciding to onboard third parties, the Group undertakes due diligence measures to assess and mitigate potential credit risks.

4.3 Market risk

Cash flow and fair value interest rate risk

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

In a stressed scenario a change of 10 basis points in the interest rates of interest-bearing liabilities at the reporting date would have changed profit and equity by £0.1m (2021: £0.1m).

The Group is also exposed to interest rate risk from negative interest rates on safeguarded customer balances. This risk is deemed negligible for the Group, due to its business model, as interest rate costs can be passed onto the customer in due course as well as general macroeconomic trends can result in interest rate increases on deposits.

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 limited period of time. Wise actively monitors foreign exchange risk, and exposures are managed through a combination of natural hedging and treasury products hedging.

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

Note 4. Financial risk and capital management continued

The Group's exposure to foreign exchange risk by currency is as follows:

	2022 £m	2021 £m
Net exposure by currency		
AUD	**17.3**	4.7
INR	**14.7**	13.7
BRL	**10.8**	3.7
MYR	**4.1**	0.4
USD	**(27.8)**	(9.8)
EUR	**(10.5)**	(21.9)
CAD	**(6.9)**	(0.9)
IDR	**(4.0)**	(3.5)
VND	**(3.6)**	(2.9)
JPY	**(3.4)**	0.6
Other financial assets	**12.9**	25.2
Other financial liabilities	**(17.7)**	(18.2)

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

	2022 £m	2021 £m
Sensitivity to 5% exchange rate change		
AUD	**0.9**	0.2
INR	**0.7**	0.7
BRL	**0.5**	0.2
MYR	**0.2**	0.0
USD	**(1.4)**	(0.5)
EUR	**(0.5)**	(1.1)
CAD	**(0.3)**	0.0
IDR	**(0.2)**	(0.2)
VND	**(0.2)**	(0.1)
JPY	**(0.2)**	0.0
Other financial assets	**0.6**	1.3
Other financial liabilities	**(0.9)**	(0.9)

The Group's sensitivity analysis shows that a 5% strengthening or weakening of the functional currency against the non-functional currency of its subsidiaries would result in the total comprehensive income, excluding tax effect, being £0.7m lower (2021:£0.4m lower). A 5% weakening would have an equal but opposite effect on total comprehensive income for the year, excluding 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.

4.4 Treasury and capital risk management

Treasury and capital risk mainly comprises:

Treasury risk:

The risk that the Group is unable to meet its contractual or contingent obligations or that it does not have the appropriate amount, tenor and composition of funding and liquidity to support its assets.

Capital risk:

The risk that the Group has an insufficient level 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, 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; and
- adhere to regulatory requirements in each jurisdiction.

Since 1 January 2022 the Group is subject to prudential regulatory consolidation which is subject to prudential 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.

Up to 31 December 2021, the Group followed prudential consolidation subject to Capital Requirements Directive IV ("CRD IV") which set out the framework for UK Capital Requirements Regulation ("CRR") and the FCA Prudential sourcebook for investment firms ("IFPRU").

Both TINV Ltd (MIFID Investment Firm) and the Group (MIFID Investment Group) are classified as Non-small and Non-interconnected investment firms ("SNI").

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's Internal Capital Adequacy Assessment ("ICARA") is a continuous risk assessment process which considers the business model implication on capital on an on-going basis pursuant to the guidance of MIFIDPRU 7 (similar to the Pillar 2 ICAAP process that was followed by the Group under CRR).

4.5 Carrying amounts and fair values of financial instruments

The Group's financial assets mainly consist of cash, short-term trade and other receivables and listed bonds. Its financial liabilities include trade liabilities and obligations towards financial institutions. All purchases and sales of financial assets are recognised on the settlement date according to market conventions.

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 fair value through other comprehensive income (FVOCI) comprise investments into highly liquid bonds with the objective of both collecting contractual cash flows and selling financial assets.

Financial assets and liabilities by measurement basis:

	2022 £m	2021 £m
Financial assets at amortised cost		
Long-term receivables	**0.9**	1.0
Short-term trade and other receivables	**129.2**	76.3
Cash and cash equivalents	**6,056.3**	3,358.6
Total financial assets at amortised cost	**6,186.4**	3,435.9
Financial liabilities at amortised cost		
Non-current lease liabilities	**(11.7)**	(16.6)
Non-current borrowings	**(78.5)**	(78.6)
Non-current trade and other payables	**(0.1)**	
Current lease liabilities	**(5.5)**	(3.5)
Current trade and other payables	**(6,997.7)**	(3,859.3)
Total financial liabilities at amortised cost	**(7,093.5)**	(3,958.0)
Financial assets at FVOCI		
Short-term financial investments	**1,192.4**	737.5
Total financial assets at FVOCI	**1,192.4**	737.5

Fair value hierarchy

The Group estimates that the fair values of assets and liabilities reported at amortised cost in the statement of financial position as at 31 March 2022 and 31 March 2021 do not materially differ from the carrying amounts reported in the consolidated financial statements.

The carrying amount of current accounts receivable and payable less impairments is estimated to be approximately equal to their fair value.

IFRS 13 has sought to make measurements at fair value more consistent and comparable by categorising fair value according to the hierarchy of the inputs used to measure them. These are categorised from Level 1 to Level 3 as follows:

- Level 1 – Quoted prices in active markets for identical assets or liabilities which the Group can access at the date of measurement.
- Level 2 – Inputs, other than quoted market prices included in Level 1, that are observable either directly or indirectly.
- Level 3 – Inputs that are not based on observable market data.

Note 4. Financial risk and capital management continued

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:

	2022 £m	2021 £m
Measurement Level 1		
Financial assets		
Short-term financial investments	**1,192.4**	737.5
Level 1 financial assets total	**1,192.4**	737.5

Financial instruments in level 1

The fair value of financial instruments traded in active markets is based on quoted market prices at the balance sheet date. A market is regarded as active if quoted prices are readily and regularly available from an exchange, dealer, broker, industry group, pricing service, or regulatory agency, and those prices represent actual and regularly occurring market transactions on an arm's length basis.

The quoted market price used for financial assets held by the Group is the current close price at the balance sheet date.

If the fair value of the short-term financial assets would change by 1% at the reporting date, that would result in a £11.9m (2021: £7.4m) increase or decrease in the balances and the corresponding impact on the comprehensive income.

Financial instruments in level 2 and 3

Throughout and at the end of the reporting period, the Group had no financial instruments in level 2 and 3 consistent with prior year.

Contractual maturity of financial liabilities based on undiscounted cash flows:

	2022 £m	2021 £m
Less than 1 year		
Current lease liabilities	**(6.1)**	(4.4)
Current borrowings	**(3.3)**	(2.4)
Current trade and other payables	**(6,997.7)**	(3,859.3)
Total financial liabilities	**(7,007.1)**	(3,866.1)
Between 1 and 5 years		
Non-current lease liabilities	**(12.4)**	(18.3)
Non-current borrowings	**(83.3)**	(84.8)
Non-current trade and other payables	**(0.1)**	–
Total financial liabilities	**(95.8)**	(103.1)

Current and non-current borrowings include principal and interest.

Note 5. Segment information

Description of segment

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

The Group's revenue, assets and liabilities for this one 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 6.

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

	2022 £m	2021 £m
Non-current assets by geographical region		
United Kingdom	**146.5**	99.4
Rest of the world	**24.3**	23.9
Total non-current assets	**170.8**	123.3

Note 6. Revenue

	Year ended 31 March	
	2022 £m	2021 £m
Revenue by customer type		
Personal	**433.2**	341.3
Business	**126.7**	79.7
Total revenue	**559.9**	421.0

Disaggregation of revenues

In the following table revenue from contract with customers is disaggregated by major geographical market based on customer address:

	Year ended 31 March	
	2022 £m	2021* £m
Revenue by geographical regions		
Europe (excluding UK)	**185.7**	136.3
United Kingdom	**124.3**	95.8
North America	**117.0**	89.8
Asia-Pacific	**101.3**	72.4
Rest of the world	**31.6**	26.7
Total revenue	**559.9**	421.0

* Comparative figures for the North America and Asia-Pacific regions have been represented, as in the 2021 Annual Report and Accounts, a portion of revenue (£16.8m) for North America was presented as Asia-Pacific revenues and vice versa. This did not impact the total revenue or the split for any other geographical regions.

