

MONEY WITHOUT

2023
Annual Report
and Accounts



BORDERS



Wise



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3 PRODUCTS.
40+ CURRENCIES.
170+ COUNTRIES.

Customer stories

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

WE'RE SOLVING A MASSIVE PROBLEM



Kristo Käärmann **Co-founder and CEO**

Twelve years ago we set out to solve the massive problem people and businesses face in sending money around the world. Today, roughly 5% of the cross-border money moved by people goes through Wise and for small businesses this is approaching 1%. This means over the past year we saved our customers c.£1.5 billion* in fees compared to banks.

But today our customers need us for much more. This is why we built a single account that people and businesses can use to send, spend, receive and hold money in multiple currencies.

Powered by our underlying infrastructure, Wise Account and Wise Business now give people and businesses a comprehensive way to move and manage money internationally. At the same time, banks and businesses can also use Wise Platform to offer their own customers the same experience seamlessly.

While we're nowhere near mission complete, 16 million people and businesses are now helping us to get closer every day.

An exceptional year

Active customers¹

c.10.0M

↑ up 34%

Total volume

c.£105B

↑ up 37%

Revenue

£846M

↑ up 51%

Income²

£964M

↑ up 73%

Gross profit

£638M

↑ up 74%

Adjusted EBITDA²

£239M

↑ up 97%

Profit before tax

£147M

↑ up 234%

EPS

11.53P

↑ up 239%



More than half of all transfers were completed instantly this year; with **55% completed** instantly in Q4



We continued to make product improvements to support future growth, including the **expansion of our Assets product** in the **UK, Europe and Singapore**



We saw strong growth in the number of people and businesses using Wise, with a **34% increase** in active customers, to **c.10.0 million**¹



Our customers are using more of the account features; **36% of personal** and **55% of business** customers are multi-feature users



25 million more people and businesses have access to fast, easy, cheap and transparent Wise-powered payments through new **Wise Platform** partnerships around the world



The increase in active customers and the higher engagement with the product drove a **37% increase** in volumes to **c.£105 billion**



Adjusted EBITDA increased by **97%** to **£238.6 million**; an adjusted EBITDA margin of **25%**

We are still solving only a fraction of the problem and have a long way to go.

1. Active customers for FY2023 (comparison to FY2022)

2. 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 188-190.



Alexander
Wise Account customer



EXPAT LIVING

How the Wise Account supports international athletes

Alexander followed in his father's footsteps to play, and now coach, American football. Dedicating his life to chasing his passion he first began the journey of pursuing his dream in California, before moving to a team in Rome and falling in love with Europe.

Using the Wise Account, he often transferred money back home to his family while working and travelling, making sure to get the best rate on his Euro to Dollar exchanges.

Alexander then migrated to Germany continuing to pursue his travel and sporting goals. After suffering an injury in 2012, he moved into football coaching, and further relocated to Norway.

Now settled in Switzerland, he is a prime example of an expat who lives truly internationally; crossing borders and touchlines in equal measure.

Throughout his adventures, the Wise Account has also supported Alexander's day to day spending and living, allowing him to hold all the currencies he needs in one place.

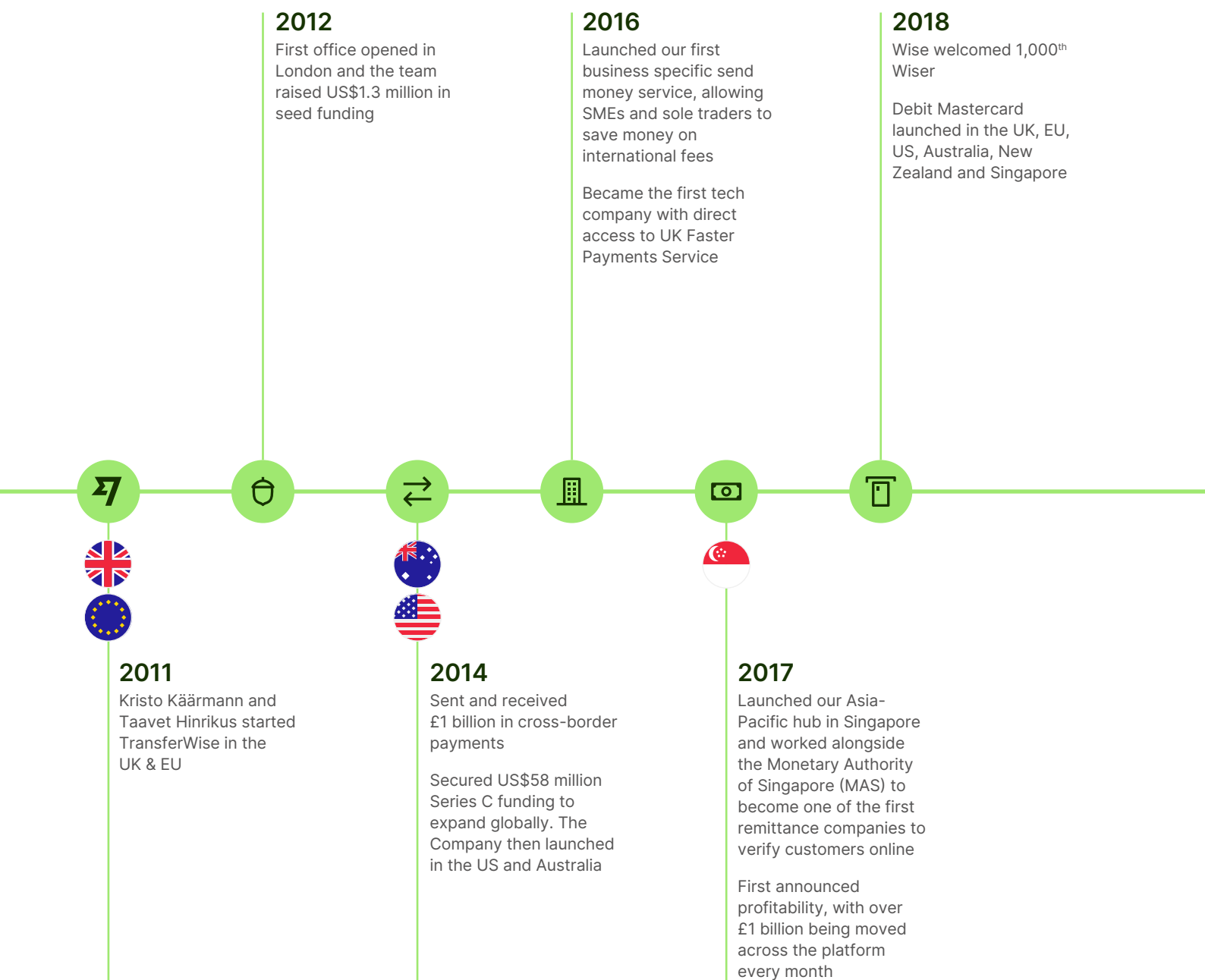
"It's changed the game in terms of simplicity, and certainly been a lifesaver for expat living"

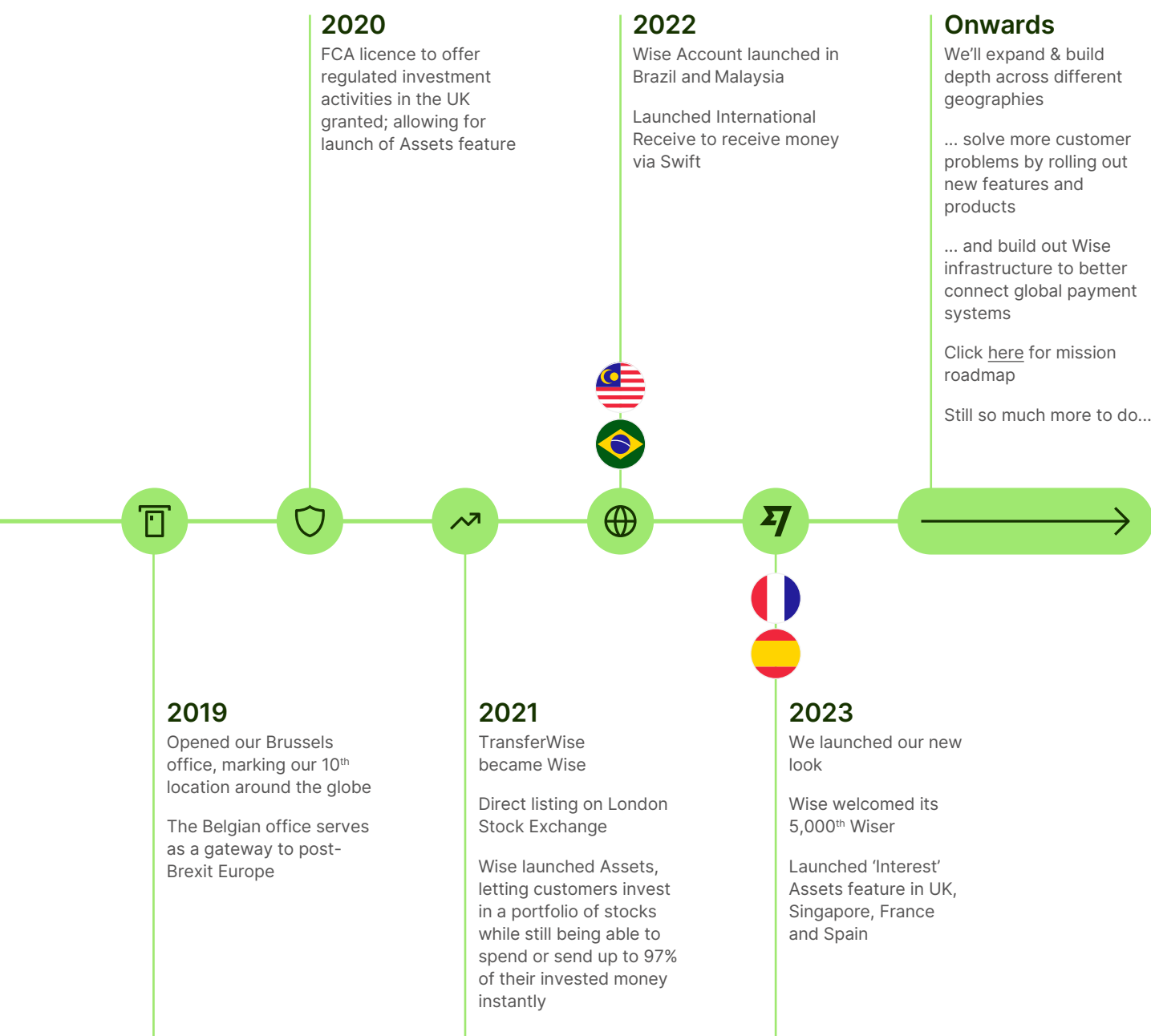
Alexander



Watch the story of this globe trotting athlete and Wise customer

OUR JOURNEY





AND BEYOND



STRATEGIC REPORT

Wise today

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

Coverage across:

170+
countries

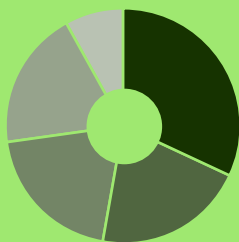
40+
currencies

c.10M
active customers

66%
of customers coming via word of mouth in FY2023, engaging with the Wise Account and holding balances of

£846.1m

Revenue by region



Europe	32%
North America	21%
United Kingdom	20%
Asia-Pacific	19%
Rest of World	8%

We ship great products:

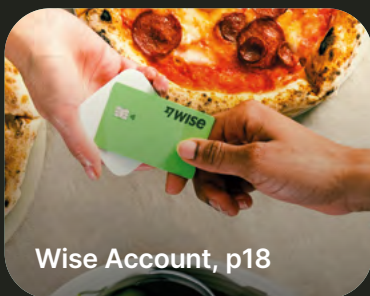
>4M
cards moving money

c.£105B
in cross border volume

£10.7B
powered by our infrastructure built by

>5k
Wisers globally

OUR THREE CORE PRODUCTS: TRUSTED WORLDWIDE



POWERED BY OUR INFRASTRUCTURE

See page 14

Moving money globally is broken

People and businesses move over £22 trillion around the world every year but pay significant fees, often unknowingly, for a slow service. 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 continues to get bigger driven by both an increase in international mobility and international trade. Globalisation, increased migration and rapid technological developments are all underlying drivers contributing to growth in the cross-border market.

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 and 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.

We have spent the last 12 years building a replacement infrastructure for correspondent banking and have already made great progress in fixing the important problem of moving money across borders faster, cheaper, easier and more transparent.

More people are global

Total number of international migrants (at mid-year)

300M+

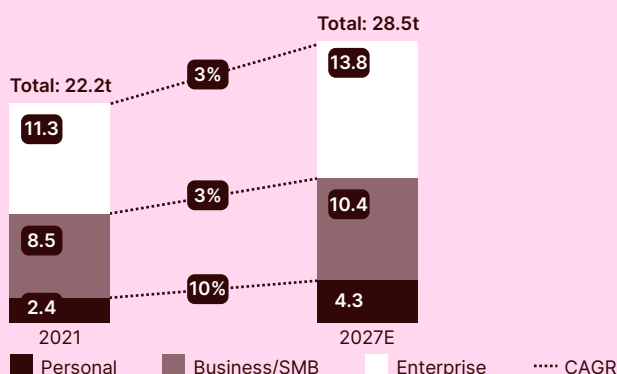
migrants and growing

International migration tends to promote cross-border payments, and can remain robust regardless of the economic cycle.

Source: Global Migration Data Portal

The market is huge and growing

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



The addressable market for cross-border payments continues to expand at a steady rate.

Wise is well positioned. Growth for Wise comes in the form of both a growing overall addressable market and the fact that our share is also growing as we expand both geographically and increase our depth in existing markets.

Competitive landscape

Over the past year the competitive landscape has remained relatively unchanged. Our primary competition continues to be from traditional banks, where the majority of the cross-border transactions originate. Today, we see the market evolving and customers are demanding a higher level of service, increased speeds and fairer pricing. We have also seen the growing presence of digital first money transfer operators and traditional remittance players moving into the digital space. The scale of the competitive landscape is vast with both more traditional providers and peers operating in significantly different niches. This variety allows for many players to coexist and provide value to different customers. We continue to see a highly fragmented market with a broad spectrum across the following: target customer, geographic expansion, breadth and depth of product offerings, and price.

But, still the vast majority of cross-border payments continue to be moved by incumbent banks. We are, however, starting to notice small changes with traditional banks catching on to the fact that the market dynamic is changing. At the same time the wider payments and banking market is reforming for more transparency for consumers. This is putting pressure on traditional banks to reform by offering fairer rates with transparent pricing. As a mission driven company we see this industry wide evolution and trend towards more transparency as a benefit to everyone and aligned with our long-term goal of helping more people move and manage their money.

ON A MISSION

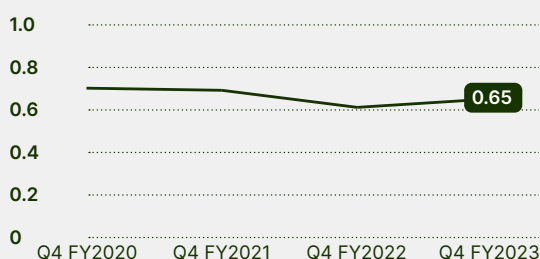
We're building the best way to move and manage the world's money. Making it faster, cheaper, easier and more transparent for people and businesses.

Price

Our promise to customers is to charge them as little as possible, rather than what we can get away with. This means our price consists of what it costs us to offer our services, plus a margin for our owners. Our investment in our infrastructure underpins this promise, enabling us to continually lower our unit costs, which in turn allows us to sustainably lower prices over time.

Today, we are up to 8 times cheaper than leading banks around the world, and in FY2023 we saved our customers more than £1.5 billion* when compared to banks.

Average customer price (%)



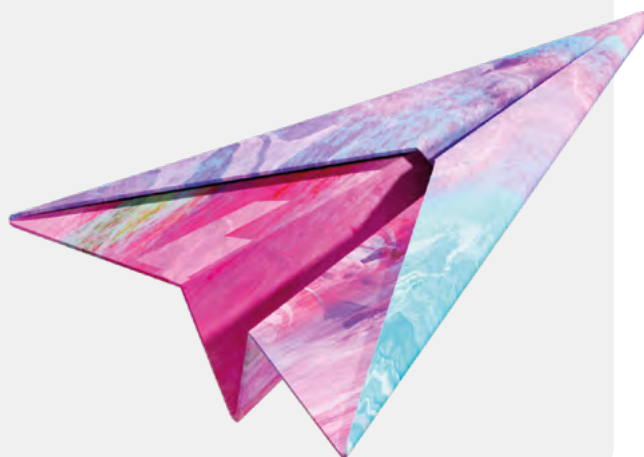
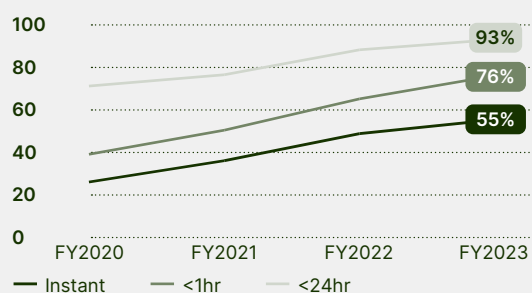
Speed

We believe cross-border payments should be as instant and as easy as it is to send an email around the world today. We crossed a significant milestone in FY2023, with over half of all our payments reaching their destination in less than 20 seconds¹.