No individual customer contributed more than 10% to the total revenue in 2022 and 2021.

Note 7. Cost of sales and administrative expenses

Breakdown of expenses by nature:

	Year ended 31 March	
	2022 £m	2021 £m
Cost of sales		
Bank and partner fees	**146.4**	117.8
Net foreign exchange loss and other product costs	**39.4**	33.9
Total cost of sales	**185.8**	151.7
Net credit losses on financial assets		
Amounts charged to credit losses on financial assets	**2.2**	8.8
Total net credit losses	**2.2**	8.8

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 negligible in both current and prior year.

	Year ended 31 March	
	2022 £m	2021 £m
Administrative expenses		
Employee benefit expenses	**184.8**	141.6
Marketing	**28.2**	21.7
Technology and development	**25.0**	19.9
Consultancy and outsourced services	**42.3**	27.3
Other administrative expenses	**22.9**	4.8
Depreciation and amortisation	**22.9**	21.7
Less: Capitalisation of staff costs	**(4.7)**	(19.5)
Total administrative expenses	**321.4**	217.5

Refer to note 8 for details on employee benefit expenses.

Note 7. Cost of sales and administrative expenses continued

Administrative expenses include £7.6m of exceptional items (2021: £4.0m) in relation to the one-off costs associated with the Group's direct listing on the London Stock Exchange on 7 July 2021. These exceptional items were reported as follows: £4.9m in Consultancy and outsourced services (2021: £3.9m), £0.2m in Marketing (2021: £0.1m) and £2.5m in Other administrative expenses (2021: nil). FY2022 exceptional items are net of £3.9m contribution received from the shareholders at the time of the listing (2021: nil).

These costs were treated as non-tax deductible in FY2022 and the corresponding impact in tax has resulted in an increase in expenses not deductible for tax purposes, as per note 9.

The cash flow in the year, associated with exceptional items, was £10.3m (FY2021: £1.3m).

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

	Year ended 31 March	
	2022 £m	2021 £m
Audit fees		
Fees payable to the Company's auditors and its associates for the audit of Company and consolidated financial statements	**1.7**	0.9
Audit of the financial statements of the Company's subsidiaries	**0.8**	0.2
Total audit fees	**2.5**	1.1
Non-audit fees		
Other services*	**0.5**	1.3
Total non-audit fees	**0.5**	1.3

* Other services include assurance fees, other regulatory and reporting services associated with the listing.

Note 8. Employee benefit expenses

	Year ended 31 March	
	2022 £m	2021 £m
Salaries and wages	**117.6**	86.4
Share-based payment compensation expense	**42.2**	38.1
Social security costs	**17.8**	14.0
Pension costs	**3.6**	1.9
Other employment taxes and insurance cost	**3.6**	1.2
Total employee benefit expense	**184.8**	141.6

Refer to note 20 for details on share options granted to employees.

The monthly average number of employees during the year ended 31 March 2022 was 2,919 (2021: 2,243 employees). Remuneration of key management personnel is disclosed in note 23.

Note 9. Tax

Tax expense:

	Year ended 31 March	
	2022 £m	2021 £m
Current income tax for the year		
UK corporation tax	**15.4**	6.2
Foreign corporation tax	**6.6**	4.9
Adjustment in respect of prior years	**(0.8)**	(1.3)
Total current tax expense for the year	**21.2**	9.8
Deferred income tax for the year		
(Increase)/Decrease in deferred tax	**(10.5)**	1.3
Adjustment in respect of prior years	**0.3**	(0.9)
Total deferred tax (credit)/expense for the year	**(10.2)**	0.4
Total tax expense for the year	**11.0**	10.2

Factors affecting tax expense for the year:

	Year ended 31 March	
	2022 £m	2021 £m
Profit before taxation	**43.9**	41.1
Profit multiplied by the UK tax rate of 19% (2021: 19%)	**8.3**	7.8
Adjustments in respect of prior periods	**(0.5)**	(2.2)
Effect of expenses not deductible	**2.4**	0.5
Movement in tax provisions	**1.2**	2.8
Employee option plan	**1.8**	0.5
Difference in overseas tax rates	**2.2**	1.0
Change in rate of recognition of deferred tax	**(4.4)**	–
Other adjustments	**–**	(0.2)
Total tax expense for the year	**11.0**	**10.2**

The Group's effective tax rate (ETR) before other comprehensive income (OCI) is a 25% charge (2021: 25% charge).

This equates to the applicable UK tax rate of 19%, adjusted for a number of factors such as disallowable listing costs, UK tax rate change, employee option plans and higher overseas tax rates.

On 24 May 2021, an increase in the UK corporation tax rate from 19% to 25% applicable from 1 April 2023 was substantively enacted. Therefore, the UK deferred tax assets and liabilities, which are expected to unwind after 1 April 2023, have been re-measured in the current reporting period based on the increased UK corporation tax rate and reflected in the statement of profit and loss and equity.

Amounts recognised in other comprehensive income:

	2022 £m	2021 £m
Deferred tax		
Recognition of deferred tax asset on listed bonds	**5.4**	–
Total amounts recognised in other comprehensive income	**5.4**	–

Amounts recognised directly in equity:

	2022 £m	2021 £m
Current tax		
Deduction for exercised options	**16.0**	3.1
Deferred tax		
Recognition of deferred tax asset on share-based payments*	**42.7**	23.5
Total amounts recognised directly in equity	**58.7**	26.6

* 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 £4.95. Comparative figures have been updated to present more appropriately the equity movements between current tax: deduction for exercised options and deferred tax: recognition of deferred tax asset on share-based payments for the year ended 31 March 2021.

Note 9. Tax continued

Deferred tax assets and liabilities

Movements during the year

Year ended 31 March 2022

	1 April 2021 £m	Recognised in income £m	Recognised in equity/OCI £m	FX £m	31 March 2022 £m
Property, plant and equipment	**0.2**	**(0.2)**	**–**	**0.1**	**0.1**
Share-based payments	**54.9**	**7.1**	**(12.0)**	**(0.1)**	**49.9**
Intangibles	**(2.7)**	**0.5**	**–**	**–**	**(2.2)**
Provisions	**1.9**	**0.8**	**–**	**–**	**2.7**
Tax losses	**2.4**	**0.5**	**54.2**	**0.1**	**57.2**
Other	**(2.0)**	**1.5**	**5.9**	**–**	**5.4**
Closing deferred tax asset	**54.7**	**10.2**	**48.1**	**0.1**	**113.1**
Represented by:					
Deferred tax assets					**113.6**
Deferred tax liabilities					**(0.5)**
Total					**113.1**

Year ended 31 March 2021

	1 April 2020 £m	Recognised in income £m	Recognised in equity/OCI £m	FX £m	31 March 2021 £m
Property, plant and equipment	(0.2)	0.4	–	–	0.2
Share-based payments	28.9	6.1	20.3	(0.3)	55.0
Intangibles	(1.3)	(1.4)	–	–	(2.7)
Provisions	1.0	0.9	–	–	1.9
Tax losses	4.8	(5.6)	3.2	–	2.4
Other	(1.2)	(0.8)	–	–	(2.0)
Closing deferred tax asset	32.0	(0.4)	23.5	(0.3)	54.7
Represented by:					
Deferred tax assets					56.7
Deferred tax liabilities					(2.0)
Total					54.7

The deferred tax asset is predominantly generated in the UK and the US and mainly comprises unexercised share options and losses generated by share-based payment deductions. The current year tax losses have arisen due to post-listing share option exercises.

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 has derived their forecasts from the approved group forecast used for the viability statements and going concern analysis. There is no time limit for utilisation of UK tax losses and the US losses can be carried forward for 20 years. Therefore, losses in the US generated in the current financial year will only expire at the end of FY2042. In light of this analysis, the Group considers it is probable that there will be sufficient taxable profits in the next 6 years to realise the deferred tax asset. Consequently, the Group has unrecognised deductible temporary differences of £nil (2021: £nil) and the asset has been recognised in full as at 31 March 2022.

Note 10. Earnings per share

The following table reflects the income and share data used in the basic and diluted earnings per share (EPS) calculations:

	2022	2021*
Profit for the year (£m)	**32.9**	30.9
Weighted average number of Ordinary Shares for basic EPS (in millions of shares)	**967.2**	934.0
Plus the effect of dilution from Share options (in millions of shares)	**66.8**	83.6
Weighted average number of Ordinary Shares adjusted for the effect of dilution (in millions of shares)	**1034.0**	1,017.6
Basic EPS, in pence	**3.40**	3.31
Diluted EPS, in pence	**3.18**	3.04

* For comparability and consistent presentation, the weighted average number of Ordinary Shares and share options for 2021 were determined on the same basis as the 2022 figures, i.e. as if all shares (common and preference) were redesignated into a single class of A Ordinary Shares, then each Class A shares split into 26 Class A Shares. Refer to note 18 for further details.

Note 11. Property, plant and equipment

	Right-of-use assets £m	Leased office improvements £m	Office equipment £m	Assets under construction £m	Total £m
At 31 March 2020					
Cost	17.5	6.5	4.6	0.1	28.7
Accumulated depreciation	(4.0)	(3.4)	(2.2)	–	(9.6)
Net book value	13.5	3.1	2.4	0.1	19.1
Additions	10.2	1.7	0.5	0.4	12.8
Reclassifications	–	–	0.1	(0.1)	–
Depreciation charge	(4.4)	(1.8)	(0.8)	–	(7.0)
Foreign currency translation differences	(0.6)	(0.1)	(0.2)	–	(0.9)
As at 31 March 2021					
Cost	26.4	7.5	4.0	0.4	38.3
Accumulated depreciation	(7.7)	(4.6)	(2.0)	–	(14.3)
Net book value	18.7	2.9	2.0	0.4	24.0
Additions	2.8	4.1	1.5	0.2	8.6
Reclassifications	–	0.4	–	(0.4)	–
Depreciation charge	(4.9)	(1.7)	(1.1)	–	(7.7)
Write-offs	(2.4)	–	–	–	(2.4)
Foreign currency translation differences	–	–	0.1	–	0.1
At 31 March 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

Refer to note 17 for disclosure of security.

Note 12. Intangible assets

	Software £m	Other intangible assets £m	Total £m
At 31 March 2020			
Cost	45.6	–	45.6
Accumulated amortisation	(24.3)	–	(24.3)
Net book value	21.3	–	21.3
Additions	19.3	1.6	20.9
Amortisation charge	(14.5)	(0.2)	(14.7)
As at 31 March 2021			
Cost	45.8	1.6	47.4
Accumulated amortisation	(19.7)	(0.2)	(19.9)
Net book value	26.1	1.4	27.5
Additions	**4.7**	**3.3**	**8.0**
Amortisation charge	**(14.8)**	**(0.4)**	**(15.2)**
Currency translation differences	**–**	**0.1**	**0.1**
At 31 March 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**

Software is an internally generated intangible asset which consists of capitalised development costs. Other intangible assets primarily include licences and domain purchases.

The Group's total product engineering costs for the year ended 31 March 2022 are £64.5m (2021: £49.8m), including £4.7m that was capitalised as Software intangible (2021: 19.5m). These costs directly relate to the development of the Group's product offerings and primarily comprise employee costs of the engineering and product teams.

Note 13. Trade and other receivables

	2022 £m	2021 £m
Non-current trade and other receivables		
Office lease deposits	**0.7**	1.0
Other non-current receivables	**13.6**	14.1
Total non-current trade and other receivables	**14.3**	**15.1**
Current trade and other receivables		
Receivables from payment processors	**69.5**	44.3
Collateral deposits	**33.6**	26.0
Prepayments	**8.3**	6.0
Other receivables*	**26.2**	5.0
Total current trade and other receivables	**137.6**	**81.3**

* Net of expected credit loss provision of £19.8m as at 31 March 2022 (2021: £14.2m). The movement in the year is predominantly related to increased activity and the related increase in customer balances, which resulted in the increase of customers' balances older than 60 days. Customer chargebacks increased by £1.5m to £2.9m at 31 March 2022 (31 March 2021: £1.4m) and overdrawn accounts increased by £3.4m to £9.5m (31 March 2021: £6.1m). The remaining £0.7m is attributable to exchange rate movements in the specific provision booked in FY2021 for the receivables with MS Bank S.A. Banco de Câmbio. The recognised specific provision amount at the year ended 31 March 2022 is £7.4m (2021: £6.7m).

The carrying values of current trade receivables approximate their fair values because these balances are expected to be cash settled in the near future unless a provision is made.

Note 14. Financial assets at fair value through other comprehensive income

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

	2022 £m	2021 £m
Short-term financial investments – level 1		
Listed bonds	**1,192.4**	737.5
Total short-term financial investments	**1,192.4**	737.5

During the year, the following losses were recognised in other comprehensive income:

	2022 £m	2021 £m
Debt investments at FVOCI		
Fair value losses recognised in other comprehensive income	**(22.6)**	(3.0)
Recognition of deferred tax asset on listed bonds	**5.4**	–
Total fair value losses in other comprehensive income	**(17.2)**	(3.0)

During the year, the Group sold £147.3m of financial assets at FVOCI before maturity. The net loss of £4.8m on disposal of the listed bond was transferred from the fair value reserves in equity to the consolidated income statement in other operating expenses.

Note 15. Cash and cash equivalents

	2022 £m	2021 £m
Cash and cash equivalents		
Cash at bank, in hand and in transit between Group bank accounts	**5,618.8**	3,018.0
Cash in transit to customers*	**154.6**	108.6
Investment into money market funds	**282.9**	232.0
Total cash and cash equivalents	**6,056.3**	3,358.6

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

Of the £6,056.3m (2021: £3,358.6m) cash and cash equivalents at the period end, £357.8m (2021: £286.1m) is considered corporate cash balance, not related to customer funds, which is held on Wise Accounts or collected from customers as part of the money transfer settlement process. Refer to note 21 for further details.

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

As at 31 March 2022, in addition to other highly liquid assets, such as money market funds and investment grade bonds, the Group held £4,930.2m (2021: £2,472.9m) of cash at bank in segregated, safeguarded bank accounts to secure customer deposits.

Note 16. Trade and other payables

	2022 £m	2021 £m
Non-current trade and other payables		
Non-current accruals and provisions	**15.7**	22.6
Total non-current trade and other payables	**15.7**	22.6
Current trade and other payables		
Outstanding money transmission liabilities*	**170.6**	141.2
Wise Accounts	**6,783.2**	3,712.7
Accounts payable	**10.4**	3.1
Accrued expenses**	**26.5**	20.5
Deferred revenue	**5.6**	3.2
Other payables	**37.9**	7.9
Total current trade and other payables	**7,034.2**	3,888.6

* Money transmission liabilities represent transfers that have not yet been paid out or delivered to a recipient.
** In the comparative year, within accrued expenses were included £2.6m of other provisions that are now presented separately in the Consolidated statement of financial position.

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

Note 17. Borrowings

	2022 £m	2021 £m
Current		
Lease liabilities	**5.5**	3.5
Total current borrowings	**5.5**	3.5
Non-current		
Revolving credit facility	**78.5**	78.6
Lease liabilities	**11.7**	16.6
Total non-current borrowings	**90.2**	95.2
Total borrowings	**95.7**	98.7

Debt movement reconciliation:

	Revolving credit facility £m	Lease liabilities £m	Total £m
As at 31 March 2020	49.2	14.6	63.8
Cash flows:			
Proceeds	118.6	–	118.6
Repayments	(90.0)	(3.9)	(93.9)
Interest expense paid	(2.2)	(0.8)	(3.0)
Non-cash flows:			
New leases		10.2	10.2
Interest expense	3.0	0.8	3.8
Foreign currency translation differences	–	(0.8)	(0.8)
As at 31 March 2021	78.6	20.1	98.7
Cash flows:			
Proceeds	43.0	–	43.0
Transaction costs related to revolving credit facility	(0.8)	–	(0.8)
Repayments	(43.0)	(3.8)	(46.8)
Interest expense paid	(2.8)	(0.9)	(3.7)
Non-cash flows:			
New leases	–	2.8	2.8
Interest expense	3.5	0.9	4.4
Foreign currency translation differences	–	0.1	0.1
Other lease movements	–	(2.0)	(2.0)
As at 31 March 2022	78.5	17.2	95.7

The interest expense accrued is recognised within the finance expense in the Consolidated statement of profit and loss.