Today, 55% of all our payments are less than 20 seconds, with 76% delivered in less than 1 hour and 93% delivered within a day (less than 24 hours).

1. Less than 20 seconds is how we define instant

Payment speeds (%)



Convenience

Wise is more than sending money super fast – it's about helping our millions of customers accomplish whatever they need to do with Wise as fast as possible and with the least amount of friction.

We also believe the less customers need to contact us with the hiccups they face, the better. So we continually work on improving our processes and learning from the times we don't get things right. Our goal is to reduce the amount of times a customer needs to be in touch with us, and we measure success based on the number of customers that contact us.

Customer contact rate (%)



Transparency

When we say transparent, we mean that people and businesses should always know what they pay, up front and with no small print. This is not the norm. Banks and other service providers continue to hide fees in inflated exchange rates. Unlocking informed choice and getting rid of hidden fees is core to our mission.

This is why we built a fee comparison table on our homepage, to provide our customers with a clear breakdown of the fees they pay for each transaction.

Fee comparison table on Wise.com

Sending 1,000.00 GBP with	Recipient gets (Total after fees)	Transfer fee	Exchange rate (1 GBP → EUR)
WESTERN UNION	1,161.59 EUR	0.00 GBP	1.16159
Wise	1,158.38 EUR ▼ - 3.21 EUR	4.49 GBP	1.15360 Mid-market rate
STARLING BANK	1,158.33 EUR ▼ - 3.26 EUR	4.30 GBP	
OFX	1,151.20 EUR ▼ - 10.39 EUR		1.15120
Remitly	1,150.13 EUR ▼ - 11.46 EUR	0.00 GBP	1.15013
xoom	1,144.26 EUR ▼ - 17.33 EUR	1.99 GBP	1.14454
MoneyGram	1,140.99 EUR ▼ - 20.60 EUR		1.14099
monese	1,140.42 EUR ▼ - 21.17 EUR	0.00 GBP	1.14042 Mid-market rate

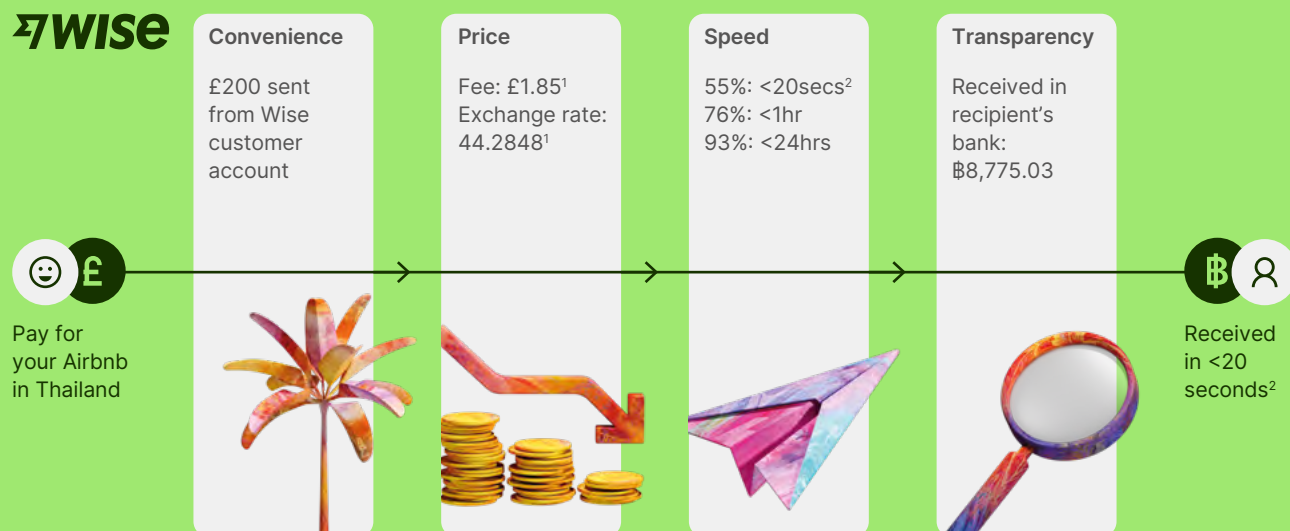


Our infrastructure powers everything

WISE MODEL

55% of payments delivered instantly

Wise



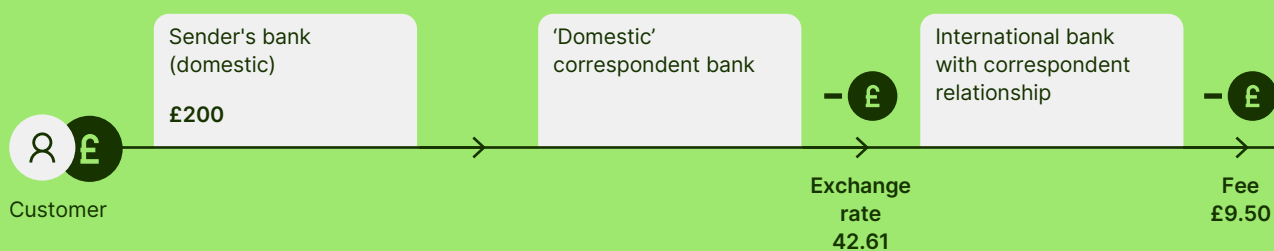
An infrastructure which outperforms traditional banks on convenience, price, speed and transparency.

1. As at 16/06/2023 for the specified currency pair GBP to THB.

2. Less than 20 seconds is how we define instant.

TRADITIONAL BANK MODEL

Transfers take up to 5 business days



Opaque process and fees.

Our products are powered by our unique infrastructure. It's our infrastructure that enables us to progress against our mission to build money without borders by making the world's money faster, cheaper, easier and more transparent for people and businesses around the world. And we believe that our infrastructure gives us a long-term sustainable competitive advantage.

Since we started, we've been focused on solving the structural problems that exist in the market:

- Sending money across borders is slow, expensive and hard to do
- Truly international bank accounts don't really exist
- Banks' underlying technology is outdated and hasn't evolved in decades

In order to help solve these problems, we've been replacing the outdated correspondent banking system. We do this by connecting local payments systems around the world and removing intermediaries. We partner with local financial institutions to get access to payment rails, and as we build our presence we deepen our connection by obtaining our own regulatory licences. In some instances we integrate directly into local payment systems ('direct connection'). As we launch into new geographies and obtain more licences, we see more '2-way' transaction flows into and out of countries, helping drive faster payments and lower prices for customers.

We also have our own card issuance capability, and partnerships with Visa and Mastercard, which has allowed us to issue over 4 million cards to our Wise Account and Wise Business customers.

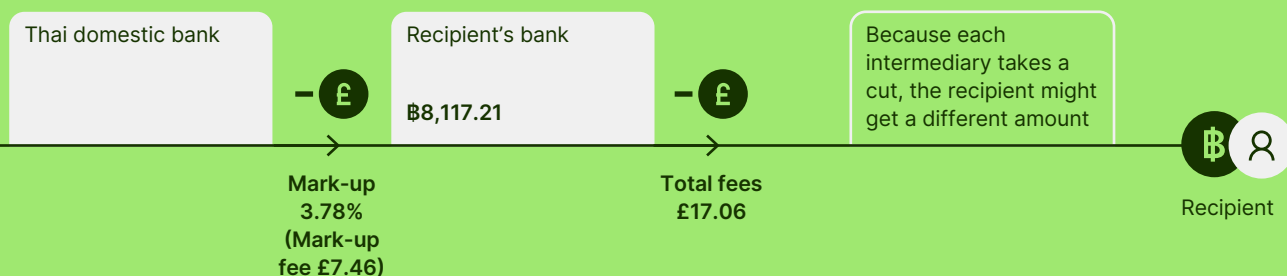
In addition to this, our proprietary global treasury management system provides real-time foreign exchange and liquidity positions, smart fund routing, accounting and financial risk management. This system gives us a global view of all cash flows and requirements throughout our entire network, allowing us to make efficient liquidity decisions. For example, the system enables us to cycle our funds around the world to meet different local payment system cut-off times and improve the speed of pay-outs across the network. Using this data set, we've built proprietary machine learning algorithms to help forecast our customers' need for various currencies. This enables us to reliably speed up customer payments while also making efficient use of our liquidity resources.

All of this is accompanied by highly efficient and seamless onboarding, verification and financial crime processes, which not only allow customers to join us and get started in just minutes, but also help to protect our customers.

Fundamentally, we believe that the quality of our products and the rate at which we can grow in the future are powered by our infrastructure, and through our investments we've brought together the ability for customers not only to send money, but to receive, hold and spend money internationally.

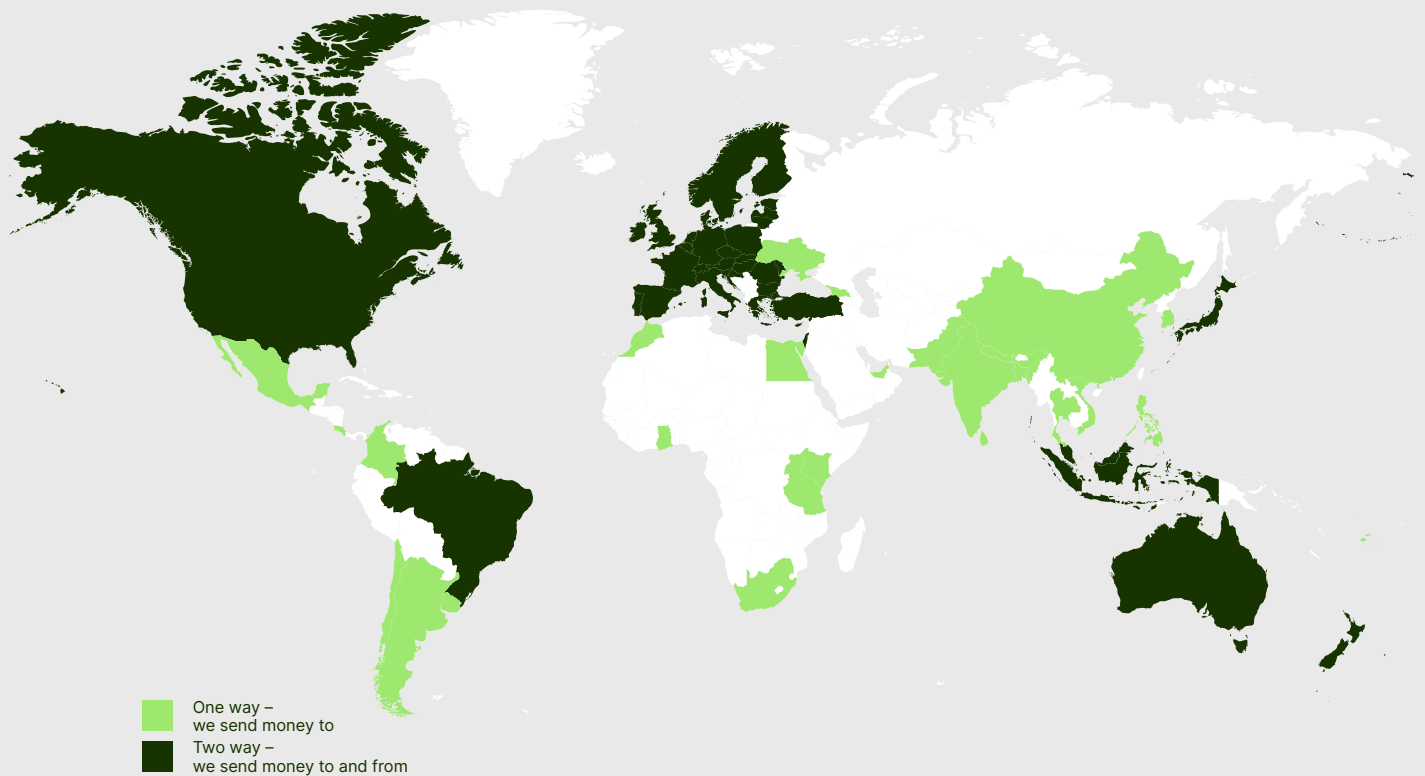
So what does this all mean? Ultimately, through replacing an outdated banking system and removing intermediaries, we've built an infrastructure that allows us to move money globally at a significantly lower cost with fewer intermediaries, if any. This translates into lower prices and higher speeds for customers.

Take a look overleaf to see more about what exactly makes up this unique infrastructure.



Limited communication at each node.

Recipient receives a lower amount with added fees and markups. Recipient has limited visibility of the final amount.



A truly global infrastructure

Sophisticated, scalable system

- Facilitating over 1m+ transactions per day
- 700+ skilled engineers across over 70 teams shipping 250 releases per day
- Horizontally scalable system build with over 670 cloud-based services
- Proprietary machine learning approach to fighting financial crime

Portfolio of licences and regulatory relationships

- 69 licenses across 45 countries includes 30 EEA states and 49 US states
- Proactively engaging with regulators globally

An extensive network

- Over 70 partnerships with banks and payment partners
- Direct connection to 4 payment hubs
- Local payment processing in 75 countries
- Mastercard and Visa card issuance partnerships
- Cloud-based connection with Visa

Highly capable Operations team

- Over 1,600 customer support agents split by product and language
- More than 300 payments operators with local expertise
- Our payment delivery estimates were accurate 76% of the time

Direct connections

In some of the countries where we operate, we have a direct connection into the domestic payment infrastructure, which means that we don't need to use local partner banks to receive or complete payments. We have direct connections in the UK, Hungary and Singapore. In Europe, we are an addressable BIC holder, enabling us to submit and receive payments within the Single Euro Payments Area (SEPA).

By connecting directly into payment systems, we are able to make meaningful cost reductions and then pass this through to our customers. Generally, payments are also much faster. For example, when we connected to the Faster Payments System in the UK we were able to reduce our bank costs by 9x, and we saw a c.96% reduction in payment time. After integrating with the Hungarian central bank we were able to reduce prices on average by 14% and 82% of our transfers to Hungary became instant (from 17% before integration).

Direct connections are not yet available to us everywhere, but we are working to establish more of them. In the coming year, we will be working towards completing integrations in Brazil and Australia, among other geographies.



Diana Avila, Global Head of Banking and Expansion

Card & card issuance

Today, Wise Account and Wise Business allow customers to get more done, whether that's sending money, paying for goods and services, or receiving money and getting paid. One of the other key product features that we've been rolling out in recent years is the debit card for people and businesses.

The Wise debit card infrastructure is unique in how it's built. Wise became the first company to build a global cloud-based integration with Visa which allows us to issue cards in new countries faster with some simple changes as opposed to the traditional way of doing completely new integrations in each launch region.

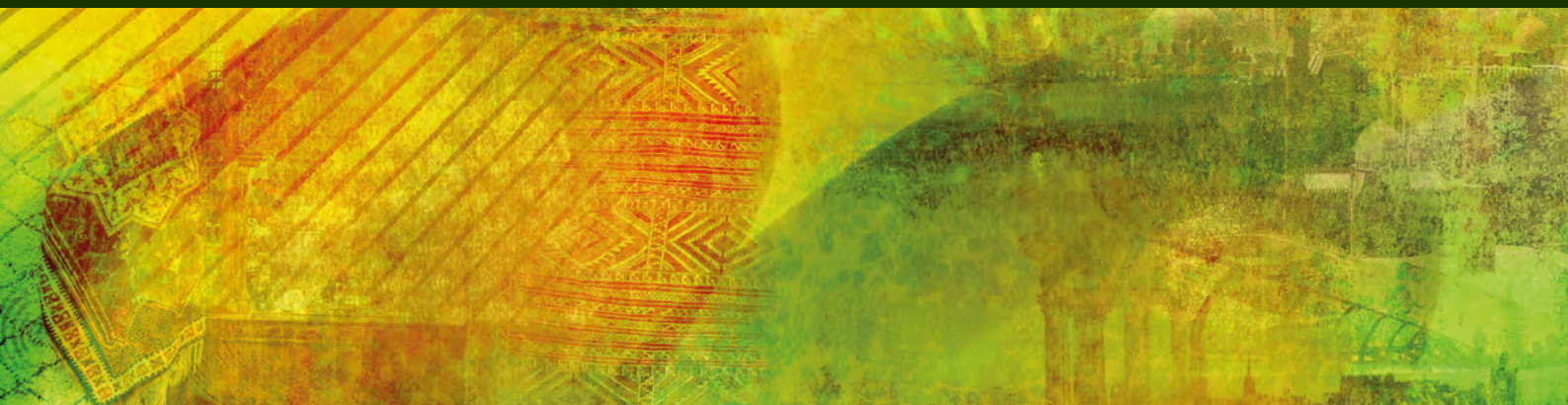
Through our partnerships with Visa and Mastercard, we currently issue cards in 42 countries. We have issued more than 4 million debit cards and process more than 33 million transactions per month. This scale allows us to offer a truly international multi-currency account to millions of people and businesses around the world.

This year we have been rolling out more cards to businesses in the US, and in the UK we have been rolling out cashback on card spending for businesses. In the coming year we plan to develop our processing connection with Visa in the US, which will significantly improve our product there and allow us to make business cards available to all our SMB customers. We will also be rolling out cards and cashback on cards in new countries.