Revolving credit facility (RCF)

In the year 31 March 2021, the Group entered into a Multi Currency Debt facility for £160.0m with Silicon Valley Bank, Citibank N.A., JP Morgan Chase Bank N.A. and National Westminster Bank plc with maturity date in March 2024. In August 2021, the Group exercised an accordion with Barclays Bank plc, Goldman Sachs Lending Partners LLC and Morgan Stanley Senior Funding Inc to increase the debt facility by an additional £52m.

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) is not less than a ratio of 4:1 in respect of any relevant period.

The undrawn amount of the facility as at 31 March 2022 was £132.0m (2021: £80.0m). During the year ended 31 March 2022, the effective interest rate on the relevant facility was between 2.8% and 3.7% (2021: 2.8-3.6%).

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 Ltd, 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 2022, the lease liabilities are £17.2m (2021: £20.1m) and relate to the expected terms remaining on UK, US, Estonia, Hungary and Singapore office space leases discounted at between 2.51% and 5.18%. The leases expire between 2023-2025.

The Group has extension options in a number of leases for office space, which have not been exercised as at 31 March 2022. The potential future lease payments, should the Group exercise the extension options, would result in an increase in the lease liability of £3.5m.

The Group has a termination option in an office lease, which has not been exercised as at 31 March 2022. The potential future lease payments, should the Group exercise the termination option, would result in a decrease in the lease liability of £0.9m.

Note 18. Share capital

	As at 31 March 2022			As at 31 March 2021					
	Wise plc			Wise plc			Wise Payments Ltd		
Class	Nominal value, £	Number of shares	Share capital, £	Nominal value, £*	Number of shares*	Share capital, £*	Nominal value, £	Number of shares	Share capital, £
Class A Shares	0.01	1,024,589,856	10,245,899	–	–	–	–	–	–
Class B Shares	0.000 000 001	398,889,814	0.40	–	–	–	–	–	–
Ordinary	–	–	–	0.01	433,918,706	4,339,187	0.000 01	16,689,181	166
Seed preferred	–	–	–	0.01	130,364,000	1,303,640	0.000 01	5,014,000	50
Series A preferred	–	–	–	0.01	176,410,000	1,764,100	0.000 01	6,785,000	68
Series B preferred	–	–	–	0.01	73,553,350	735,534	0.000 01	2,828,975	28
Series C preferred	–	–	–	0.01	65,033,436	650,334	0.000 01	2,501,286	25
Series D preferred	–	–	–	0.01	22,662,848	226,628	0.000 01	871,648	9
Series E preferred	–	–	–	0.01	39,911,482	399,115	0.000 01	1,535,057	15
Total		**1,423,479,670**	**10,245,899**		941,853,822	9,418,538		36,225,147	361

* The share capital presented reflects the share capital structure of Wise plc as if it had been the ultimate parent of the Group as of the comparative date.

On 22 June 2021, in relation to the preparation for the direct listing on the London Stock Exchange, Wise Payments Ltd undertook a share reorganisation in which all shares (ordinary and preference) were redesignated into a single class of A Ordinary Shares. Following which, each Class A Share was split into 26 Class A Shares. Wise Payments Ltd then undertook a bonus issue of B Ordinary Shares.

On the same day and following the above share reorganisation, Wise Payments Ltd shareholders entered into a share-for-share exchange agreement with the shareholder of Wise plc, acquiring Wise Payments Ltd's Class A and Class B Shares with nominal values of £0.000 01 and £0.000 000 001, in exchange for the issue of Wise plc Class A and Class B Shares with nominal values of £0.01 (i.e. 1,000 times greater than the nominal value of Wise Payments Ltd's Class A Shares) and £0.000 000 001, respectively. As a result, Wise plc became the ultimate parent company of the Group, with a 100% indirect investment in Wise Payments Ltd through Wise Financial Holdings Ltd.

During the financial year 2022 a total of 82,736,034 Ordinary Shares were issued for a total of £0.8m (2021:563,587 Ordinary Shares were issued for a total of £0.9m, classified as equity merger reserves post reorganisation).

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

Note 19. Equity merger reserve and Other reserves

Equity merger reserve

The merger reserve arises from the Group pre-listing reorganisation accounted for as capital reorganisation. Upon the reorganisation, the Group's Ordinary Shares have been represented as those of Wise plc. The difference between Wise Payments Ltd net assets and the nominal value of the shares in issue is recorded in the merger reserve.

Other reserves

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. Refer to note 14 for further details.

Note 20. Share-based employee compensation

After the reorganisation of the Group, as described in notes 1 and 18, share options for Wise Payments Ltd Ordinary Shares were replaced by share options for Wise plc Class A Shares. The same share-split ratio was applied as for the share capital reorganisation described in note 18.

As the result of the reorganisation, Wise Payments Ltd transferred its share-based payment reserves to retained earnings as the obligation to settle share-based payment awards would be with Wise plc. This transfer did not impact the consolidated results of the Group following the reorganisation and will be reflected in the standalone financial statements of Wise plc.

The employee share option plans are designed to provide long-term incentives for all employees to deliver long-term shareholder returns. Under the plans, participants are granted share options of the Company, which vest gradually over a 4-year period and are equity settled for shares within Wise plc. 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.

Transactions on the share option plan for employees during the year were as follows:

	As at 31 March 2022		As at 31 March 2021			
	Wise plc		Wise plc		Wise Payments Ltd	
Class	**Average exercise price per share option, £**	**Number of options**	Average exercise price per share option, £*	Number of options*	Average exercise price per share option, £	Number of options
Beginning of year	**0.11**	**97,252,168**	0.14	106,686,138	3.57	4,103,313
Granted during the year	**0.01**	**8,373,106**	0.32	13,282,230	8.32	510,855
Exercised during the year	**0.08**	**42,170,404**	0.06	14,653,262	1.54	563,587
Forfeited during the year	**0.16**	**5,149,847**	0.84	8,062,938	21.96	310,113
End of year	**0.11**	**58,305,023**	0.11	97,252,168	2.86	3,740,468
Vested and exercisable as at end of year	**0.15**	**36,294,247**	0.13	63,899,550	3.28	2,457,675

* Following the Group reorganisation, in which each Class A Share was split into 26 Class A Shares, the number of share options for all of the periods prior to 2022 were determined with the same share-split ratio and the average share exercise price was adjusted accordingly. For further information on the reorganisation refer to note 1.

The share-based payment compensation expense for the year ended 31 March 2022 is £42.2m (2021: £36.5m) for employees directly employed by the Group and £0.3m (2021: £0.4m) for outsourced personnel.

During the year £25.2m (2021: £2.8m) of share-based payments were exercised, forfeited or vested 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	Share options as at 31 March 2022	Share options as at 31 March 2021*
2013	2023	0.00014	275,126	3,043,118
2014	2024	0.00014	232,310	3,149,822
2015	2025	0.00271	1,443,678	8,835,606
2016	2026	0.10578	2,031,776	7,660,588
2017	2027	0.17574	3,258,130	7,405,450
2018	2028	0.17981	4,988,593	12,387,830
2019	2029	0.12845	11,429,400	18,760,586
2020	2030	0.15303	15,262,193	19,932,172
2021	2031	0.10972	8,810,346	16,076,996
2022	2032	0.00012	10,573,471	–
Total			58,305,023	97,252,168
Weighted average remaining contractual life of options outstanding at end of year			7.2 years	6.9 years

* For comparability and consistent presentation, the weighted average exercise price and the number of share options for all of the periods prior to 2022, were determined on the same basis as the 2022 figures; i.e. as if all share options split into 26, in accordance with the share-split ratio of Class A Shares during the Group reorganisation. Refer to note 1 for further details.