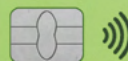
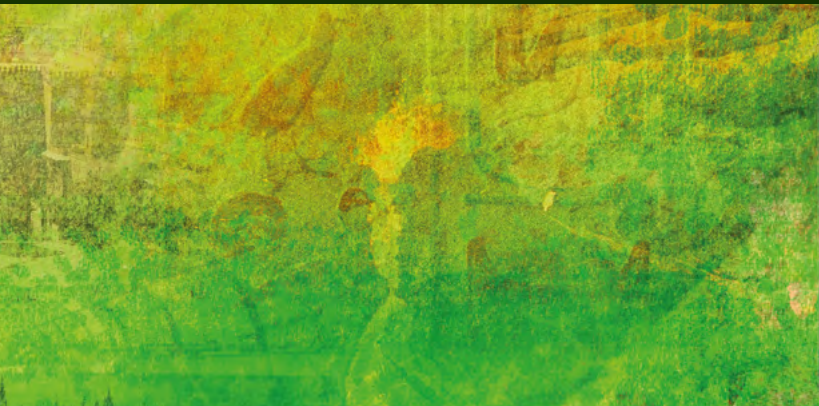


Harsh Sinha, Chief Technology Officer

THE WISE



ACCOUNT



The Wise Account is our product for people. We started our journey with transfers and now our customers can also receive, spend, hold, earn and invest through Wise Assets. The Wise Account has become a staple for our customers to manage all of their cross-border needs. We know when our customers adopt more of these features they start to really unlock the full value of the Wise proposition. We continue to build out the Wise Account to support new use-cases which customers might have and enhance user experience. This has led to more customers adopting multiple features and 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 customers, we provide the features and value required to be thought of as their primary account where they receive their salary and manage their day-to-day finances.

Globe-trotting customer stories

Expat living

How the Wise Account empowered a travelling athlete – p4

Connect across continents

How the Wise Account helped a family relocate – p44

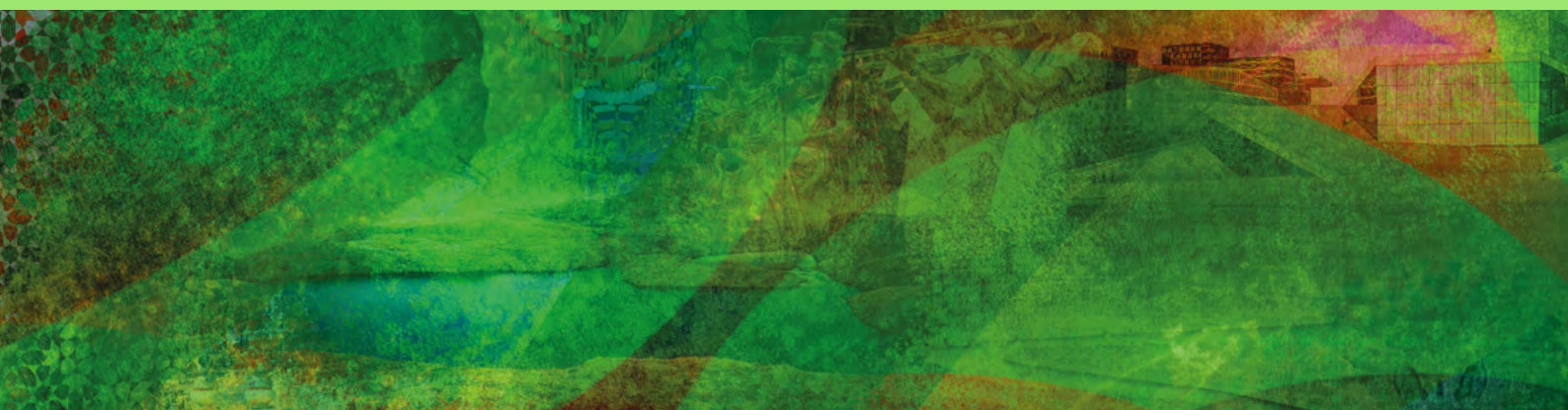


Nilan Peiris, Chief Product Officer

Wise Assets

The Wise Account offers international customers a safe and convenient place to keep their money while sending, receiving and spending. Through FY2023 we have created a number of new options for customers to grow their money while keeping it safe. In December we released Wise 'Interest' which allows Wise Account customers to keep their money in a fund that tracks central bank interest rates, allowing customers to generate returns on their GBP, USD and EUR balances without the need to lock their money away. Unlike when they keep money with a bank, our customers have full visibility of what is happening to their money, the return it is generating and the fees that we are charging. To our knowledge, this is the first time retail customers have been able to get access to these kinds of money market funds without restrictions or delays. This feature is now available to customers in the UK, 6 countries in the EU and Singapore.

WISE MEANS



BUSINESS



Wise Business is our solution for small and medium sized businesses with cross-border needs that continue to be underserved by traditional banks. With Wise Business we are building a product that can serve as a main business tool for our business customers, so they can focus on what's important – growing their business. Today, Wise Business offers everything the personal account has, along with business specific tools like multi-user access, approval workflows, integrations into accounting software such as Xero and expense cards for employees.

During the year, over 650,000 businesses used our services – from sole traders to SMBs and larger companies – all using us to get paid, to pay employees and suppliers, and manage their funds. Our vision for Wise Business is to be the only account international businesses need to manage everything from their cash flow and treasury to expenses and payments.

Globe-trotting customer stories

From rural to global

How Wise Business supported a social enterprise to make global change – p34





WISE PLATFORM

Wise Platform allows financial institutions and enterprises to leverage Wise's technology and embed the best way to send, receive and manage money internationally. Partnering with Wise Platform allows banks and businesses to offer their customers fast, cheap and transparent ways to manage their money across borders seamlessly, from the convenience of their existing app or platform. Our easy-to-use APIs also mean that our partners don't have to build new infrastructure or overhaul their existing systems to drastically improve their FX services.

We provide financial infrastructure for over 60 partners worldwide, including some of the world's largest banks, neobanks and business tool providers such as Monzo, Shinhan Bank, Google Pay, Bank Mandiri, Brex and Ramp. Our goal is to become the number one choice for banks and businesses around the world looking for an integrated partner to power their cross-border payments, and to open up all Wise features for our partners and their customers.

Platform powering more customers globally

Powered by Wise

Bank Mandiri's international transfers just got smoother – p24

POWERED

In early 2023, Wise Platform partnered with Bank Mandiri, Indonesia's largest bank by assets, to offer millions of Indonesians access to quick, low-cost and transparent international transfers.

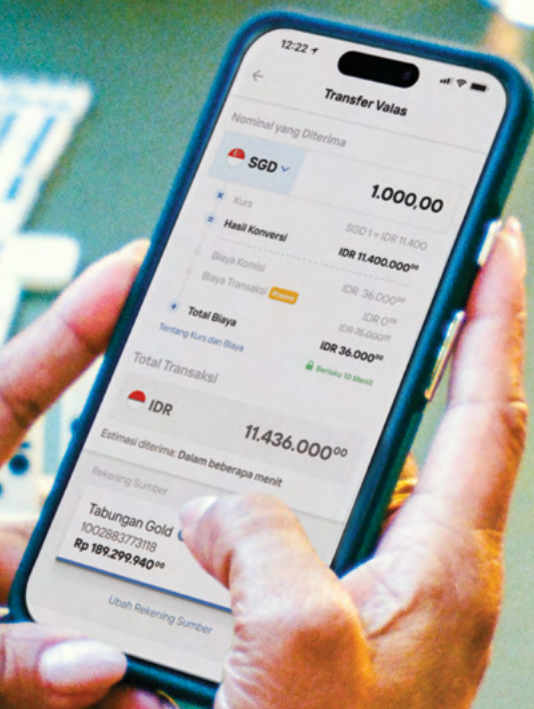
This partnership marks a huge step forward for bringing price transparency to the Indonesian banking sector – one that's growing quickly and services the fourth most populous country in the world. This integration also means that Bank Mandiri is going fully transparent on FX fees.

Bank Mandiri customers can now experience Wise-powered fast, cheap and transparent money transfers to multiple currencies without having to leave the Mandiri banking app, Livin' by Mandiri or their banking website. Through this integration, Bank Mandiri is leading the charge on price transparency in Indonesia, by displaying fees upfront.

This integration showcases the power of the Wise Platform, where banks, financial institutions and other big businesses can embed the Wise API into their existing infrastructure, and offer their customers instant, low-cost and transparent international transfers. Wise Platform brings the innovations we have made in our own product over the past 12 years to live seamlessly inside the product experiences of our partners.

This is a step forward in Wise's mission of global price transparency, and an important step in Wise's Asia-Pacific growth and mission to help bring a ripple effect of price transparency throughout the region. Wise Platform is further solidifying itself as a leading cross-border payments infrastructure player.

BY WISE



Bank Mandiri
Wise Platform partner



DELIVERING FOR OUR CUSTOMERS

I'm so proud to be the Chair of a company that is rebuilding the very network that helps money move around the world and also obsesses around the experience it gives its personal and small business customers.

In the fiscal year 2023 there were undoubtedly many economic challenges for people and businesses around the world. Inflation in many countries has been running at its highest for decades, monetary policy in some of the world's most developed countries rapidly shifted into a tightening phase, and we saw some unusually high levels of FX volatility. And of course, more recently we witnessed an episode of panic in the financial markets, resulting from the collapse of Silicon Valley Bank, with bank capital and liquidity again being put under the spotlight by customers, investors and regulators.

This creates challenges for our customers, either in the form of lower real income, higher costs or more unpredictable cash flows. It also creates opportunities for companies that have the capacity and stability to continue investing to reach more customers with an improved proposition. Therefore, it's a really important time for us to continue investing in growth and be able to offer great value to more customers. In fact, because of our superior infrastructure, we estimate that our customers have saved around c.£1.5 billion* in fees this year.

We expect these effects to continue impacting our customers into the next fiscal year, and the team is committed to helping them navigate these challenges, and we remain entirely focused on delivering for our customers.

Growth and investment continue in FY2023

In last year's annual report I said that we will continue to focus on investing in our significant growth opportunities, built upon a long-term sustainable business model.

I'm very pleased that despite the economic challenges I've outlined above, we delivered a strong performance for the year, and in a way that is consistent with our long-term mission.

Through the investments we've been making in improving our products and delivering an excellent service, we've onboarded over a million new customers in each quarter this year. Active customers grew by 34 percent to c.10 million, and total volume grew 37 percent, exceeding £100 billion for the first time. As a result, Income increased by over 70 percent to £964 million and we delivered an adjusted EBITDA margin of 25 percent. Both Income and adjusted EBITDA margin came in ahead of the guidance we gave this time last year.

Profitability remains fundamentally important to us to ensure we operate a long-term sustainable business model alongside making significant investments in our growth and in turn build a valuable company. Profit before tax increased by 234 percent to £146.5 million and our earnings per share (EPS) increased by 239 percent to 11.5 pence.

Reflecting the consistently strong profitability we have delivered in recent periods, and the level of own funds that this has generated, we were pleased to be able to commence a programme in January 2023 to purchase Wise shares in the market through the Employee Benefit Trust. With the intention of reducing the effect of future dilution on existing shareholders arising from the stock-based compensation we offer to Wisers. The first tranche of this was completed by end of the financial year, utilising £10 million of capital. Additionally, the Board has approved to continue these purchases throughout FY2024.

Strengthening the Board and continued improvements to our governance framework

Having already added several experienced Board members last year, we recently announced the further strengthening of our Board with the appointment of Elizabeth (Libby) Chambers. Libby has deep operating experience across several financial services companies and is an experienced non-executive director who brings additional expertise, leadership and diversity to our Board. Libby will also join as a member of our remuneration committee. We also appointed existing director, Clare Gilmartin, to the role of Senior Independent Director, an appointment that recognises the expertise that Clare brings to our Board. These appointments were announced in April 2023.

In September 2022 we held our very first AGM as a publicly listed company, which was our first formal opportunity to bring all shareholders together to hear their views and to answer their questions. I was also very pleased that all resolutions were passed with a large majority.

In May 2023, our CFO, Matthew Briers, announced his intention to leave Wise to focus on his recovery, having survived a serious cycling accident. Matt has been instrumental in helping Wise to scale profitably. He will be with us into 2024, so there's a while yet before he departs. We have commenced a search for his successor and will communicate with the market once we have completed our search.

Looking forward, our focus will be on continuing to support the Leadership Team in delivering long-term sustainable value in line with Wise's mission to build money without borders.

Well equipped for a huge opportunity

There is so much more to do. Our focus over the next year will remain on investing in the significant opportunities to support more people and businesses, which will enable us to progress against our mission to build the best way to move and manage money internationally. We will do so in a sustainable way, remaining focused on financial discipline and profitability, which will assure we create value for both our customers, and our shareholders.

As a Board we will continue to strengthen the governance and oversight we provide and keep supporting the team with the necessary leadership and challenge.

It's been another big year for Wise, and on behalf of the Board I would like to say a huge thank you to all of the Wisers that have contributed to our progress this year, and to all customers and shareholders for their continued support of our mission.

A handwritten signature in black ink that reads "David Wells". The signature is fluid and cursive, with the first letters of "David" and "Wells" being capitalized and prominent.

On behalf of the Board of Directors,

David Wells
Chair

27 June 2023



We're building products that bring evangelical customers on our network for the world's money.

We're solving a massive problem

Our mission is to build money without borders by making the world's money faster, cheaper, more convenient and more transparent for people and businesses.

It was 2011 and I'd just been stung by markups hidden in my bank's exchange rates when sending a bonus home, resulting in a £500 loss on what was meant to be a £15 fee.

This is just one example of a huge problem that exists around the world for people and businesses. Hundreds of millions of people and small businesses move £11 trillion every year across currencies, and this is growing fast. They are effectively being held captive by their banks through mis-information, receiving a slow, expensive service reliant on an antiquated system, without being told the price they are actually paying. These people and small businesses lose around £180 billion in hidden fees each year. This is wrong.

Banking services for international people and businesses don't really exist, the traditional solutions disappoint customers. Banks do care and they try, but it's too hard to build on the existing infrastructure, which has not evolved in decades.

At Wise we are committed to solving international banking at the fundamental cross border infrastructure level. For our mission: to build money without borders by making the world's money faster, cheaper, more convenient and more transparent for people and businesses.

When we look back over the past 3 years, it's clear we've made great progress. In FY2023, we completed cross-border transfers for about 9.5 million people and 0.5 million businesses, this is our mission; delivered to twice as many people and 3x more businesses than in FY2020.

But this only represents c.5% of people and <1% of businesses moving money across borders. It's just the beginning and we have a huge underserved audience yet to bring onto our network.

We are building Wise to be a generational company. There are two specific ingredients which set us on a different trajectory to everyone else serving international customers. First we build products that turn customers evangelical, and second, we do the hard work to replace the very infrastructure needed to build the products customers expect; we are building a network for the world's money. Let me explain more on each, and our progress.

Our proposition turns customers evangelical, and it's getting stronger every year.

We made great progress on solving the problems facing customers – our payments are instant 55% of the time, we are radically cheaper than banks, our fees are transparent, and our products are a delight to use.

Our three core products, Wise Account; Wise Business; and Wise Platform, bring these solutions to people, small businesses and other corporations who want to use our network through our APIs.

I have shared product updates in my quarterly mission updates throughout the year, but below are some of the improvements we're especially proud to have shipped.

The **Wise Account** for individuals and **Wise Business** both offer one account for moving, holding, and spending any money, anywhere. One of the most exciting developments for these products has been the expansion of our Assets feature which allows customers to earn interest on the funds they hold at Wise whilst retaining instant access like a current account.

In Q3 FY2023 we introduced interest earning and government guaranteed assets and rolled out in the UK and a number of countries in Europe, with a non-government option in Singapore. In the US and Europe, we also started rewarding customers for the cash balances they hold with us as we believe offering our customers a fair return on their balances is the right thing to do, and supports our focus on building a high level of trust and loyalty with our customers. This is particularly relevant today, given how the interest rate environment has changed over the last year.

The focus on the customer and building great products turns up in the financial results and fuels our growth. We have consistently seen around two-thirds of new customers join as a result of someone having told them about Wise, and these customers tend to stay with us once they join; we see >100% volume retention. The new features we're adding are resonating with our customers. Over a third of all Personal customers and more than half of all Business customers are using our Account which means they are doing more than just sending money internationally. These adoption rates are growing quickly too; the majority of new customers already start with their international account. Where customers use the account beyond transfers to hold, spend and receive money, they tend to undertake 3x more transactions, and send 2x more volume cross-border.

This gives me confidence that as we keep offering customers fair, transparent pricing, and building products customers love, then this flywheel of growth will help us achieve our mission across the whole market.

But these products couldn't be built before. They need to be powered by the new infrastructure.

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

Our global infrastructure powers the instant, convenient and low-cost transactions that our customers and partners rely on, and provides the foundation that enables us to grow at scale.

We believe that the further development of our infrastructure, together with the customers and partners it attracts, will create substantial network effects and scale advantages over time.