Valuation of share awards

The assessed fair value at the grant date of share options granted during the year ended 31 March 2022 was £9.51 per option on average (2021: £3.52). The fair value of the share options granted after the listing is calculated using the closing share price at the grant date. The fair value of the share options granted prior to the listing was independently determined using the Black Scholes Model that takes into account the exercise price, the term of the share option, the share price at grant date and expected price volatility of the underlying share, the risk-free interest rate for the term of the share option and the correlations and volatilities of the peer group companies.

For the year ended 31 March 2022 a total of 1,526,247 options were granted prior to listing and 6,846,859 options were granted post listing.

The Black-Scholes model inputs included:

- Options are granted for no consideration and vest over the 4-year period according to the vesting conditions;
- Average exercise price: £0.01;
- No dividends are expected to be paid;
- Expected price volatility of the Company's shares: 48%
- Risk-free interest rate: 1.44%
- Expected price volatility is based on the comparative information of the peer-group companies.

Risk-free interest rate is based on the UK 5-year government bond yield.

Share trust

The Group consolidates one share trust. The Group's own share reserve represents the weighted average cost of shares in the Wise Group Employee Benefit Trust (Ocorian) which are held for the purposes of fulfilling obligations in respect of the Group's share awards.

Note 21. Cash generated from operating activities

	Note	2022 £m	2021 £m
Cash generated from operations			
Profit for the year		**32.9**	30.9
Adjustments for:			
Depreciation and amortisation	7, 11, 12	**22.9**	21.7
Non-cash share-based payments expense		**42.2**	38.5
Foreign currency exchange differences		**18.3**	17.1
Current tax expense	9	**11.0**	10.2
Effect of other non-monetary transactions		**10.6**	5.7
Changes in operating assets and liabilities:			
(Increase)/decrease in prepayments and receivables		**(16.7)**	6.1
Increase in trade and other payables		**16.8**	30.0
(Increase)/decrease in receivables from customers and payment processors		**(34.0)**	3.2
Increase in liabilities to customers, payment processors and deferred revenue		**46.2**	31.3
Increase in Wise Accounts		**2,983.9**	1,881.6
Cash generated from operations		**3,134.1**	2,076.3

The table 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:

	Note	2022 £m	2021 £m
Breakdown of corporate and customer cash			
Cash and cash equivalents and short-term financial investments	14, 15	**7,248.7**	4,096.1
Receivables from customers and payment processors		**85.2**	47.3
Adjustments for:			
Outstanding money transmission liabilities and other customer payables		**(192.9)**	(144.6)
Wise Accounts	16	**(6,783.2)**	(3,712.7)
Corporate cash at end of the year		**357.8**	286.1

Corporate cash includes the 'Receivables from payments processors' as disclosed in note 13, as well as receivables from customers and partners. Those balances are reported under 'Other receivables' in note 13, 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.

Note 22. Commitments and contingencies

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

	2022 £m	2021 £m
Infrastructure subscriptions		
No later than 1 year	**1.4**	2.5
Later than 1 year and no later than 5 years	**0.7**	2.0
Total	**2.1**	4.5
Significant capital expenditure contracted		
No later than 1 year	**–**	2.1
Total	**–**	2.1

The Group does not have any other material commitments, capital commitments or contingencies as at 31 March 2022 and 31 March 2021.

Note 23. 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 tabulated below, in accordance with IAS 24 Related party disclosures requirements.

	2022 £m	2021 £m
Compensation of KMP of the Group		
Short-term employee benefits	**0.5**	0.5
Share-based payment expense	**3.1**	1.7
Total compensation paid to key management personnel	**3.6**	2.2

Short-term employee benefits include salaries for the KMP.

Share-based payment expense is related to employee share option plan (more information about the plan is provided in note 20).

	2022 £m	2021 £m
Transactions and balances with KMP of the Group		
Balances in Wise accounts	**1.8**	0.3
Other transactions	**0.7**	–
Total transactions and balances with KMP of the Group	**2.5**	0.3

Other transactions referred to contributions received from related parties at the time of the listing.

No other material transactions with related parties of the Group incurred during the financial years ended 31 March 2022 and 31 March 2021.

Note 24. Post balance sheet events

No post balance sheet events have occurred since 31 March 2022.

Company statement of financial position

As at 31 March 2022

	Note	2022 £m
Non-current assets		
Investments in subsidiary	3	119.3
Trade and other receivables		0.1
Total non-current assets		119.4
Current assets		
Deferred tax assets		0.3
Amounts due from Group companies	4	2.2
Cash and cash equivalents		11.1
Trade and other receivables		1.4
Total current assets		15.0
Total assets		134.4
Non-current liabilities		
Trade and other payables		0.1
Total non-current liabilities		0.1
Current liabilities		
Amounts due to Group companies	4	7.5
Current tax liabilities		1.4
Trade and other payables		1.3
Total current liabilities		10.2
Total liabilities		10.3
Net assets		124.1
Equity		
Share capital	5	10.2
Share-based payment reserves		86.7
Own shares reserve		(0.4)
Other reserves		0.1
Retained earnings		27.5
Total equity		124.1

The loss for the financial period to 31 March 2022 is £0.2m inclusive of £0.8m of dividend income.

Company registered number: 13211214

The accompanying notes form an integral part of the Parent Company financial statements.

The financial statements on pages 129 to 153 were authorised for issue by the Board of Directors on 28 June 2022 and were signed on its behalf by:

Kristo Käärmann
Co-founder and CEO

28 June 2022

Company statement of changes in equity

For the period from 18 February 2021 to 31 March 2022

	Note	Share capital £m	Share-based payment reserves £m	Own shares reserve £m	Other reserves £m	Retained earnings £m	Total equity £m
As at 18 February 2021		–	–	–	–	–	–
Group reorganisation							
Issue of share capital	5	9.9	–	(0.5)	–	–	9.4
Employee share schemes		–	79.1	–	–	–	79.1
Loss for the year		–	–	–	–	(0.2)	(0.2)
Share-based compensation expense		–	31.6	–	–	0.8	32.4
Issue of share capital		0.3	–	(0.3)	–	–	–
Employee share schemes		–	(24.0)	0.4	–	27.0	3.4
Redemption of preference shares		–	–	–	0.1	(0.1)	–
At 31 March 2022		10.2	86.7	(0.4)	0.1	27.5	124.1

The accompanying notes form an integral part of the Parent Company financial statements.

Notes to the Company financial statements

For the period from 18 February 2021 to 31 March 2022

Note 1. Accounting policies for the Company financial statements

General information

The Company is a public limited company, limited by shares, and has been incorporated in England. The Company primarily operates as a holding company for the Group's investments.

Basis of preparation

The financial statements have been prepared in accordance with United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the United Kingdom and the Republic of Ireland' ('FRS 102') and the Companies Act 2006. As permitted by section 408 of the Companies Act 2006, the Company's income statement and related notes have not been presented in these financial statements. The loss for the financial period ended 31 March 2022 was £0.2m.

In preparing these financial statements, the Company has taken advantage of certain exemptions permitted by FRS 102, as the equivalent disclosures are made in the Group's consolidated financial statements.

Exemptions have been applied in respect of the following disclosures:

- The cash flow statement and related notes
- The effects of new IFRSs
- Standards not yet effective
- Share-based payments
- Capital management disclosures
- Certain related-party transactions including the remuneration of key management personnel
- Financial instrument disclosures
- A reconciliation of shares outstanding at the beginning and end of the period

The financial statements have been prepared on the historical cost convention, except for financial instruments that are measured at fair value at the end of the reporting period, and on a going concern basis.

The preparation of the financial statements in conformity with FRS 102 requires the use of certain critical accounting estimates. It also requires management to exercise judgement in applying the Company's accounting policies.