Our infrastructure is a unique combination of components that redefines what's possible. This includes:

- more than 70 banking partners around the world and direct connections to 4 domestic payment systems which significantly reduce our unit costs
- a global treasury management system purpose-built to be real-time, predictive and international by default
- an engine for running the checks and controls needed to ensure regulatory compliance and to avoid our service being used for criminal purposes
- powerful APIs for Wise Platform partners – one single, easy and quick integration
- 69 regulatory licences around the world

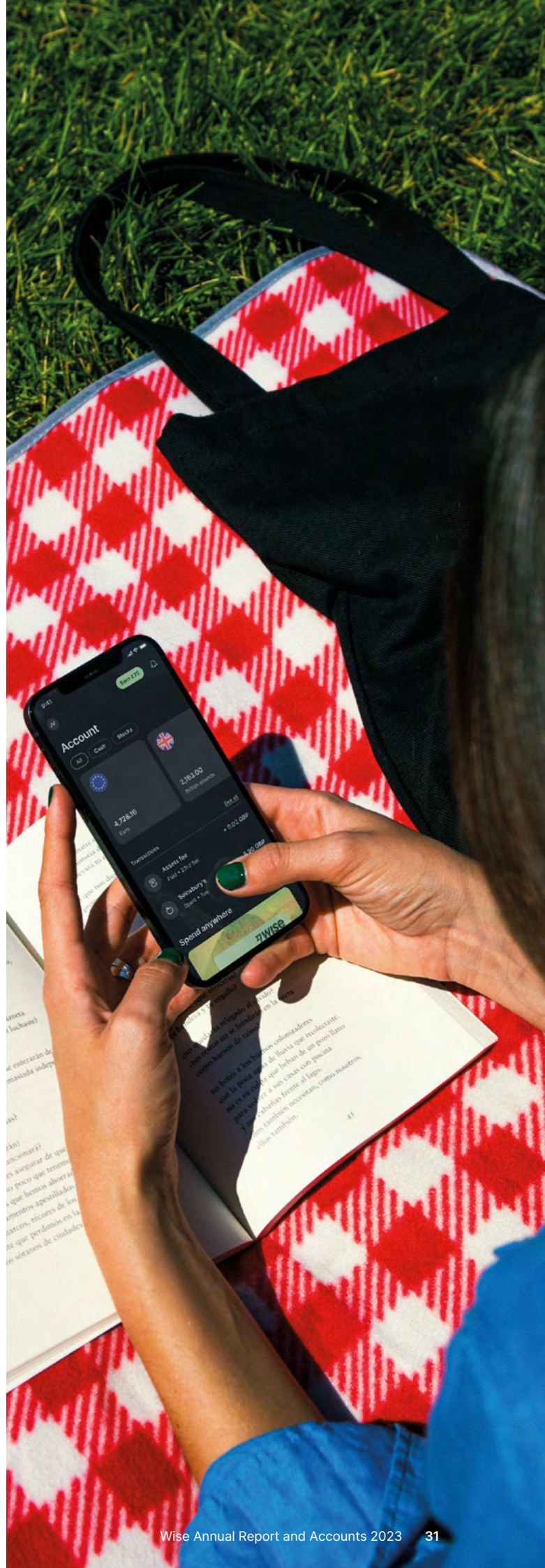
This infrastructure has been neither quick nor easy to build, and that's what makes it so hard to replicate. We have the largest team of engineers in the world working to solve the problems of international banking. Over years, they have written more than 6 million lines of code enabling the integration of banking partners, card partners, payment systems, and platform partners. It also enables all of the functionality needed for our internal processes to be controlled, scalable and run in real-time.

Fast payments are core to why customers love us and use us repeatedly, and FY2023 was a milestone year for payment speeds, with more than 50 percent of all cross border payments completed instantly (under 20 seconds). To help us pass this milestone, we launched instant payments from Singapore to Malaysia and we launched instant payments to and from Brazil.

By integrating new partners we were also able to improve speeds in many countries, including in Japan and Chile. In the US we were able to significantly reduce the average transfer time from 25 hours to 6 hours.

In the coming year we will be focusing on increasing the number of payments that can be completed instantly, and we've started working on this for India and Poland. We will also keep working through the improvements we've started to speed up financial crime checks and reduce the number of transfers that get suspended.

Greater speed and efficiency, coupled with greater scale reduces our unit costs. This allows us to sustainably reduce prices over time while still achieving our targeted margins.



We believe that sharing economic benefits in this way has been fundamental in attracting customers to Wise, retaining them, and fueling the virality which brings even more customers to Wise.

A lower unit cost and price also presents any potential competitors or new entrants with a significant economic challenge to consider, even before they break ground in constructing their own infrastructure. We believe that operating in this way has been and will continue to be to the benefit of both customers and owners of Wise.

From time to time, unit costs may temporarily rise and to remain sustainably profitable, when unit costs rise, so do prices.

This year the average fee paid by customers rose slightly as a result of higher levels of costs including currency volatility, inflation, and investments to sustainably lower prices more in the future. While fees on average were higher, we were able to drop prices for some customers, including those in Brazil, Mexico, Chile and China. We also completely removed fees on same currency payments in GBP, EUR, SGD and HUF, and we removed fees associated with holding EUR balances.

Wise Platform is the power of Wise integrated into businesses and banks. I'm really excited about investing in the long-term potential for our Platform product, which is to serve many more millions of customers in the most efficient way, including through their own bank.

We took some more steps forward in FY2023, entering 19 new partnerships and expanding our relationship with a number of existing partners. These new partners have come from all over the world, and across a range of industries – which really shows the breadth of the potential here. For example, we onboarded a number of progressive, tech-first enterprises this year that are revolutionising work-flow and financial management for small businesses – including Brex, Ramp and Bluevine. We also partnered with companies that are making it easier for businesses to employ people remotely all over the world, and manage their payroll globally – such as Onfolk, Firstbase and Globalisation Partners.

We have made continued early progress on solving the cross-border problem for more traditional financial services companies too. We integrated Bank Mandiri, Indonesia's largest bank by assets and Interactive Brokers, the global electronic trading platform. In total, around 25 million more people and businesses will now be able to access fast, fair and transparent cross-border payments through the Wise Platform partnerships completed this financial year.

Across all of our products there is still more work to be done. Our teams will be focused on making more of the features available to more customers around the world. This will support not just new customer growth but also active customer growth. And the better the product, the more we will continue to see our customers recommending Wise.

An exceptional year for financial performance

We've only been on this journey for 12 years, and there is a long way to go. Our commitment therefore is to remain focused on our long term mission, and on delivering the improvements that will help us solve the problem for more customers around the world.

In FY2023, more customers than ever joined and used Wise. The number of active customers increased to 10 million this year. This was 34 percent higher than last year, driven by 4.5 million new customers, of which 3 million came as a result of word of mouth recommendations.

These customers converted c.£105 billion with us in FY2023, 37% more than FY2022, and held almost £11 billion¹ of balances in their Wise accounts at the end of the financial year.

Our Income increased by 73% to £964.2 million, an exceptional level of growth partly due to £140.2 million of interest income received, which we didn't fully utilise in the year. Our adjusted EBITDA almost doubled, to £238.6 million.

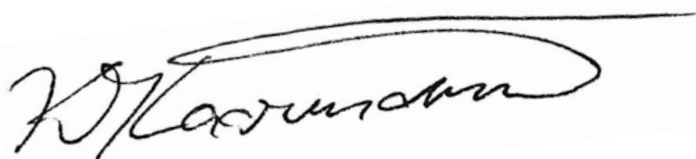
This is an exceptional set of financials, continued momentum in customer growth combined with some specific tailwinds from interest. We expect this customer growth to lead our growth in the future.

You can read more about our financial performance in Matt's CFO review on page 40.

Looking ahead to next year

The opportunity is greater than ever. We will continue to focus on making customers evangelical and building the network for the world's money and in doing so we'll continue to build out this generational company which over the long term will create massive value for customers and owners alike.

I'm hugely proud and grateful for all the hard work of our Wisers this year, and for your continued support as owners in supporting us on this mission. Onwards.



Kristo Käärmann
Co-founder and CEO

27 June 2023

1. £10.7 billion of customer balances (FY2022: £6.8 billion): excludes customer funds held in 'Assets' products.



TAILWINDS FOR TRANSPARENCY

When my co-founder Taavet and I started Wise in 2011, we set out to solve a simple problem: sending money from country A to country B, eliminating the rip-off hidden fees in the middle. We now move billions every month, saving our customers c.£1.5 billion* in fees compared to using their banks - many of which still hide those rip-off fees in inflated exchange rates.

But we want to set the same standard to which we hold ourselves for the rest of the industry. We know not everyone will use Wise, but everyone should get a fair deal and know the whole story. Over the years, I've written a lot about the headwinds we've faced, trying to change banks' behaviour and change the law. Those headwinds still exist. Some banks still fuel them and some policymakers still don't want to face armies of lawyers arguing they're taking away their profits. But the tailwinds are getting stronger. Here's what's changed in the last year.

Not just Wise: industry turning point

Our Wise Platform partners are the biggest drivers for transparency. They're the ones who put pressure on the rest of the industry to follow suit and we're celebrating the bar they set. Last year, Bank Mandiri, one of the top retail banks in Indonesia, started offering transparent payments by integrating Wise's API into its service. Our partnerships this year enabled 25 million more people and businesses to access fast, fair and transparent payments from their own banks and financial institutions.

But it's not just partners: other banks have gone transparent and stopped hiding fees from their customers too. One of Europe's biggest banks, ING, now tells its customers exactly how much a transfer within Europe costs. That's tens of millions of customers who have seen their hidden fees slashed. We'll be celebrating the first billion customers with access to transparent payments before you know it.

Policymakers are wising up to hidden fees

Policymakers globally are starting to pay close attention to the issue of hidden fees and costs in cross-border payments. The latest action is coming from the US, a key region for change given how much Americans are charged every year in hidden fees. A 2019 survey found this to be \$8.7 billion.

Senator Elizabeth Warren sent a letter to the Consumer Financial Protection Bureau (CFPB) urging them to provide consumers with greater transparency around the costs of remittance payments. As a result, CFPB director Rohit Chopra promised to look into updating remittances rules to eliminate what US politicians refer to as "junk fees".

In Europe, the European Commission and the National Bank of Ukraine (NBU) teamed up to keep remittances to Ukraine flowing and bring the cost down by introducing the "mark-up rule". It's the first time policymakers explicitly call on providers to disclose the mark-up over a defined benchmark rate, in this case the European Central Bank or NBU rate.

Unfortunately, the initiative was voluntary for participants, but it sets a very important precedent that we hope will become embedded into future regulation.

Consumers are raising the bar

This momentum wouldn't have happened if consumers hadn't been demanding change. Our customers, their friends and family have been telling policymakers why transparency matters and why the law should reflect their wishes. This grassroots movement creates the incentives for the industry and for policymakers to get their act together. And I am very hopeful they will.

FROM RURAL



Athina
Wise Business customer



TO GLOBAL

How Wise Business supported a social enterprise to make global change

Athina was born and raised in Colombia, later relocating to Miami where she founded her current business: No Names, Just people or "NNJP".

Working with indigenous communities across Latin America to foster economic and social development, Athina's mission is to preserve and share the traditions of indigenous and artisanal communities.

She uses Wise Business to pay salaries to her employees, and cover business expenses and supplier payments day-to-day. As an expat herself, she also uses the Wise account to handle her personal financial life in Miami.

Wise has powered her life and her business goals over the years, becoming instrumental to her work of supporting the communities of NNJP.



**Watch the story of this
global business**

We're building the best way to move and manage the world's money

Our resources power our growth

Our products

- Make it easier for international people and businesses to move and manage money
- We serve individuals and SMBs through our Wise Account and Wise Business products, and also through our Wise Platform partnerships



Our infrastructure

- A sophisticated scalable system
- An extensive, closed loop network of partners and direct integrations
- A portfolio of licences and regulatory relationships
- Highly capable operations team
- Global, single, real-time treasury management system



Our people

- Over 5,000 Wisers all over the world are motivated by our mission
- Diversity, equity and inclusion is central to our people strategy



How we invest to create value

To build money without borders



Offer better products that customers love and recommend



Value created for stakeholders



Customers

10M

people and businesses actively using Wise during the year

c.£1.5BN

saved by customers using Wise compared with traditional banks



Owners

11.53p

earnings per share, a 239% increase on FY2022



Wisers

87%

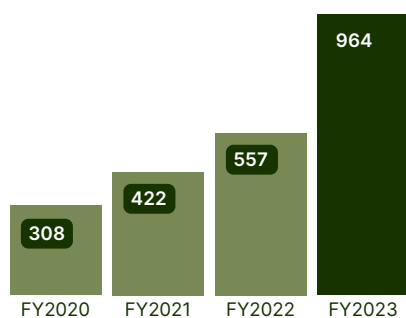
of Wisers would recommend Wise as a place to work

A strong performance

Income*

£964.2m

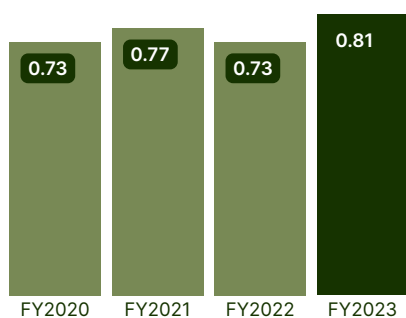
Income increased by 73% this year, predominantly driven by a 51% increase in revenue which reflects a strong increase in volumes and Wise card usage. Income also includes interest income, which increased to £140.2m as a result of the higher interest rate environment and this was partially offset by the benefits we gave to our customers for holding balances with us.



Revenue take rate

0.81%

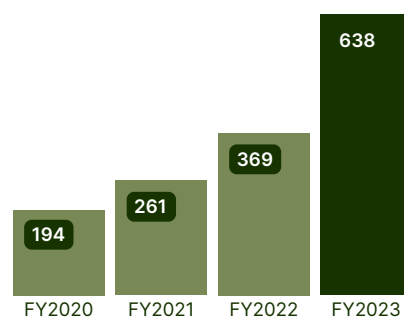
Our revenue take rate for the year increased from 0.73% to 0.81% with increases in both cross-border take rate +2bps and other revenue take rate +6bps. The increase in other revenue take rate was driven by increased adoption of the Wise Account leading to more usage of the Wise card.



Gross profit

£638.2m

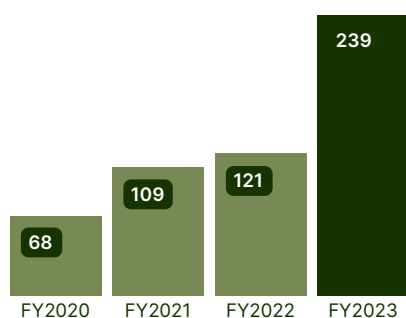
Gross profit increased 73% largely in line with the increase in total income. Our gross profit margin remained consistent at 66%.



Adjusted EBITDA*

£238.6m

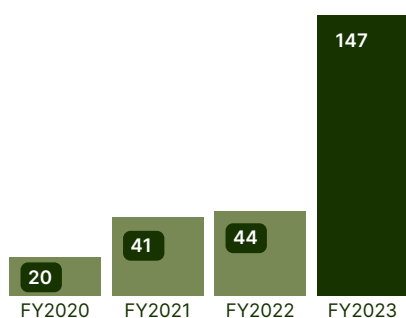
Adjusted EBITDA increased 97% to £238.6m. This represents an adjusted EBITDA margin of 24.7% (FY22: 21.8%). The increase reflects higher total income and that even whilst we have continued to invest heavily in the business, we remain committed to operating sustainably and profitably.



Profit before tax

£146.5m

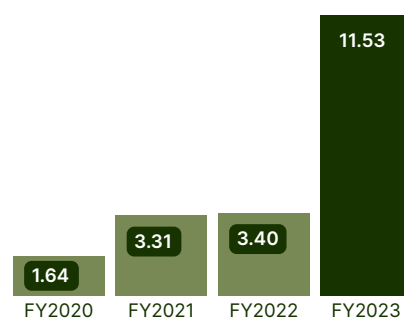
Profit before tax more than tripled in the year, benefiting from the increase in income and our disciplined approach to expense management.



Earnings per share

11.53p

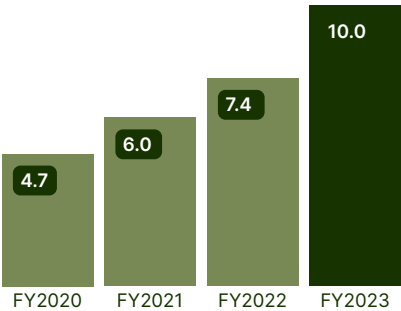
Earnings per share more than tripled in the year, benefiting from the increase in Income and continued strong expense management.



Active customers

c.10.0m

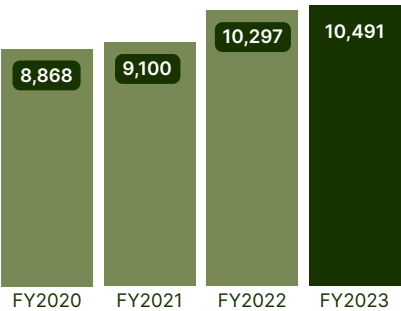
Active customers increased 34% to c.10.0 million. The growth in active customers was driven by both strong growth in new customers joining Wise, but also greater adoption of the Wise Account, where we see customers typically transacting more frequently.



Volume per customer

£10.5k

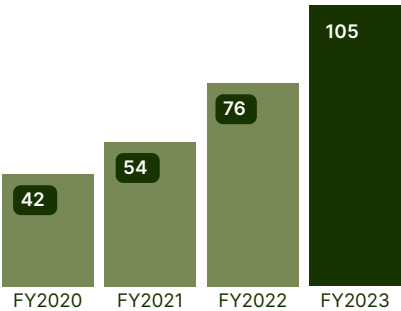
Volume per customer (VPC) increased 2% to £10.5k. VPC for personal customers was flat year-on-year at £8.1k, whilst VPC for businesses increased 13% to £53.7k.



Total volume

c.£105BN

Total volumes increased 37%, driven largely by the growth in active customers.



A man with short brown hair, wearing a white button-down shirt and light blue jeans, stands in a modern office environment. He is looking directly at the camera with a slight smile. The background features large indoor plants, including a Monstera, and office furniture. The lighting is bright and even.

GROWING FAST, INVESTING, AND PROFITABLE

We're on a mission to build money without borders, by making the world's money faster, cheaper, more convenient and more transparent for people and businesses.

We're building a business with world class fundamentals. First, we have truly customer-led growth, and we're growing fast to capture more of a huge market. Second, we have hyper efficient economics on our growth investments and third, more recently, our Wise Account, is helping power this growth and higher levels of profitability, that affords us to build a really compelling proposition.

The increase in active customers is what drives our growth

We have tripled the number of active customers using Wise in just four years. This has been the primary driver behind an almost 4x increase in cross-border volumes and >5x increase in Income¹ over that time.

Whilst in line with our ambition, I believe it's fair to say this was ahead of expectations; and a result of sustained investment in our infrastructure and products, notably the features and availability of the Wise Account. This customer growth is underpinned by the appeal and virality of Wise, with 66% of new customers consistently joining organically through recommendation, and on average >100% volume retention as customers stick with Wise once they join.

In FY2023 this continued, with active customers growing by 34%, from 7.4 million to c.10.0 million, supported by the addition of 4.5 million new customers in the year, driving a 37% increase in volumes to £104.5 billion. Active Personal customers grew 35% to 9.4 million, with Personal volumes growing by 35% to £76.6 billion. As at the end of FY2023, with an adoption² rate of 36%, over a third of all Personal customers are now using the Wise Account, up from 24% a year ago. Active Business customers increased by 27% to 0.52 million, with business volumes increasing by 43% to £27.9 billion. Volume growth exceeded active customer growth as our business customers on average moved 13% more, as businesses tend to grow with us.

In aggregate, volume per customer (VPC) has been stable over the long-term but can be more volatile over shorter periods of time. Personal VPC was unchanged YoY, at £8.1k, but was higher in the first half of the year, as we saw more customers transacting with larger payments to take advantage of the strength in the USD. This dynamic weighed on VPC in the second half of the year, as did a softer macroeconomic environment in which international property purchases/sales and investment flows were lighter; two common use cases for some of our higher volume customers.

This continued in recent months; as we observe the VPC to be very slightly lower on Q4FY2023 as we enter FY2024 and expect this trend to continue through FY2024. Following this, it is only natural that we may also see an uneven growth rate through FY2024, partly given the nature of the YoY comparisons we will see each quarter (see below for further detail).

The growth in customers and resulting volumes were the main driver behind the 42% increase in cross-border transaction revenue to £679.5 million. A 2bps higher cross take rate at 0.65% also contributed to this increase; with slightly higher prices needed to recover incrementally higher unit costs due to currency volatility, inflation, and continued investment back into future growth.

Use of the Wise Account is increasing; other revenue more than doubled to £166.6 million, and the impact on take rate from "other" revenue (which primarily consists of interchange income from cards and fees on the Wise Account) increased from 0.10% in FY2022 to 0.16% in FY2023.

In total, revenue increased 51% to £846.1 million in FY2023. This includes Personal and Business segments growing 51% and 50% respectively, and Wise Account adoption more than doubling other revenue. When we look at our different regions, we see the UK and Europe still growing fast, but now almost half of revenue is being generated beyond these markets, with APAC and North America growing 60% and 53% respectively.

And thanks to the Wise Account, we have seen a year of exceptional income growth. The higher interest rate environment benefited Wise through the interest income we generate on the cash our customers hold with us. These cash balances increased by 57% to £10.7 billion (this excludes the customer funds we hold in custody in our Assets product), with 47% being held by Personal customers and 53% by businesses.

Interest income from these assets increased significantly, from £3.9 million in FY2022 to £140.2 million in FY2023, representing a gross interest yield of 1.6% and of this, we returned £18.4m back to customers through balance cashback and other 'interest like' benefits. In Q4 FY2023, the gross interest yield was 2.8%, c.1% was used to contribute to the costs of running the Wise Account and of the remaining 1.8%, around 0.6% was returned to customers.

Combining all of this, Income increased by 73% to £964.2 million in FY2023.

1. Income is an alternative performance measure comprising revenue, interest income on customer funds, and benefits paid on customer balances (see page 188 for further information about our alternative performance measures).

2. Percentage of total active customers who have adopted more than one product in markets where Wise Account & Wise Business account and Card are available (EEA, UK, Australia, Brazil, Canada, Indonesia, Japan, Malaysia, New Zealand, Singapore, Switzerland, USA); where a Product is defined as one of (i) Send, (ii) Spend, (iii) Receive, (iv) Hold & Convert, and (v) Assets.

Gross profit grew 73%, which we invest in product, marketing and scaling our operational capacity

Cost of sales increased by 66% to £308.2 million in FY2023 mostly reflecting the cost of serving more customers. With a larger customer base who are also increasingly adopting the Wise Account, we have also seen an increase in other costs more associated with providing an account, such as costs related to chargebacks and overdrawn balances.

As a result, gross profit increased 73% YoY to £638.2 million for FY2023, representing a gross profit margin of 66%, unchanged from last year.

Gross profit provides us with the capacity to cover our operating expenses, invest in building a better experience for our customers and of course provide a healthy and growing stream of profits to our shareholders. Through reinvestment, we deepen our competitive advantage with infrastructure and products that continually improve, attracting more and more customers which leads to more gross profit to reinvest, and so the cycle continues.

Administrative expenses for the year increased by 54% to £494.5 million, reflecting increasing levels of investment as well as the improved onboarding and servicing of a fast growing active customer base using a more diverse set of features. The majority of this increase represents the growth in our team with employee benefit expenses increasing 60% to £294.8 million. We saw a big increase in new customers this year, and we onboarded 4.5 million people and businesses globally, c.40% more than in FY2022. We made significant improvements in the service our customers received this year, as such the size of our in-house servicing team increased by more than 1,200 people to achieve this.

And of course we continued to invest in our product development and marketing teams as we scale up for our next phase of growth. At 31 March 2023, we had more than 5,100 Wisers supporting the mission, up from around 3,400 at 31 March 2022.

We grew our investment in marketing by 33% to £37.4 million as we continue to look for ways to invest more whilst maintaining attractive returns. We continue to operate a disciplined approach to return on investment for marketing with our payback capped at 12 months for attracting personal customers and 18 months for businesses. Our blended payback remains low, and was less than 6 months for FY2023.

Technology and development costs increased by 71% to £42.7 million as we invested in improving the security and authentication of our products and systems. We've also been increasing our usage of cloud computing, for example through AWS, which gives us a more flexible way of supporting our growth. Where possible we have been replacing vendors, looking for better value across our suite of applications.

Expenses relating to consultancy and outsourced services increased by 66% to £70.4 million. We're using external vendors more for some operational activities, when we can ensure the same high quality service but at a lower unit cost. The increase also partly reflects the cost of advisory services relating to regulatory and compliance requirements as we continue to broaden our geographic coverage and broaden our products' features.

Profitable and well capitalised

We generated £238.6 million of adjusted EBITDA in FY2023, a 97% increase YoY. Our adjusted EBITDA margin for the year was 24.7% (FY2022: 21.8%). This margin increased due to high levels of interest income, and was 26.9% in H2 FY2023. Profit before tax increased significantly to £146.5 million, an increase of 234%. Our earnings per share increased by 239% to 11.53 pence.

As at 31 March 2023, we held £11.5 billion of cash and highly liquid investment grade assets, up 58% from £7.2 billion at the end of FY2022. This includes assets in respect of the £10.7 billion of customer balances which we hold in the form of various high quality assets. It also includes £671.1 million of our 'own cash' (£357.8 million at the end of FY2022), with the increase driven by the £213.3 million of free cash flow generated by the business (see definition in appendix). On this basis, our free cash flow conversion rate for FY2023 was 89.4% (93.3% in FY2022).

We are well capitalised for the future and as at 31 March 2023, our Group eligible capital of £337.8 million was significantly above the minimum capital requirements set by our regulators around the world. Our capital position, built through sustained profitability, enabled us to initiate a programme to reduce the dilutive impact on share count that arises through stock based compensation. £10 million of our capital was used in FY2023 by our Employee Benefit Trust to fund such share purchases. We intend to continue this programme into FY2024, using up to an additional £60 million of our capital for this purpose.

These financial results for the year show the value of the great work the teams are doing. However, scaling across multiple geographies and products is inevitably complex, and comes with expected challenges.

In August of 2022 the Abu Dhabi Global Market Financial Services Regulatory Authority found that our anti-money laundering controls did not meet their requirements and issued a penalty of US\$360,000. No instances of money laundering were identified, and we quickly amended our controls. This does, however, serve as a reminder of the need to maintain focus on constantly assessing what is a consistently evolving regulatory and compliance landscape.

During the year we also made significant progress in evolving our control environment, in particular around controls in our technology but we'll have more work to do in the coming years, and this will continue to be a focus as we scale, and requirements from regulators evolve.

Looking ahead, and our outlook for what's to come

We're building a business with world class fundamentals. The approach that has helped us get this far gives us confidence in doubling down on this approach for the future.

This means we'll keep investing in product development teams and marketing. We'll also continue to sustainably disrupt the cross border transfers market by dropping prices where we can to delight and build trust in our customers, whilst maintaining a ~20% margin on cross border volume, and in effect extend the competitive moat we are building around our product, in a profitable way.

What's new in the past year is interest income, which we will use to power further profitable growth through providing a better Wise Account proposition. We intend to invest c.80% of the interest income back into the Wise Account proposition by paying interest or offering account related incentives. The remaining c.20% will flow directly to adjusted EBITDA. We will not use interest to fund general operating expenses, or lower cross border prices; which means we are building a business which is not dependent on interest income. And as a result of this approach, adjusted EBITDA margins will be higher whilst we have higher interest rates, and at the same time, we will be investing significantly in building a more competitive product.

We will provide incentives related to the Wise Account as follows. First, we will use the first c. 1% of yield we earn on customer balances to contribute towards account feature costs, helping us avoid or reduce any account fees (e.g. subscription, domestic payout fees). This is a level we believe we can reasonably rely upon over time and through economic cycles. Second, we will reward customers with interest on their deposit balances: an approach that is live in Europe and the US. We will extend this to other countries but this will take time. Third, we will explore other incentives, such as cashback on cards and discretionary fee refunds, especially where we cannot pay interest. Critically, where we cannot reward customers, it will flow to adjusted EBITDA, which we expect to be the case in the short term.

As for guidance, we expect active customer growth to be the primary driver of income growth in FY2024, which we anticipate to be between 28-33%. As stated above, we've seen the overall VPC move very slightly lower on Q4 FY2023, as we enter FY2024 and we expect this trend to continue through FY2024, mindful that there continues to be a soft and uncertain macroeconomic outlook. This range reflects that we expect to generate more interest income in FY2024 than in FY2023, and that we should be able to return more to customers.

As we pass through FY2024, it will be important to keep in view that we will be lapping some unusual trends from FY2023. This includes an exceptional level of volume growth in the first half of FY2023 and strong interest income growth in the second half.

Over the medium term, we continue to expect income growth of more than 20% (CAGR) and an adjusted EBITDA margin at or above 20%, and per the explanation above, the higher the interest rates, the higher our adjusted EBITDA margin is likely to be.

And so (nearly) finally

Our results in FY2023 are another proof point that we have truly customer-led growth, and we're growing fast to capture more of a huge market. They also demonstrate that the hyper efficient economics on our growth investments, which include investment into our Wise Account, are helping power growth and higher levels of profitability.

Finally, as you may know from my announcement in May 2023, I will be moving on from Wise in early 2024. I will be leaving behind a world class team. This team is building excellent products for customers as well as building a company, or a machine, with all the processes, principles and frameworks needed to invest and grow sustainably and profitably over many years to come.



Matthew Briers
Chief Financial Officer

27 June 2023

CONNECT

How the Wise Account helped a family move across borders

Lewis was born and raised in Australia, in a family of five. After meeting his wife, having children, and living the 9-5 lifestyle working hard in the city; he and his family decided they needed a change.

Emigrating to a small remote town in the South of France, Lewis moved with his wife and three children to start a new life.

Wise supported Lewis and his family to buy their new home, as well as being their account of choice to send money to family in Australia. Lewis' wife Anastasia also runs an international business, using Wise to support her global expansion goals.



**Watch the story of this
globe-trotting family**

ACROSS



Lewis
Wise Account customer

CONTINENTS

OUR PEOPLE



For everyone, everywhere.

We're people building money without borders.

We are mission driven.

We are all owners.

We are a global team with a global mindset.

5,000+

people

117

nationalities

17

global locations

#19

in 2023 Top 50 UK
Glassdoor Best Places
to Work (up from
previous year)

#40

2023 Best Places to
Work, Austin

**4
VALUES**

**This isn't just
a job, we're
a revolution.**

**We get
it done.**

**Customers >
team > ego**

**No drama.
Good karma.**

People are central to the success of Wise

Our people build great products for our customers. We're continually innovating to deliver for them.

We have a mission-driven culture

Our culture is underpinned by our 4 core values which guide how work is done, how Wisers interact with each other and how they engage with our customers to drive our mission forward.

These values inform 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.

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, empowerment and trust are essential parts of our culture. Wise invests in the growth of Wisers – from the point of onboarding through to learning and development, knowledge sharing and regular 360-degree feedback.

We support our culture through fortnightly all-hands team calls. We also bring people together to share how we're delivering against the mission every 6 months, at Wise's all-company 'Mission Days' events.

We publish our product roadmap on our website for all our customers, owners, and employees to see. Our internal team metrics are openly shared in the business, so we all know how we are performing.

Wisers all have a voice

Wisers are encouraged to share their feedback to make Wise an even better place to work. Eighty-five percent of Wisers completed our engagement survey in May 2022. That's 4% higher than our benchmark of technology companies and consistent with participation in our engagement survey the prior year. Our teams use these results to take action.

Our teams regularly collaborate to review their lessons learned and create plans for the quarter ahead. These plans are then shared across the organisation and are open to challenge and feedback.

92%

of Wisers understand how their team directly impacts the mission

89%

of Wisers agreed their team is given the freedom to act and make decisions

93%

of Wisers agree they are given enough trust to use their initiative and judgement in their work

(Wise Employee Engagement Survey, May 2022)

Wisers are willing to act as ambassadors for our brand too – 87% of Wisers would recommend Wise as a place to work (Wise Employee Engagement survey, May 2022) and this has translated to over 6,000 referrals using our employee referral scheme in FY2023.

In FY2024, we're introducing a new engagement tool that will enable more continuous employee listening with a broader range of questions, asked in a briefer, pulse style on a more regular frequency. Coupled with a more intuitive, automated reporting system, this will give Wisers and their leads* a regular snapshot of engagement levels and easier access to trend analysis and support for improvement where needed.

* 'Lead' refers to a Wiser with at least 1 direct report.

We are all owners

Our goal is to build a better product that is continuously growing with our customers. That's why all our people own a piece of Wise, from the work they do, to the stock they hold.

Our teams are empowered to solve the most urgent and relevant problems they see for our customers. They're agile, flexible and able to focus on the customer by working in tribes and squads – collaborating across the business to bring together the skills needed to solve problems and remove friction.

We're a global team with a global workplace

We're truly global in who we are, how we work and how we build.

Just like our customers, our Wisers are from every part of the world. They are shaped by the places where they live, work and travel. They work in diverse teams solving global problems.

We have 117 different nationalities represented at Wise, with almost half of our people working in a country that's different from their nationality.

We're growing our global footprint across our regions. We're focused on developing talent and our internal mobility is high.

Supporting flexibility in how we work

We have a flexible working model at Wise. We also have a Mobile Wiser programme, which allows Wisers to work from (almost) anywhere in the world for up to 90 days a year.

At the end of 2022, we reviewed our approach. We wanted to make sure employees continued to be offered flexibility in how they work, and balance that with purposeful in-person connections.

That's why we designed our approach to focus on bringing people together in the workplace for the most impactful activities: coaching, community and collaboration. For example, focusing on dedicated team activities, supporting new joiners and building our team relationships.

Wisers have access to a 'work from home' allowance, workplace safety checks and collaboration tools that support their ability to work safely – in person or virtually.

1,400+

Wisers took advantage of our Mobile Wiser programme in FY2023 to work away from their home country or state.

Wellbeing and safety

We believe that the wellbeing of our people is integral to the work they do.

Our wellbeing support includes:

- Enhanced parental leave and sick leave, dedicated compassionate leave and 'me' days
- Employee assistance support from in-house mental wellbeing champions and external networks
- Benefits to support health and financial wellbeing
- Social and physical wellbeing activities and team get-togethers
- Regular, in-office food and drinks offerings available to Wisers throughout the week
- Flexible working times and locations.

We want to enhance our wellbeing offering for Wisers, particularly post-pandemic, and for the challenging economic environment that many of them are experiencing.

So in the next financial year we will commence a review of what we offer in this space to ensure that we are meaningfully supporting Wisers' mental, physical, financial and social health.

Inclusion at Wise

To build the future of global money, we need an inclusive team that's as diverse as the customers we serve.

Transparency is deeply important to us, so being clear about the challenges we face and how we're working to overcome them is key to making sure we achieve our goals and track our progress along the way.

Increasing women's representation

Over the last year, one of our focus areas has been increasing our representation of women.