The principal accounting policies adopted by the Company are set out below.

Significant accounting policies

The following principal accounting policies have been applied in the preparation of these financial statements. These policies have been consistently applied to all the years presented, unless otherwise stated.

Investments in subsidiaries

Investments in subsidiaries are stated at cost, less any provisions to reflect impairment in value.

Impairment of investments in subsidiaries

The Company assesses investments for impairment whenever events or changes in circumstances indicate that the carrying value of an investment may not be recoverable.

If any such indication of impairment exists, the Company makes an estimate of the recoverable amount. If the recoverable amount of the cash-generating unit is less than the value of the investment, the investment is considered to be impaired and is written down to its recoverable amount. An impairment loss is recognised immediately in the profit and loss account.

Taxation

Tax on the profit or loss for the period comprises current and deferred tax. Tax is recognised in the income statement except to the extent that it relates to items recognised directly in equity or other comprehensive income, in which case it is recognised directly in equity or other comprehensive income. Current tax is the expected tax payable or receivable on the taxable income or loss for the period, using tax rates enacted or substantively enacted at the balance sheet date, and any adjustment to tax payable in respect of previous periods.

Deferred tax is provided on temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. The amount of deferred tax provided is based on the expected manner of realisation or settlement of the carrying amount of assets and liabilities, using tax rates enacted or substantively enacted at the balance sheet date.

A deferred tax asset is recognised only to the extent that it is probable that future taxable profits will be available against which the temporary difference can be utilised.

Share-based payments

The Group operates an equity settled share-based compensation plan for the employees of subsidiary undertakings using the Company's equity instruments. The fair value of the compensation given in respect of this share-based compensation plan is recognised as a capital contribution to the Company's subsidiary undertakings over the vesting period. The capital contribution is reduced by any payments received from subsidiary undertakings in respect of these share-based payments.

This plan was previously operated by the former ultimate parent of the Wise Group, Wise Payments Ltd. On 22 June 2021, as part of the pre-listing reorganisation of the Wise Group, the obligation to settle the share-based payment awards was transferred from Wise Payments Ltd to the Company. Under FRS 102 Section 26 Share-based payments, at the date of the transfer of the obligation to the Company the charge of £79.1m, which was based on the value of the share-based payment awards in Wise Payments Ltd, was treated as a cost of investment in Wise Payments Ltd, with a corresponding increase in the Company's share-based payment reserves.

Key sources of estimation uncertainty

The preparation of the financial statements in conformity with FRS 102 requires that management make certain estimates and assumptions that affect the reported revenues, expenses, assets and liabilities and the disclosure of contingent liabilities. If in the future such estimates and assumptions, which are based on management's best estimates at the date of the financial statements, deviate from actual circumstances, the original estimate and assumptions will be updated as appropriate in the period in which the circumstances change.

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

Note 2. Dividend income

Dividends received from subsidiary undertakings are recognised in the parent's income statement. The Company received £0.8m of dividend income from subsidiary undertakings during the financial period to 31 March 2022.

Note 3. Investment in subsidiaries at cost

The Company holds a direct investment in Wise Financial Holdings Ltd. In addition, during the period to 31 March 2022, the Company recognised a capital contribution of £30.7m representing the service costs for the employees of its subsidiaries, under the Company's share option schemes.

A full breakdown of the Company's direct and indirect subsidiary undertakings is provided in note 6.

The movement in the subsidiary undertakings during the financial period to 31 March 2022 is provided below:

	31 March 2022 £m
Beginning of the period	**–**
Additions	**18.9**
Disposals	**(9.4)**
Transfer of the obligation to settle share-based payment awards	**79.1**
Capital contributions regarding employee services in subsidiaries	**30.7**
End of the period	**119.3**

On 22 June 2021, Wise Payments Ltd distributed its entire issued share capital of Wise Financial Holdings Ltd to the Company and the Company contributed its shares in Wise Payments Ltd to Wise Financial Holdings Limited in exchange for an issue of new shares in Wise Financial Holdings, resulting in Wise Financial Holdings Limited becoming a holding company of Wise Payments Ltd below the Company.

As a result of the reorganisation of the Wise Group, the obligation to settle the share-based payment awards was transferred from Wise Payments Ltd to the Company. Accordingly, the share-based payment charge has been treated as a cost of investment in the subsidiary of the Company.

Note 4. Amounts with Group undertakings

Current amounts due from Group undertakings are mainly comprised from management services provided from the Company to subsidiaries. Current amounts due to Group undertakings are related to pass through of employee share options sales to the respective employing entity.

	From 18 February 2021 to 31 March 2022 £m
Amounts due from Group undertakings	
Wise Payments Ltd	2.1
Wise Investments Holdings	0.1
Total	**2.2**
Amounts due to Group undertakings	
Wise Payments Ltd	7.5
Total	**7.5**

Amounts due from Group companies are repayable in cash and short term in nature.

Note 5. Called up share capital

	As at 31 March 2022		
	Wise plc		
Class	Nominal value, £	Number of shares	Share capital, £
Class A Shares	0.01	1,024,589,856	10,245,899
Class B Shares	0.000 000 001	398,889,814	0.40
Ordinary	–	–	–
Total allotted and paid called up share capital		**1,423,479,670**	**10,245,899**

The Class A Shares of the Company were admitted to trading on the London Stock Exchange on 7 July 2021. In relation to the listing of the Company on the London Stock Exchange on 7 July 2021, the following steps were completed on 22 June 2021:

- the existing preferred and Ordinary Shares in Wise Payments Ltd were re-designated as A Ordinary Shares and a share split was undertaken;
- the existing shareholders of Wise Payments Ltd were offered the opportunity to elect to receive the B Shares, in addition to their A Shares, to create a dual-class share structure comprising A Shares and B Shares. Such B Shares were issued by way of bonus issue to such electing, existing shareholders;
- the existing shareholders in Wise Payments Ltd entered into the share for share exchange with Wise plc, pursuant to which Wise plc acquired the entire issued share capital of Wise Payments Ltd in exchange for the issue of matching Class A Shares, Class B Shares and a non-voting redeemable preference share in Wise plc to the existing shareholders (and any unexercised options and unvested awards respectively over shares in Wise Payments Ltd were exchanged for options over Class A Shares in Wise plc).

As a result of the restructure, Wise Payments Ltd transferred its share-based payment obligations to Wise plc, who will be responsible for the settlement of the share-based payment awards.

Each Class A shareholder is entitled to one vote for each Class A share held, subject to any restrictions on total voting rights as set out in the Company's Articles of Association. Class A shareholders are entitled to interim or annual dividends to the extent declared and do not hold any preferential rights to dividends. Class A 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 6. Other statutory information

In accordance with section 409 of the Companies Act 2006 a full list of subsidiaries and associates, the country of incorporation and the effective percentage of equity owned at 31 March 2022 is disclosed below. The branches of the Group outside the UK are also provided below. Unless otherwise stated the share capital disclosed comprises Ordinary Shares which are indirectly held by Wise plc.