Gender breakdown as at 31 March 2023

	Women	Men
Wise overall	2644 (51%)	2506 (49%)
Managers (or leads)	410 (47%)	468 (53%)
Senior leader positions*	28 (27%)	75 (73%)
Leadership Team (LT)	4 (40%)	6 (60%)

* Senior leaders are defined as those in Management Level 8 and above (equivalent to Director level and above).

See page 86 for a further breakdown of our Board and leadership team composition by gender and ethnicity. See page 125 for the DEI statement from the Remuneration Committee.



Our goals

Increase the representation of women in senior leader positions to at least

40% BY 2025

– currently 27% women (up from 25% in previous year)

Maintain or exceed minimum representation of women in the Leadership Team

40%

– currently 40% women (up from 33% in previous year)

Maintain or exceed minimum representation of women on the Board

40%

– currently 44% women (up from 37.5% in previous year)

Where we're currently below some of our targets, teams have set specific objectives and key results to aim for. These cover improving our representation of women across hiring, retention and career development opportunities. This includes initiatives to mitigate any potential biases in our processes, more deliberate outreach to women-focused diversity recruitment organisations and improving equal opportunities in our decision-making.

Our focus for the next financial year will be to continue with a deliberate approach across teams to ensure more consistency, sustainability and scalability in our actions, focusing on developing our internal diverse pipeline of leaders and broadening our attraction and hiring strategies.

Creating a safe and inclusive workplace

In FY2023, we concluded an in-depth review of our procedures around creating a safe and inclusive work environment.

As a result of this, we:

- Reviewed and updated our global grievances process and introduced a simplified and accessible way to raise and address complaints regarding harassment, bullying, conflict and other sensitive situations.
- Embedded diversity, equity and inclusion (DEI) and harassment prevention training for all employees.

We've embedded knowledge and skills around DEI in existing development programmes and continue to create a range of specific learning opportunities on DEI topics to enhance our learning curriculum this year.

Looking forward

We have evolved our DEI efforts to include 5 overarching objectives for the next financial year and beyond. The key priorities we are focusing on are:

- Increase the diversity of our Wiser population and leads to reflect our global and local customer base and the diverse communities that we serve every day
- Enhance the inclusivity of our products and services to broaden our reach and improve the customer experience, particularly for our vulnerable customers
- Evolve our learning curriculum to increase DEI knowledge, actions and behaviours to increase retention and drive high performance
- Ensure our processes and policies are fair, equitable and mitigate potential biases, particularly in our decision-making moments
- Improve our DEI data capture, analysis and reporting capabilities to set specific goals and track our progress

85%

of Wisers feel like they belong at the Company (up 2 percentage points on previous year)

(Wise Employee Engagement Survey, May 2022)

Wise Communities

We have 12 global Wise Communities (Employee Resource Groups) with close to 4,000 members who actively help us drive our diversity, equity and inclusion progress.

Growing and developing the team

Development

We believe in empowering our teams with opportunities to learn and develop in their roles. This process comes to life through individual and team development, as well as global programmes delivered across all our locations. We design and support development initiatives, enabling each Wiser to build their growth in line with our mission and our values.

Bringing new joiners on board to the mission

As soon as new hires join Wise, we bring them to one of our main hubs to participate in in-person company onboarding so they understand the mission, our values and their role in it.

To enhance our onboarding experience, we've created a customer and product-centric experience. We guide all our newbies in a 2-day, face-to-face journey where they can explore our business model and discover what makes us unique.

Wise grew

53%

in FY2023 to over 5,000 Wisers to enable business growth

In FY2023 we onboarded new Wisers over

107

sessions globally across 7 locations

91%

of Wisers are proud to work here

(Wise Employee Engagement Survey, May 2022)



Leadership training

We have redesigned our leadership training to create a bespoke onboarding curriculum for leads joining us from other organisations and for newly promoted leads. The curriculum focuses on accountability, support, development for their operational needs, and their growth as leaders.

We continue to invest in our team leads to reinforce our culture and values, and create the optimal conditions for high performing teams to thrive and deliver results.

91%

of participants in our most recent leadership training programme, run between September and December 2022, said they felt like they'd be able to apply their learnings in their job.

Reward and recognition

Wise regularly reviews Wiser salaries and progression opportunities to ensure that Wisers are rewarded appropriately and high performance is recognised. We offer stock to all Wisers, and it is a key part of our reward package. Overall our focus is to drive long-term retention and ownership in the business, as well as bringing Wisers on the journey towards achieving our mission.

In FY2023, Wise had a promotion rate of

20%

and more than 100 Wisers transferred to another office for career development opportunities.



Developing the next generation

Wise Women Code

We launched our Wise Women Code programme in April 2022 in London to inspire and encourage the next generation of women into the tech industry and create a pipeline of future women to hire onto our intern and graduate programmes at Wise.

We welcomed women and non-binary people to our offices, for three days of knowledge sharing, side-by-side coding sessions, networking and more, to provide a glimpse into the fintech working world.

In FY2024, we're expanding the programme to Tallinn, Estonia and plan to expand to Singapore the following year.

Looking ahead

We know the world of work is evolving, and we're continuing to focus on the skills needed now and in the future.

Our aim is to become an employer of choice around the world, focused on creating opportunities to inspire people to work in tech, and expand our pool of talent across a range of backgrounds and experiences.

We'll also continue our journey of creating a seamless employee experience, leveraging technology and data to create customised offerings for our people.

WiseStart scholarships strategy

We're introducing a new scholarship strategy as a way to reach students from under represented groups to promote our early careers roles. The strategy provides meaningful financial support to students who need it.

Already this year, we offered bursaries to women studying Computer Science in Estonia.

In FY2024, we'll continue to offer further bursaries in Estonia and will expand this to Computer Science students at UK universities as well. We're also sponsoring the first ever National Scholarships Week in the UK.

In FY2023, Wise employed

44

interns

75

graduates

5

apprentices



Environmental, Social and Governance

Over the last decade, Wise has financially empowered millions of people and small businesses.

We recognise that our social responsibility extends beyond finance and doing right is part of our Company mission. This is why Wise is taking substantive action to become a more sustainable business and to further invest in our communities.

This year we made progress in Wise's environmental, social and governance (ESG) strategy. We launched local charitable partnerships to boost financial inclusion for immigrants near our major offices, announced our participation in the frontier to accelerate the global transition to net zero, and Wisers around the world mobilised to help refugees. We also know the most effective long-term impact Wise can deliver is through our product and mission, such that the last year saw the launch of several ESG-related features for customers.

Wise's climate and social impact initiatives are supported by a team of Wisers from across the Company and an actively engaged Leadership Team (LT). This broad support has helped develop numerous initiatives and embed ESG across Company verticals and the broader business strategy. The efforts are also backed by a dedicated portion of revenue (approximately 0.1%) split between environmental sustainability causes and charitable giving.

Wise's ESG strategy is organised around 5 pillars intended to help us reach our mission while looking after our communities and the environment. We'll describe throughout this section how the initiatives align with various United Nations Sustainable Development Goals ('UN SDGs').

As part of our mission is to create a more connected world, we believe we have a responsibility to drive positive social impact in the communities where we live and work. Our social impact efforts prioritise community-driven impact, empowering our customers and employees to take action. These initiatives include corporate giving, employee volunteering, and waiving fees on customer donations to charitable partners.

Environmental and social impact pillars

People without Borders

Delivering for those who live global lives and their communities



Next Gen Founders & Tech Talent

Promoting entrepreneurship and technologists



Inclusive Culture

Attracting and retaining talent, supporting diverse communities



Ethical Business Culture

Leading by example as mission-driven and socially responsible



Emission Zero

Protecting the planet and reducing our carbon footprint



People without Borders



Wise was founded by immigrants, built by immigrants, and is used by immigrants. By providing services which improve the global movement of money, we've increased access to financial services for millions, with 55% of transfers arriving instantly and with an average fee of 0.65%.

Money without borders extends beyond our product to our communities and to the people within them. Wise has been outspoken in support of our Wiser and customer community. This includes advocacy for the Deferred Action for Childhood Arrivals (DACA) programme in the US to protect young, undocumented 'DREAMers' from deportation. It also extends to close engagement with international bodies like the United Nations, World Bank and the Bank for International Settlements on efforts to improve cross-border payments and increase financial access and education in low-income countries. Our global engagement has often focused on providing our payments expertise to help 'reduce remittance costs to 3% by 2030', a target of UN SDG 10.C.

Local partnerships and volunteering: This year we launched a charitable partnership programme that better aligns with our mission by focusing on boosting financial inclusion for vulnerable immigrant and refugee communities. We partnered with grassroots organisations whose primary mandate is to create economic opportunities to enable financial inclusion for immigrants and/or refugees.

We launched partnerships with the following organisations: Breaking Barriers (UK), It'sRainingRaincoats (Singapore), Artemisszió Foundation (Budapest), Eesti Pagulasabi (Tallinn), and Tent Partnership for Refugees (USA). With a goal of bolstering Wiser engagement, we crowd-sourced suggestions for charities from local offices. These local organisations will also facilitate volunteer opportunities in FY2024 to help employees better leverage their annual paid volunteer day to give back to their community.

Corporate donations: Aligning with a desire to support high-impact community-led organisations, we made a donation to Turkish charity AHBAP to assist displaced people after the region was hit by a devastating earthquake in February 2023. Additionally, we made a donation to support the reconstruction of Ukraine and provide humanitarian aid, this time to VOSTOK SOS, a volunteer civil organisation.

Waiving fees: Wise's donation feature allows customers to send fee-free donations to select charities. We have partnered with numerous charities in recent years following humanitarian and environmental crises around the world. Over the last year, Wise prioritised customer donations to charities assisting recovery efforts related to flooding in Pakistan, the invasion of Ukraine, and the earthquake in Turkey. We partnered with global organisations such as CARE, Save the Children and the UN Refugee Agency along with local organisations such as AHBAP (Turkey), Angels of Azov (Ukraine) and Hospitallers (Ukraine).

Next Gen Founders & Tech Talent



Wise continues to help the next generation of tech talent thrive. This starts in Estonia, home to our largest office and a number of tech education partnerships. In 2020, Wise began a multi-year commitment of £42,000 per year to help fund the creation of a new coding school that welcomes students from all backgrounds and aims to attract more women to study coding.

Wise helped fund an initiative of £25,000 per year to boost youth education in Estonia: the Good Deed Foundation's Education Fund 2.0. This fund now also supports children who fled the war in Ukraine who want to continue their education. Additionally, we launched several mentorship programmes, job shadowing and hackathons; and visited schools and welcomed school groups for talks on the tech sector. Wise also held our annual '20 Under 20' competition, awarding grants of up to £25,000 to the most promising young entrepreneurs in Europe.

Wise has also partnered with The Talent Foundry, a charity focused on increasing social mobility in the UK, by supporting young people from under-represented communities to discover what they are amazing at, develop vital skills and get ready for the workplace.

Wise will host school-aged students for a whole day's workshop at the Wise London office in the summer of 2023. The aim of the day, run by employees at Wise, is to provide an insight into the world of work and inspire young people.

Helping develop coding skills in Estonia

In October 2020, 8 tech entrepreneurs, including Wise's co-founder Taavet Hinrikus, founded kood/Jõhvi programming school. The mission of the school is to tackle an emerging problem in the Estonian tech sector, which is the lack of a growing workforce. Located in north-eastern Estonia, in the town of Jõhvi, the school offers a unique approach to teaching – without teachers or classrooms and using a cloud-based learning platform. kood/Jõhvi prides itself on its diversity and inclusion as it is currently working to attract more women into tech. Moreover, the school is free of charge, available for anyone who wishes to study coding, regardless of their background. Currently, kood/Jõhvi has 500 students, with its first cohort graduating at the end of 2023.

“Wise has been a great partner to the kood/Jõhvi initiative. Their unwavering support in driving education accessibility and fostering practical coding skills has been nothing short of remarkable. From engaging mini-hackathons to insightful talks and fun-filled events, Wise has been an invaluable partner in empowering our students. We're honoured to collaborate with Wise and create a positive impact while keeping things lively and engaging,” commented Kadi Lääts, Community Manager at kood/Jõhvi.

Wise has been an active member of the kood/Jõhvi community since the launch, organising Wise Talks to students to share our know-how and introduce them to daily life in a tech company. In February 2023, Wise organised a tech bootcamp for kood/Jõhvi students, who enjoyed a full day of working alongside Wise employees, dedicated mentorship and project-based work. Part of this project was to come up with a tool to address the current cost of living crisis and rising inflation, in which teams were graded on technical aspects and problem validation, alongside creativity and presentation skills.

“I really liked the opportunity to visit Wise's Tallinn office and meet all the awesome people that work there. They planned a mini-hackathon for us, where the topic was inflation and rising costs. Every team was also given a mentor that guided us through the challenge,” commented Kevin Leinfeld, bootcamp participant.

Inclusive Culture



Diversity and inclusivity are ongoing priorities as highlighted in the Our People section on pages 50-57. For International Women's Day on 8 March, Wisers rallied around the theme 'Embrace Equity', organising many events addressing the strengths of women and the challenges they face. We also made corporate donations to support women's equity via two grassroots nonprofits – PSYDEH (Mexico) and Women of Will (Malaysia).

We champion inclusivity not only inside our offices, but also outside. Wisers in Tallinn and Budapest organised donation drives for Ukrainian refugees, mobilising and driving to the border to deliver medical supplies and goods while hosting refugees. When the Hackney Foodbank saw a 50% drop in food donations, London Wisers organised a food and toiletries donation drive. Our Singaporean Wisers partnered with local charity Willing Hearts to pack, cook and clean in their kitchens. A number of Wisers also utilised their paid volunteer day to give back to their local communities, which will be a growing focus of Wise in the coming years.

Ethical business culture



As Wise was founded to fix the broken system of international payments, treating customers fairly and transparently is central to how we work. This approach also extends to our governance and operations. We take frauds and scams very seriously. We've implemented additional protections and alerts to reduce risks and keep customers safe. We ensure customer funds and assets are protected and invested fairly and ethically. And we take data privacy seriously – we're transparent with how we use and share data.

ESG is becoming more deeply embedded across the Company and Governance is central to it. The work is supported by a quickly growing internal advisory committee of Wisers from various teams and regions, providing accountability and oversight on ESG initiatives. In FY2023, we created a Donations subcommittee with the principal mandate to guide and vet charitable giving, with ultimate sign-off from the Chief Financial Officer. We hired a full-time ESG manager to provide day-to-day ESG management and monitoring and providing frequent internal updates on key ESG issues for the Company. The Board maintains oversight by receiving at least annual updates from the ESG team.

Finally, adherence to the 2018 UK Corporate Governance Code (UK CGC) supports our approach to governance of environmental matters.

Additional commitments:

Fairness and transparency extend to all aspects of our business. As part of this, Wise has clear policies in place in regard to:

- **Our Wisers and our partners:** At Wise, we set the bar high for the work we do and the way we behave. Our Code of Conduct consists of 3 pillars – how we look after each other, our customers and Wise overall. Safety and integrity are priorities for our employees and our partners. We have a clear whistleblowing policy and anti-bribery and corruption (ABC) policy to support this. Our ABC policy clearly defines our position on bribery and corruption while guiding how to recognise and respond to it. Our whistleblowing policy helps guide our response to confidential complaints and suspected wrongdoing. Other policies include our commitment to diversity, equity and inclusion.
- **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. Violations of our acceptable use policy may result in suspension or termination. We have complaints and vulnerable customer policies to ensure customers are treated fairly and efficiently, and that the processes are clearly communicated. We also have a privacy and data protection policy to protect the personal data and privacy rights of our customers, Wisers and other stakeholders.
- **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 are upheld via due diligence on material new partners, continuous reassessment of existing material suppliers, Wiser training on the Code of Conduct and whistleblowing procedures, and the Board-approved policies related to modern slavery.

Sustainability at Wise



As Wise helps its millions of customers and thousands of Wisers live global lives, we must take responsibility for our impact on the planet. Emission Zero is our response to the climate crisis. We've been carbon neutral since 2020 and are committed to achieving net zero emissions. We're now also committing to purchasing \$1 million in high-tech carbon removals over the next decade.

Our climate strategy is underpinned by three pillars: Measure, Reduce and Offset/Remove. We aim to comprehensively measure our footprint, reduce our emissions as much as possible, and purchase removals where we can't reduce, all with the intention of achieving net zero emissions. This year will also be the first year that we report on how we identify, measure and manage climate risks and opportunities in the Annual Report, in alignment with the Task Force on Climate-related Financial Disclosures (TCFD) Recommendations.

In the FY2022 Annual Report and Accounts, Wise announced its commitment to net zero emissions by 2030. FY2023 saw our carbon footprint start adjusting to a post-COVID landscape with travel rebounding and offices fully reopening. This has resulted in an increase in our scope 1, 2 and 3 emissions and caused us to re-evaluate how we measure emissions going forward and whether our existing emissions baseline for our net zero goal is appropriate.

We're in the early stages of our carbon reduction journey, having identified reductions in two areas – travel and third-party vendors – as being key to achieving net zero emissions for our business. As we adjust to a post-COVID landscape, we're actively reviewing our 2030 commitment and this may result in an amended net zero goal which goes beyond 2030.

Achieving net zero emissions remains a priority for Wise and we continue to take climate action seriously. As a result, we're continuing to make progress by:

- Incorporating climate risks into the business strategy (TCFD) and purchasing early-stage high-tech carbon removals.
- Developing an enhanced, comprehensive reduction strategy with our partner Watershed, which takes the evolving landscape into account.