All subsidiary companies are resident for tax purposes in their country of incorporation unless otherwise stated:

Name	Nature of business	Effective holding % of Ordinary Shares	Country	Registered address
Wise Financial Holdings*	Holding company	100%	UK	6th Floor, Tea Building, 56 Shoreditch High Street, London, England, E1 6JJ
Wise Payments Limited	Online currency exchange service	100%	UK	6th Floor, Tea Building, 56 Shoreditch High Street, London, England, E1 6JJ
Wise Investments Holdings	Holding company	100%	UK	6th Floor, Tea Building, 56 Shoreditch High Street, London, England, E1 6JJ
TINV Ltd	Investment activities	100%	UK	6th Floor, Tea Building, 56 Shoreditch High Street, London, England, E1 6JJ
TINV Nominees Ltd	Investment activities	100%	UK	6th Floor, Tea Building, 56 Shoreditch High Street, London, England, E1 6JJ
TINV Europe AS	Investment activities	100%	Estonia	Veerenni tn 24, Tallinn city, Harju County, 10135, Estonia
Wise Europe SA	Online currency exchange service	100%	Belgium	Avenue Louise 54, room S52, 1050 Brussels, Belgium
Wise Switzerland AG	Dormant	100%	Switzerland	Oberneuhofstrasse 6, 6340 Baar, Switzerland
Wise ILS Ltd	Dormant	100%	Israel	7 Ribal, Tel Aviv – Jaffa, 6777840 Israel
Wise Nuqud Ltd	Online currency exchange service	100%	United Arab Emirates	5-141, level 15, Al Khatem Tower, Adgm Square, Al Maryah Island, Abu Dhabi, United Arab Emirates
Wise Payments Canada Inc	Online currency exchange service	100%	Canada	99 Bank Street, Suite 1420, Ottawa, ONK1P 1H4, Canada
Wise US Inc	Online currency exchange service	100%	USA	108 West 13th Street, Wilmington, New Castle Delaware
Wise Brasil Corretora de Cambio Ltda	Online currency exchange service	100%	Brazil	Avenida Paulista, 2537, Bela Vista, São Paulo, 01311-100, Brasil
TransferWise Brasil Correspondence Cambial e Pagamentos Ltd	Dormant	100%	Brazil	Avenida Paulista, 2537, Bela Vista, São Paulo, 01311-100, Brasil
Wise Brasil Pagamentos Ltda	Online currency exchange service	100%	Brazil	Avenida Paulista, 2537, Bela Vista, São Paulo, 01311-100, Brasil
Wise Chile SpA	Dormant	100%	Chile	Los Militares 5001, oficina 1101, Las Condes
Wise Pagos Mexico, S.A. de C.V.	Dormant	100%	Mexico	Montecito 38, piso 37 oficina 30, Colonia Narvarte, WTC Mexico, Ciudad de México, C.P. 03810

Name	Nature of business	Effective holding % of Ordinary Shares	Country	Registered address
Wise Australia Pty Ltd	Online currency exchange service	100%	Australia	Level 15, 390 St Kilda Road, Melbourne, VIC 3004
Wise China Ltd	Online currency exchange service	100%	China	Room 150, 4th Floor, Fuhui Building C, No. 26 Qixia Road, Pudong New Area, Shanghai, China, 200120
Wise Payments Hong Kong Ltd	Online currency exchange service	100%	Hong Kong	46/F, Lee Garden One, 33 Hysan Avenue, Causeway Bay, Hong Kong
Wise Payments India Private Ltd	Dormant	100%	India	Level 7, B wing, The Capital, G-Block Bandra Kurla Complex, Bandra (East) Mumbai, Mumbai City MH 400051 India
PT Wise Payments Indonesia	Online currency exchange service	100%	Indonesia	GOWORK, PLAZA INDONESIA MALL, LT. 5, JL. M.H. THAMRIN KAV. 28-30, Kel. Gondangdia, Kec. Menteng, Kota Adm. Jakarta Pusat, Prov. DKI Jakarta
Wise Payments Japan K.K.	Online currency exchange service	100%	Japan	1-6-1, Otemachi, Chiyoda-ku, Tokyo, Japan 100-0004
Wise Payments Malaysia Sdn. Bhd.	Online currency exchange service	100%	Malaysia	Level 19-1, Menara Milenium, Jalan Damanlela, Pusat Bandar Damansara, 50490 Kuala Lumpur, Malaysia
Wise Pilipinas Inc.	Dormant	100%	Philippines	Wework 30th Floor Yuchengco Tower, RCBC Plaza, 6819 Ayala Ave., Bel-Air, Makati City 1226, Philippines
Wise Asia-Pacific Pte Ltd	Online currency exchange service	100%	Singapore	1 Paya Lebar Link #13-06 – #13-08, PLQ 2, Paya Lebar Quarter, Singapore 408533
Wise Payments Korea Ltd	Dormant	100%	South Korea	83 Uisadang-daero, Yeongdeungpo-gu, Seoul, 07325, South Korea
Wise Payments (Thailand) Ltd	Dormant	100%	Thailand	999/9, The Offices at Central World, Common ground zone, G Floor, Unit C08, Rama I Road, Pathumwan Sub-district, Pathumwan District, Bangkok
Vaho Forex Private Ltd	Dormant	100%	India	4/55 Wea Saraswati Marg, Karol Bagh, Delhi 110005, India
Wise Payments Ltd	Branch	n/a	Hong Kong	46/F, Lee Garden One, 33 Hysan Ave, Causeway Bay, Hong Kong
Wise Payments Ltd, Eesti Filiaal	Branch	n/a	Estonia	Veerenni tn 24, Tallinn city, Harju county, 10135, Estonia
Wise Payments Ltd, Magyarorszagi Fioktelepe	Branch	n/a	Hungary	1133 Budapest Vaci ut 80, Hungary
Wise Payments Ltd	Branch	n/a	New Zealand	Level 11, 41 Shortland Street, Auckland, 1010, New Zealand
Wise Payments Ltd	Branch	n/a	Netherlands	Kingsfordweg 151, 1043GR Amsterdam
TransferWise Limited, Sucursal en Espana	Branch	n/a	Spain	Principe de Vergara 112, 4st floor, 28002 Madrid, Spain

* Directly held by the Company

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 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.

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. The Group believes that Adjusted EBITDA is a useful measure for investors because it is a measure closely tracked by management to evaluate the Group's performance and make financial, strategic and operating decisions and because it may help investors to understand and evaluate, in the same manner as management, the underlying trends in the Group's performance on a comparable basis, period on period	See definition for calculation method
Free cash flow (FCF)	Measure of cash flow which further takes into account the net cash flows from operating activities less the change in working capital (excluding the change in collateral and other 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 for calculation method
Adjusted EBITDA margin	Adjusted EBITDA as a percentage of total revenue	See definition for calculation method
FCF conversion	Free cash flow as a percentage of Adjusted EBITDA	See definition for calculation method
Exceptional items	Exceptional items are items of income or expense that the Group considers to be material, one-off in nature and of such significance that they merit separate presentation in order to aid with understanding of the Group's financial performance. Such items include costs associated with the changes in the Group's organisational structure and direct listing	See note 7 for further information
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 note 21 for further information

Adjusted EBITDA and FCF reconcile to profit for the year as follows:

	2022 £m	2021 £m
Profit for the year	**32.9**	30.9
Adjusted for:		
Income tax expense	**11.0**	10.2
Finance expense	**4.8**	3.8
Depreciation and amortisation	**22.9**	21.7
Share-based payment compensation expense	**42.2**	38.1
Exceptional items	**7.6**	4.0
Adjusted EBITDA	**121.4**	108.7
Revenue	**559.9**	421.0
Adjusted EBITDA* margin	**21.7%**	25.8%
Corporate cash working capital change excl. collaterals	**9.0**	23.1
Adjustment for exceptional and pass-through items in the working capital	**(0.5)**	–
Payments for lease liabilities	**(4.7)**	(4.7)
Capitalised expenditure – Property, plant and equipment	**(4.6)**	(2.3)
Capitalised expenditure – Intangible assets	**(7.3)**	(20.9)
Free cash flow (FCF)	**113.3**	103.9
FCF conversion (FCF as a % of Adjusted EBITDA)	**93.3%**	95.6%

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.