Goal 1:

Carbon neutral since 2020



Goal 2:

Clean power in largest offices since 2021



Goal 3:

Net zero emissions by 2030



Goal 4:

\$1 million in high-tech carbon removal purchases by 2030



Measure

Wise first measured the Group's carbon footprint in 2019 through the software platform Watershed, a partnership that continues today. We measure our Scope 1, 2, and 3 emissions, which encompasses all areas of business operations, ranging from Wisers (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).

In FY2023, Wise's net corporate emissions were 33,963 metric tonnes of CO₂e, up 120.2% from the previous 12-month period. Once again, the vast majority of our emissions are Scope 3, primarily resulting from our suppliers. We recognise travel once again became a large source of these emissions with a degree of normalcy returning over the last year. While overall post-pandemic emissions increased, we note they have decreased by revenue intensity, the primary metric we use to track progress, and have also decreased by headcount intensity compared to our pre-COVID baseline.

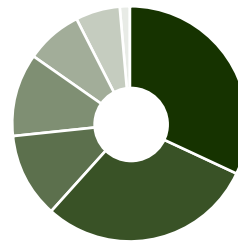
While Wise has not included payment processing emissions this year, we are working on improving the scope of our methodology each year. With that in mind, we intend to include payment processing emissions as soon as the FY2024 Annual Report and Accounts. We will also take into account any payment processing emissions in our reductions strategy.

SECR April 2022-March 2023

Energy usage and greenhouse gas emissions

	Reporting period April 2022-March 2023		Baseline period January 2021-December 2021	
	UK and offshore	Global (excluding UK and offshore)	UK and offshore	Global (excluding UK and offshore)
Energy consumption used to calculate emissions (Scope 1 & 2). Some emissions could not be converted to kWh. See the table below.	622,984 kWh	2,867,383 kWh	492,782 kWh	2,025,515 kWh
Emissions from sources which are owned or controlled by the company including combustion of fuel for transport & operation of facilities (Scope 1)	42.4 tCO ₂ e	116 tCO ₂ e	29.6 tCO ₂ e	114.7 tCO ₂ e
Emissions from purchased electricity, heat, steam, and cooling (Scope 2, location-based)	90.7 tCO ₂ e	753.5 tCO ₂ e	122.5 tCO ₂ e	610.5 tCO ₂ e
Total gross tCO ₂ e based on above fields	133.2 tCO ₂ e	869.5 tCO ₂ e	152.2 tCO ₂ e	725.2 tCO ₂ e
Intensity ratio: Worldwide gross tCO ₂ e per £ million of worldwide revenue (based on Scope 1 & 2 above)	1.19			1.57
Intensity ratio: Worldwide gross tCO ₂ e per employee (based on Scope 1 & 2 above)	0.23			0.31
Intensity ratio: Worldwide gross tCO ₂ e per £ million of worldwide revenue (including Scope 3) (optional)	41.26			34.99
Intensity ratio: Worldwide gross tCO ₂ e per employee (including Scope 3) (optional)	7.94			6.83

Emissions breakdown by category



Travel	32.2%
Goods & services	29.7%
Employees	11.6%
Marketing	11.3%
Offices	7.8%
Cloud	6.1%
Products	1.3%

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 each facility's local grid. Wise's reported Scope 3 emissions consist of emissions from purchased goods and services, capital goods, business travel, employee commuting, fuel and energy-related activities, and waste generated in operations.

Please refer to the section titled 'Reduce' below for a description of the measures Wise is taking to reduce emissions and energy consumption.

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) framework. The section below highlights existing energy efficiency efforts.

Emissions that could not be converted to energy usage

The footprint includes some emissions with units that could not be converted to energy consumption in kWh.

Description	Unit	Reporting year:	Reporting year:	Base year:	Base year:
		UK and offshore	Global (excluding UK and offshore)	UK and offshore	Global (excluding UK and offshore)
Refrigerant equipment leaks (r-134a)	kg	0.04	0.2	0.01	0.04
Refrigerant equipment leaks (r-410a)	kg	6.3	25	1.6	5.9

See the UK Department for Environment, Food and Rural Affairs (DEFRA) conversion factors (<https://www.gov.uk/government/collections/government-conversion-factors-for-company-reporting>) for assistance converting these emissions sources to quantities of energy consumption.

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.

Task Force on Climate-related Financial Disclosures ("TCFD") disclosure statement

In consideration of our obligations in respect of climate-related disclosures under the UK Financial Conduct Authority's Listing Rules, we are building out our processes for identifying, managing and reporting on climate-related risks and opportunities in line with the TCFD Recommendations.

In terms of governance, our Board has oversight via an annual update on ESG opportunities and strategy, and management has a role by way of regular updates from an active internal cross-team advisory committee focused on ESG opportunities and risks and overseen by a full-time ESG Manager. For metrics, the table below sets out further detail on our Scope 1, 2 and 3 carbon emissions. These have been measured by Watershed, an industry specialist in carbon footprint measurement, management and reporting who has partnered with us since 2019. Watershed uses the World Resources Institute GHG Protocol Corporate Accounting and Reporting Standard, which provides a standardised approach for presenting emissions. All relevant Scope 1, 2 and 3 activities are analysed in our carbon footprint.

The group does not fully align with all TCFD Recommendations and Disclosures yet. Our aim is to provide enhanced TCFD-related disclosures in next year's annual report. We do not expect the financial impacts of climate change to be material for the Wise group.

Scope	Emissions (tCO ₂ e)
Scope 1	221
Scope 2 (location-based)	647
Scope 2 (market-based)	801
Scope 3	30,669
Scope 3 category 1: Purchased goods and services	16,358
Scope 3 category 2: Capital goods	1,066
Scope 3 category 3: Fuel-and-energy-related activities (not included in Scope 1 or 2)	351
Scope 3 category 5: Waste generated in operations	227
Scope 3 category 6: Business travel	9,755
Scope 3 category 7: Employee commuting	2,777
Scope 3 category 8: Upstream leased assets	135
Gross emissions (Market-based)	31,692
Gross emissions (Location-based)	31,568
Net emissions (Market-based)	31,692
Net emissions (Location-based)	31,568



Reduce

Reducing our emissions significantly will be crucial to achieving net zero. We are in the process of constructing a more comprehensive reduction plan and timeline to help achieve net zero emissions, which we'll disclose in more detail in the future. In FY2023, we focused our reduction efforts on our highest sources of emissions: travel and goods and services.

Travel is an integral part of how we work. It enables our global teams to closely collaborate while staying close to customer needs. After corporate travel increased notably in FY2023, Wise announced an updated travel policy that highlights our net-zero commitment, including suggestions for virtual events, low-carbon travel modes, ride-sharing, public transportation and other ways of more sustainable travel. This will be a continued focus in FY2024.

We also continue working with our largest suppliers to understand their carbon impact and help them reduce their impact. Amazon Web Services (AWS) powers our services and is unsurprisingly one of our single biggest sources of emissions. After switching to the cloud several years ago, we're working with AWS to become more energy-efficient, including migrating to Graviton chips in our servers, which give us higher performance and greater efficiency. Additionally, our Third-Party Risk Management team now receives and reviews ESG scores of suppliers as part of their due diligence process.

Last year we obtained clean energy certificates in all our offices and intend to continue doing so this upcoming year. When building or expanding offices, our suppliers and contractors use low carbon materials and prioritise retrofitting to ensure lowered energy and emission consumption. We continue to champion our internal recycling program – Reduce, Reuse and Recycling Right – across our global offices. Each of our offices are equipped with recycling facilities. Additionally, we are improving our tech circularity by donating old laptops and IT equipment for refurbishment in our local communities, thereby extending the life of our devices.

Offset/Remove

It is not currently possible to eliminate our carbon emissions entirely. That is why Wise began purchasing carbon credits, such as avoidance and removal projects, to help offset our carbon footprint and achieve carbon neutrality, starting back in 2020. We're now increasingly investing in high-tech carbon removal technologies, which will likely be necessary to achieve net zero. We define net zero as when the balance between the greenhouse gases produced by Wise and those removed from the atmosphere is zero.

For FY2023, Wise is using both carbon removal and carbon avoidance purchases in order to reach our carbon neutral goals. For our removal project, we are funding WithOneSeed, a S.E Asia reforestation program that works with subsistence farming communities to replant forests and conduct ongoing carbon removal measurement and verification activities. For our avoidance projects, we are helping fund two programs through carbon credit purchases; a nitrous oxide abatement project in Florida that is retrofitting an adipic acid plant in Florida to prevent the release of the high potency greenhouse gas, nitrous oxide, and an improved forest management project that converts privately owned harvestable forests into protected lands and donates a portion of revenue to indigenous conservation programs. Each of these projects we're funding are in key locations where Wisers are located alongside our customers.

We also continue to invest in early-stage high-tech projects that permanently sequester carbon from the atmosphere. Wise recently announced our participation in Frontier, an advance market commitment to accelerate the development of permanent carbon removal technologies.

Wise has previously invested in nature-based carbon sequestration projects such as reforestation, ocean kelp growth and direct carbon capture.

Additional sustainability initiatives

Last year saw the launch of two sustainability-related product features for customers, led by product teams. We also prioritised embedding sustainability into our company events.

Carbon footprint customer insights: We are in the process of creating a product feature that will help Wise customers track their carbon footprint. This feature is currently in development and testing with a small number of customers.

Eco-friendly cards: In FY2023, we launched eco-friendly cards for our UK and EU customers. These cards are made of bio-sourced plastic with a minimal design philosophy to reduce plastic waste. The considerable customer preference for the product demonstrates that customers may desire sustainable product offerings.

Sustainable events: The City of Tallinn, Estonia awarded "Wise Days" – our Company-wide event in June 2022 – with a special award for sustainable efforts. Our Company-wide events seek to reduce plastic and food waste. We install recycling stations across our events, have a menu offering of 50% plant-based foods, encourage the use of public transport, and use only third-party vendors who measure their carbon footprint.

Supporting long-term scalable carbon removal

Over the last few years, Wise has pre-purchased permanent carbon removal from Heirloom, a US-based direct air capture company permanently removing CO₂ from the atmosphere. Using the natural properties of limestone, Heirloom can accelerate the natural CO₂ absorption process, that would typically take years, to just three days. Their technology is designed to drive down the cost of carbon removal technology so it can scale quickly and prevent the most severe impact of climate change.



"Wise's support is helping us accelerate the development of our technology so we can achieve our goal of removing 1 billion tonnes of CO₂ from the atmosphere by 2035."

Max Scholten, Heirloom's Head of Commercialization

Purchasing permanent carbon removals from Heirloom was the start of Wise's journey of investing in high-tech, innovative climate solutions. Our commitment to Frontier is our next step – ramping up our strategy and commitment to long-term, scalable carbon removal.



CREATING VALUE FOR OUR STAKEHOLDERS

The relationship between the Wise Group and our stakeholders remains fundamental to the strategy, purpose and values of our business and drives our decision-making.

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 key stakeholders of the Group are:

- Customers
- Wisers
- Wise owners
- Governments and Regulators
- Communities
- Suppliers

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

The following pages (60-66) comprise our Section 172(1) statement, setting out how, in performing its duties over the course of the year, the Board has 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 with. Further information can also be found throughout the Strategic report and the Corporate Governance report on pages 103 and 104.



Customers

Why are customers important to Wise?

'Customer > team > ego' is one of the key guiding principles at Wise. We keep our customers at the heart of everything we do, solving real world problems for people and businesses around the world. We do this by focusing on building the products and features that make moving and managing money across borders easier, faster, more transparent and cost-effective for everyone, everywhere. This year was a significant year in many respects – over half (55%) of all our payments are now delivered to their destination instantly, and we also rolled out new features that enable our customers to take advantage of the higher interest rate environment while retaining full access to funds in their Wise accounts. This includes the roll out of our Assets feature in Singapore, France, Spain, Austria, Finland, the Netherlands and Luxembourg.

What matters to our customers?

While our diverse range of customers all have their own individual needs, their key priorities include:

- Convenience of use
- Sensible pricing
- Speedy transactions
- Business transparency

How does the Group engage with customers?

- We encourage our customers to share their feedback through a variety of channels, including by submitting their ideas for products and features through our mission roadmap page on our website. We also offer our most engaged customers the ability to try our new products and features before the official release.
- We regularly invite direct feedback from customers through a range of quantitative and qualitative research methodologies including surveys, interviews and customer engagement events. The feedback we gather from our customers helps inform our development process, ensuring that what we're building solves our customers' problems.

- We keep our customers up to date on the progress of the mission, our business and new products and features through social media posts, email updates and quarterly Mission updates on our website.
- We provide all customers with easy access to customer support via web chat, email and telephone, and maintain an online help centre with answers to FAQs and help articles.

How has the Board taken customer interests into account?

- The Board regularly reviewed key operational metrics, such as the health of customer service queues, to gain a deeper understanding of the customer experience at Wise.
- The Board conducted a number of live customer interviews at Board meetings to gain first-hand insight and bring the Wise customer experience to life. The Board will consider holding further customer interviews this year in addition to other customer-focused agenda topics.
- The Board, via the Audit and Risk Committee, reviewed customer complaint data to identify and address any ongoing issues.
- The Board, via the Audit and Risk Committee, oversaw the Group's risk control environment to ensure that customers are protected and that Wise maintains a strong capital and liquidity position.
- The Board continues to review the use of our increasing interest income, driven by the higher interest rate environment. To date, Wise's approach has been to use this income to ensure that our proposition remains competitive and mission-aligned to be attractive to both new and existing customers, for example, by paying cashback on balances that customers hold with us and developing our "Interest" Assets feature. More information can be found in the CFO review on page 40.
- The Board approved the issue and allotment of shares for OwnWise, a programme that allowed customers to acquire shares and potential bonus shares. OwnWise, which was a once-off programme launched at the time of Wise's listing in 2021, increased customer advocacy by giving our customers a sense of ownership in Wise and also brought the voice of customers into the shareholder base. The programme closed in 2022.



Wisers

Why are Wisers important to Wise?

Our people and teams sit at the heart of our ability to operate and deliver on our mission. It is their commitment and passion to build the products and services our customers love that drive Wise.

What matters to Wisers?

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 various Wiser listening mechanisms show that the following are important priorities:

- Growth and development
- The mission
- Benefits and reward
- Diversity and inclusion
- Ownership and voice

How does the Group engage with Wisers?

- We maintain an open and transparent culture. This includes holding fortnightly all-Company team call meetings which bring together updates from across the organisation. These calls are hosted regularly by, and include speakers from, our different global offices. We also hold twice yearly 'Mission Days' conferences, which are attended by Wisers and some members of the Board, and led by the LT.
- We make sure that Wisers are regularly invited to provide confidential feedback through our annual 'WiserPulse' Wiser engagement survey. From FY2024, the cadence of these surveys will be increased to twice a year.
- We also provide an independent whistleblowing service to enable all Wisers to confidentially raise any concerns they may have.
- When she joined Wise in June 2022, our Chief People Officer, Isabel Naidoo, held a number of small-group and team-specific feedback and engagement sessions in offices around the world to better understand the Wiser experience globally. These insights will help drive our plans around Wiser engagement and our broader approach to talent and people programmes in the coming months.

Further details on how we engage with Wisers can be found in the Our People section on page 46.

How has the Board taken employee interests into account?

- In May 2022 the Board set out a formal workforce engagement plan for NEDs. As part of that plan, Terri Duhon hosted engagement sessions with groups of Wisers in our Budapest office in March 2023. These sessions focused on understanding the experiences of new joiners and long-tenured Wisers in particular. Further engagement sessions were hosted in London and Tallinn. For more information on the Board's workforce engagement plan see page 90 of the Corporate Governance report.
- Directors also engaged with Wisers in more informal ways. For example, in March 2023 Ingo Uytdehaage, Chair of the Audit and Risk Committee, hosted a LunchWise in London where employees were invited to ask him questions.
- The Board was provided with updates on key commitments to DEI objectives, such as increasing the diversity of the Wiser population, enhancing our learning curriculum, and improving our DEI data capture, analysis and reporting capabilities.
- The Board received regular updates on Wiser-related matters to ensure continued oversight of culture and Wiser wellbeing.
- The Board, via the Remuneration Committee, monitored stock pool utilisation to ensure that there were appropriate levels of stock and restricted share units for Wisers.



Wise owners

Why are Wise owners important to Wise?

Securing the trust and support of Wise owners is a key component in advancing our mission. We believe we have a rare alignment with our key stakeholders, including Wise owners, sharing the same vision for the future and understanding their questions and concerns through ongoing and open engagement.

What matters to Wise owners?

We believe our investor base is currently focused on:

- Implementation of the mission and progress made against it
- Delivery of sustainable and profitable growth over both the short and the long-term
- Implementation of proactive and conscientious environment, social and corporate governance (ESG) plans and corresponding performance in ESG areas
- Executive remuneration
- Independence and diversity on the Board

How does the Group engage with Wise owners?

- We provide comprehensive market updates at half and full year, along with quarterly trading updates. These results presentations and accompanying Q&A opportunities with management provide our investors with clear guidance on our capital planning priorities alongside strategic updates and financial results. Wise owners can access the updates and recorded Q&As on our website.
- Our Owner Relations team, alongside the Chair and LT, maintain regular dialogue with investors, both existing and prospective.
- Our first AGM was held in September 2022, giving all Wise owners an opportunity to engage. The meeting was a hybrid meeting in London with the Board and LT in attendance to ensure we engaged as many Wise owners as possible, not just those with the means and availability to meet in person.