	2022 £m	2021 £m
Cash flows from operating activities		
Profit for the period	**32.9**	30.9
Adjustments for non-cash transactions	**53.4**	76.5
Change in corporate working capital	**2.2**	38.7
Receipt of interest	**0.7**	0.4
Payment of income tax and interest charges	**(17.1)**	(10.1)
Net cash generated from operating activities	**72.1**	136.4
Net cash used in investing activities	**(11.6)**	(23.2)
Net cash (used in)/generated from financing activities	**(1.3)**	24.8
Total increase in corporate cash	**59.2**	138.0
Corporate cash at beginning of year	**286.1**	155.1
Effect of exchange rate differences on corporate cash	**12.5**	(7.0)
Corporate cash at end of the year	**357.8**	286.1

	2022 £m	2021 £m
Breakdown of corporate and customer cash		
Cash and cash equivalents and short-term financial investments	**7,248.7**	4,096.1
Receivables from customers and payment processors	**85.2**	47.3
Adjustments for:		
Outstanding money transmission liabilities and other customer payables	**(192.9)**	(144.6)
Wise Accounts	**(6,783.2)**	(3,712.7)
Corporate cash at end of the year	**357.8**	286.1

Glossary

ABC	anti-bribery and corruption
Act or Companies Act	the UK Companies Act 2006, as amended, modified or re-enacted from time to time
Active customers	total number of unique customers who have completed at least one cross currency transaction in a given period
Adjusted EBITDA	profit for the year before income taxes, interest, depreciation and amortisation, share-based compensation expense and exceptional items
Adjusted EBITDA margin	adjusted EBITDA divided by revenue
Admission	the admission of the Class A Shares to the standard listing segment of the Official List of the FCA and to trading on the London Stock Exchange's Main Market for listed securities. Date started listing on LSE in July 2021
AGM	a general meeting held as the Company's annual general meeting in accordance with Section 336 of the Act
AML	anti-money laundering
Andreessen Horowitz	AH Parallel Fund IV, L.P., Andreessen Horowitz LSV Fund I, L.P. and Andreessen Horowitz Fund IV, L.P.
API	application programming interface
Articles	the current Articles of Association of the Company
Average price	price reported to customers in the Wise quarterly mission updates which is based on a fixed basket of representative currencies to eliminate any route or payment mix effect
Board	the board of directors of Wise plc
CAGR	compound annual growth rate
CEO or Chief Executive Officer	the chief executive officer of the Company
CFO or Chief Financial Officer	the chief financial officer of the Company
Class A Shares	the class A Ordinary Shares in the capital of the Company with a nominal value of £0.01 each
Class A Shareholder	a registered holder of Class A Shares
Class B Shares	the class B Ordinary Shares in the capital of the Company with a nominal value of £0.000000001 pence each
Class B Shareholder	a registered holder of Class B Shares
CMA	the Competition and Markets Authority
Company	Wise plc
Customer Share Giveaway	the award of shares to approximately 2000 of Wise's most active customers
COVID-19	Coronavirus disease 2019
Direct Listing	a direct listing on the London Stock Exchange's Main Market
Directors	the directors of the Company
Disclosure Guidance and Transparency Rules	the disclosure guidance and transparency rules of the FCA in relation to the disclosure of information by an issuer whose financial instruments are admitted to trading on a regulated market in the UK
Dual-Class Share Structure	the Company's share capital structure at Admission consisting of two classes of shares, namely Class A Shares and Class B Shares
Eligible Class B Shareholder	all Existing Shareholders prior to Admission (including employee holders of vested share options who choose to exercise prior to Admission)
Eligible Customer	a customer eligible to participate in the OwnWise programme in accordance with the criteria set out in "The Direct Listing, Dual Class Share Structure and OwnWise—OwnWise—Who's eligible?"
Emission Zero	sustainability pillar, Wise's response to the climate crisis
Employee Share Trust	TransferWise Employee Share Trust established on 11 June 2021 between TWL and Equiniti Trust (Jersey) Limited

Executive Chair	David Wells
Executive Directors	the executive Directors of the Company
Executive Founder	Kristo Käärmann
FCA	the Financial Conduct Authority
FRC	the Financial Reporting Council
FTSE	Financial Times Stock Exchange
UK Corporate Governance Code 2018	the UK Corporate Governance Code published by the Financial Reporting Council, as amended from time to time
Group reorganisation	the reorganisation of the Group's corporate structure as described in the Share Capital Structure of the Directors report pursuant to which, among other things, the Company became the ultimate holding company of the Group
IFRS	International Financial Reporting Standards
KYC	know your customer
Listing Rules	FCA Handbook Listing Rules
Long-term Incentive Plan	the discretionary share plan called the Wise Long-term Incentive Plan
LTIP Awards	the long-term incentive plan awards
LTIP Option	an option to acquire Class A Shares at an exercise price set at grant (which may be nil)
Main Market	the main market for listed securities of the London Stock Exchange
Mission Day/Mission Update	Programme of quarterly comms to customers and half-year conferences with employees
Mission Zero	Wise's customer pricing initiative
Non-Executive Directors	the non-executive Directors of the Company
OwnWise	our customer shareholder programme designed to reward customers of Wise who also become long-term shareholders with bonus shares in Wise and other perks
OwnWise Bonus Shares	Class A Shares to be issued in connection with OwnWise to participating Eligible Customers who buy Class A Shares during the relevant OwnWise Eligibility Period and continue to hold these for 12 months following the close of the relevant OwnWise Eligibility Period
Prospectus	The Wise Prospectus prepared for the purpose of Admission
PwC	PriceWaterhouseCoopers LLP
Registrar	means the Company's registrar, Equiniti Limited
Regulatory Information Service	one of the regulatory information services authorised by the FCA to receive, process and disseminate regulatory information from listed companies
Remuneration Committee	the Company's remuneration committee
RSUs	restricted share units granted under the 2021 EIP
Senior Leadership Team (SLT)	as shown in the "Our leaders at Wise." section on Wise website https://wise.com/owners
Senior Managers Certification Regime	an FCA accountability framework focused on senior management responsibilities and conduct. More information is found on https://www.fca.org.uk/firms/senior-managers-certification-regime

Shares	the shares in the capital of the Company from time to time, which from Admission shall consist of the Class A Shares and the Class B Shares, each having
sterling or pounds sterling or pounds or GBP or £ or pence	the lawful currency of the United Kingdom
Total take rate or take rate	total fees across all customer activity (conversion and other) as a proportion of volume
United Kingdom or UK	the United Kingdom of Great Britain and Northern Ireland
United States or U.S. or USA	the United States of America, its territories and possessions, any State of the United States of America, and the District of Columbia
US dollar or USD or $	the lawful currency of the United States of America
VPC or volume per customer	the average volume per each active customer, calculated as total volume divided by total active customers in the period
"Wise" or "we" or "our" or "Group"	Wise plc and its subsidiary undertakings
Wise Account	the Wise international account for personal customers
Wise accounts	together, the Wise international accounts for personal (Wise Account) and business (Wise Business)
Wise Business	the Wise international account for business customers
Wise Card	Plastic card issued to Wise Account holders
Wise Europe	TransferWise Europe SA/NV
Wise Platform	the Wise product for bank and enterprise partners
Wise Transfer	Wise's product for sending money
Wisers	Wise employees

Directors

David Wells
Independent Non-Executive Chair
(Former CFO, Netflix)

Kristo Käärmann
Co-founder and CEO

Matthew Briers
CFO

Alastair Rampell
Non-Executive Director
(Partner, Andreessen Horowitz)

Clare Gilmartin
Independent Non-Executive Director
(Former CEO, Trainline)

Hooi Ling Tan
Independent Non-Executive Chair
(Co-founder, Grab)

Ingo Uytdehaage
Independent Non-Executive Chair
(CFO, Adyen)

Terri Duhon
Independent Non-Executive Chair,
(NED and Risk Chair, Morgan Stanley International)

Shareholder Information

Investor Relations
wise.com/owners/

Wise's Class A common shares trade on the London Stock Exchange under the ticker WISE; written as LSE:WISE or LON:WISE. ISIN is GB00BL9YR756

American Depositary Receipts (ADRs) are available in the US under the ticker WIZEY

Registrar
Equiniti
Broadgate Tower
6, Broadgate Tower,
20 Primrose Street
London EC2A 2EW
020 3890 2163

Independent Auditors
PricewaterhouseCoopers LLP Chartered Accountants
1 Embankment Place,
London,
WC2N 6RH

Annual General Meeting
Wise's Annual General Meeting will be held on September 23 2022 at 11:00 BST

Company Secretary
Jane Fahey

Registered Company Number
Registered in England and Wales

Company number 13211214

Registered Office
Wise plc
6th floor, Tea Building 56 Shoreditch High Street
London E1 6JJ
020 7964 0500

FORWARD LOOKING DISCLOSURE DISCLAIMER

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