How has the Board taken Wise owners' interests into account?

- Our Board and Committee Chairs made themselves available for engagement with Wise owners via the Owner Relations and Company Secretariat teams.
- The Board received regular updates from our Owner Relations team on market trends, activity and sentiment.
- Members of our Board and Owner Relations team participated in calls and virtual meetings with Wise owners.
- We appointed Clare Gilmartin, who joined the Wise Board in 2021, as SID. In accordance with provision 12 of the UK CGC, Clare serves as an intermediary for the Directors and Wise owners, as well as a point of escalation for Wise owners should other channels fail.
- In November 2022 the Board approved a programme to purchase Class A Ordinary Shares in the market through Wise's Employee Benefit Trust ('EBT') with the intention of reducing the effect of future dilution on existing shareholders arising from the stock-based compensation offered to employees. The first tranche of this was completed by end of the financial year and will continue throughout FY2024, with the Board regularly assessing its plans.



Governments and regulators

Why are governments and regulators important to Wise?

Wise is subject to financial services regulations and approvals in the markets in which it operates. We engage in regular and open dialogue with our governmental and regulatory partners around the world to understand and address their concerns. We also share our industry perspective with these partners as and when relevant. These open conversations are key to ensuring ongoing regulatory compliance to ultimately provide our customers with a secure and reliable customer journey and experience.

What matters to governments and regulators?

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

- Protecting customers
- Ensuring the safety and resilience of financial markets
- Promotion of competition
- Prevention of financial crime
- Enhancing market integrity

How does the Group engage with governments and regulators?

- Our teams regularly engage with regulators on key topics such as customer experience and operational requirements. We also engage closely with regulators on incoming laws and regulations to better understand and implement the rules.
- Wise has a dedicated Policy and Government Relations team who work closely with governments around the world, including regulators and policymakers at a local, national, regional and global level.
- Wise engages closely with governments, not only as a supervised entity and for proactive policy advocacy, but also as an expert resource for many governments around the world through our active participation on various government advisory bodies and forums.
- Our global engagement and relationship-building efforts are intended to inform the priorities of policymakers, including price transparency in the marketplace, cross-border payments and modernising payments systems (such as via instant payment

systems, expanded access to infrastructure, modern payments licences and open banking, among others) while offering our perspectives and expertise. Wise participates in a number of industry coalitions and is a member of various trade bodies around the world to foster closer relationships with key industry and policy leaders.

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

- The Board continued to engage constructively with our regulators during the year and will continue this engagement across upcoming changes to the regulatory landscape. For example, during FY2023 members of the Board and LT met with the Financial Conduct Authority (FCA) to discuss strategic initiatives and emerging risks.
- The Board, via the Audit and Risk Committee, received regular updates on key regulatory matters, including data protection, privacy and the global regulatory environment.
- The Board, and the boards of subsidiaries, received regular updates on engagement with governments and regulators in the markets in which we operate.
- Throughout FY2023, the CEO met with several European regulators and central banks, including in Belgium, France, Hungary, and Estonia. He also met with regulators and policymakers in the Asia-Pacific region.
- In May 2022, the CEO met with the EU Commissioner for Financial Services, Mairead McGuinness, to discuss price transparency and access to payments infrastructure.
- In September 2022, the CEO joined EU Commissioner McGuinness and other business leaders at an EU-Ukraine remittances roundtable to launch an initiative to make money transfers to Ukraine transparent.



Communities

Why are communities important to Wise?

We believe we are making a positive, important change in the world through our mission of money without borders. Wise has a customer community of millions and a Wiser community of thousands in countries all over the world and we hope to be an integral part of these communities wherever we operate.

What matters to communities?

We believe our communities' priorities are:

- A fairer financial system
- Increased access to financial services
- Environmental sustainability
- Social responsibility and impact

How does the Group engage with communities?

- With a dedicated portion of our revenue (0.1%) committed to environmental efforts and social impact causes, we continue to progress with our ESG strategy. Further details can be found in the Strategic report on pages 52-59.
- In FY2023, we rolled out a global framework for charitable donations, enabling us to invest in a more targeted way in communities and areas where we have a presence. We also launched local charitable partnerships to boost financial inclusion for immigrants and refugees in these communities, and facilitated volunteer opportunities for our Wisers. You can find more information on our social impact efforts and charitable partnerships on page 53 of the Strategic report.
- In FY2023, as part of Wise's continued environmental sustainability efforts, including its goal of achieving net zero emissions, Wise announced its participation in Frontier, an advance market commitment to accelerate the development of permanent carbon removal technologies.
- We believe the most effective long-term impact Wise can deliver is through our product and mission. FY2023 saw the launch of several notable ESG-related features for customers: fee-free donations and eco-friendly cards. Other ESG-related features currently in testing include carbon footprint insights.

How has the Board taken community interests into account?

- The Board receives annual updates on Wise's ESG strategy, which will help us reach our Mission while looking after our communities and the environment.
- The Board is kept up to date on market expansion, including expansion to communities with significant unbanked and underbanked populations where that aligns with the mission roadmap.
- Further details on how we engage with our communities can be found in the ESG at Wise section on page 53.



Suppliers

Why are suppliers important to Wise?

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, integration partners and those who have partnered with Wise through Wise Platform. Our relationships are built on trust and we place huge importance on ensuring they are efficient, robust and rewarding for all.

What matters to suppliers?

We believe our suppliers' priorities are:

- Health and safety
- Climate change initiatives
- High standards
- Transparency

How does the Group engage with suppliers?

- Wise engages regularly with existing suppliers to ensure open dialogue and to maintain relationships. To ensure high standards are maintained we conduct continuous due diligence, and request feedback from suppliers.
- We also have a dedicated Third-Party Management (TPM) team to handle the onboarding of new suppliers. The TPM team carries out due diligence on all suppliers, covering privacy, security and compliance, as well as an assessment of whether the supplier or its supplier chain has a heightened risk of modern slavery. The TPM team also manages and supports the remediation of any risks that may arise as a result of our supplier relationships. Similarly, we engage with any due diligence processes that our suppliers conduct at their end.

How does the Board engage with suppliers?

- The Board, via the Audit and Risk Committee, provides oversight of the development of the TPM team which is responsible for supplier engagement.
- The Board is briefed on new and updated supplier-related policies and updates as appropriate throughout the course of the year. These include the delegation of authority policy and the TPM policy.
- Our Modern Slavery statement is presented to the Board for approval every year and the Board is updated on actions taken to prevent modern slavery and associated practices.

The risks we face at Wise

As a global provider of financial services our operating environment is dynamic, causing our risk landscape to constantly evolve as we build and operate products to achieve our mission. This requires our risk strategy to be nimble and our frameworks to be adaptive to the challenges we face. We manage or accept risk appropriately considering our size and stakeholder impact.

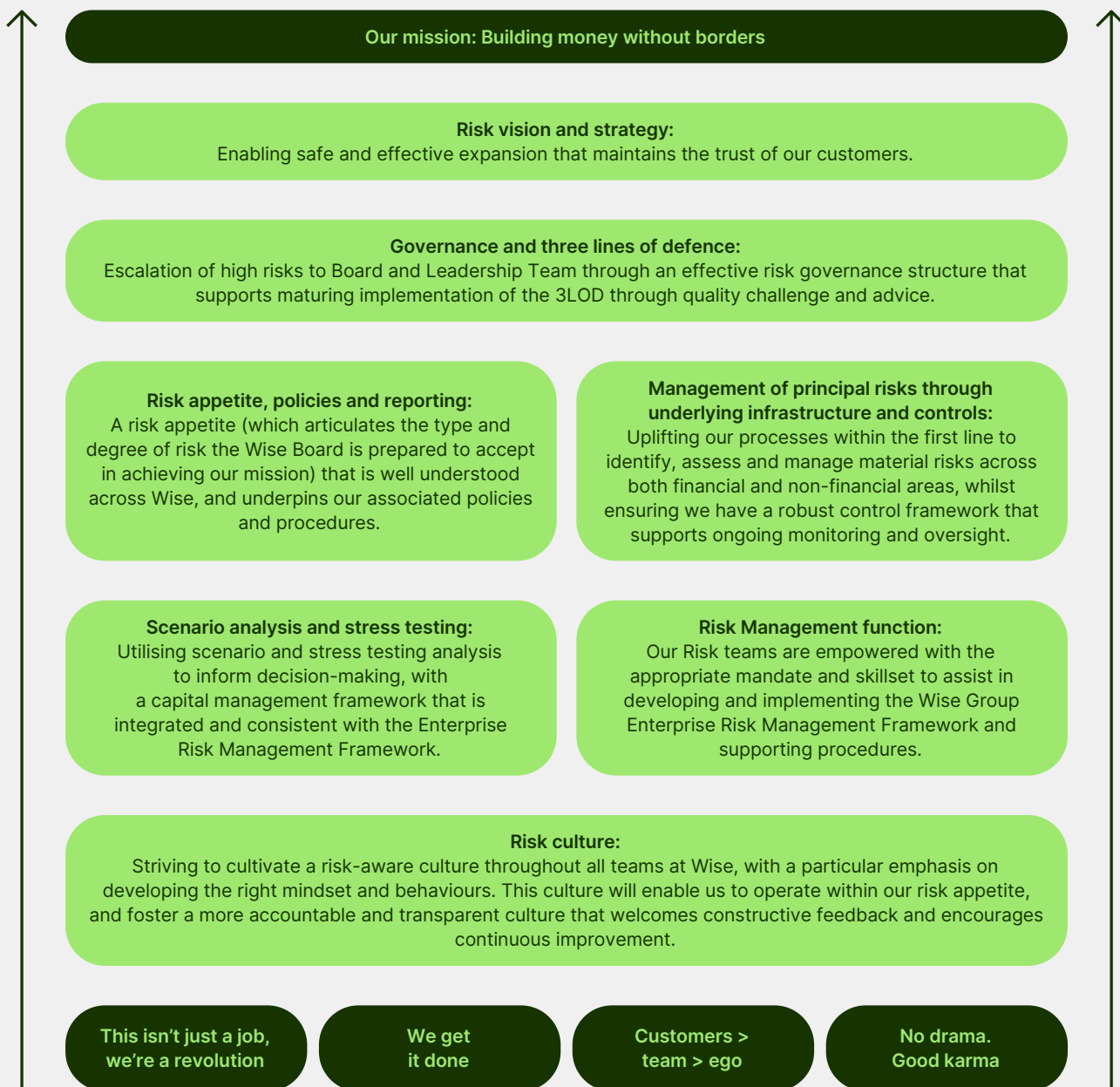


Our approach to risk is defined by the Wise Enterprise Risk Management Framework (ERMF), which helps us identify, manage, report and govern our risks. We use this framework to guide us, along with the following key principles it is grounded in:

- Proactive identification, assessment and management of risk in alignment with the Group's mission;
- Implementation of a 3LOD model that includes strong accountabilities across the organisation; and
- Alignment of our risk management strategy to our mission and core values is critical to success.

Our ERMF underpins our mission, with our risk vision and strategy acting as a key enabler in how we achieve this. Further frameworks and structures (such as governance, 3LOD and our risk appetite policies and reporting) identify, record, manage and monitor our risks.

Our approach to risk



Governance of risk and three lines of defence

Risk governance

Wise is committed to ensuring that its risk management practices reflect a high standard of governance. The Wise Group Board has overall responsibility for monitoring the effectiveness of the Group’s risk management and internal control systems, which it has delegated to the Audit and Risk Committee (ARC).

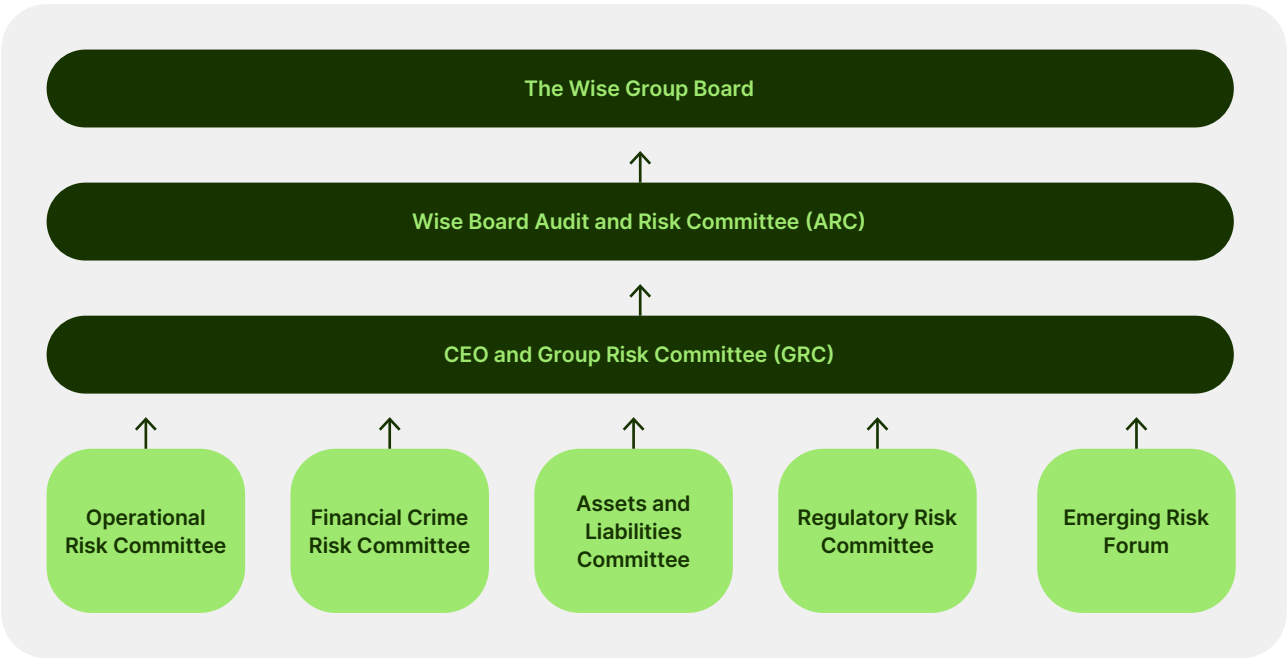
The ARC reviews the Group’s principal financial and non-financial risks, whilst also considering key emerging risks that have the potential to impact the mission. This oversight includes challenging management on key actions and the embedding of a positive risk culture across Wise. For more information on the role of the ARC as part of our wider governance structure, see page 106.

In addition to the work of the ARC, the CEO has an established Leadership Team (LT) and appropriate risk governance structure. These risk committees assist the CEO and LT with the monitoring of key risk indicators and risk appetite measures to determine the appropriate points of intervention or Board escalation.

Membership of the Group Risk Committee and the Emerging Risk Forum currently comprises all LT members, as the material risk takers for Wise.

Supporting this risk governance structure are further regional risk committees (and our regional Boards) within our major markets who consider our local risk position, as well as dedicated safeguarding forums that oversee and ensure we are protecting customers’ money appropriately.

Escalation of high risks or required management intervention then occurs through the relevant risk committee to ensure LT and the ARC (as appropriate) remain informed of key risks and mitigation activities.



Three lines of defence

Due to the ever-changing nature of our business and the pace at which we operate, we'll continue to evolve a 3LOD model to assist us in managing risk. Our focus remains on implementing the model across the business in a way that is sustainable, with clear accountability for risk owners.

In particular, during FY2023 we saw Wise build stronger muscle within our first-line teams through increased ownership of the Risk and Control Self-Assessment process in the first line, and better accountability for risk management. We have also developed a stronger second line, freeing up their capacity to lean into their partnership role that provides the appropriate advice, review, challenge and policy support on how we apply our risk frameworks.

First Line

All Wisers, together have a collective responsibility to identify, monitor and support the management of risks we generate through our business activities.

Second Line

Global Risk & Compliance oversight teams partner with all Wisers in setting standards, advising on risk mitigation strategies and defining the frameworks within which we operate.

Third Line

Our Internal Audit team is independent of management and supports the Wise Board (through the ARC) with independent assurance on how our risk frameworks are being applied.

Risk Appetite, Policies and Reporting

Risk Appetite and Policies

We will set our risk appetite against our principal risks which will help Wisers to understand the tolerances and boundaries of the risks the Wise Group is prepared to take as we make business decisions towards our mission.

Our policies and procedures provide guidance to the business on the management of our principal risks. They support the ERMF by summarising the principles and practices to be used by Wise in identifying and assessing risk; and quantifying the operating tolerances for our principal risks.

To ensure our appetite remains aligned with our mission and shifts in both customer and regulator expectations we will be undertaking a review of our current thresholds and tolerances in FY24, and again on an annual cadence thereafter.

Reporting

Management are regularly informed of our risk position through the risk governance structures. On a quarterly cadence, the Group Risk report is presented to management, escalating high risks, incidents, KRIs (Key Risk Indicators) and associated remediation plans to ensure appropriate prioritisation and awareness of our risk position.

Management of Principal Risks utilising our Underlying Infrastructure and Controls

Underlying Infrastructure and Controls

Key infrastructure systems and processes support our risk frameworks through the management of the Group's principal risks. This is the practical management of our risk oversight (the 'how'), which is currently a mix of both manual and automated processes. Over FY2023 we have focused on three key areas of uplift:

- Automated management information (instant, reliable real time access to risk metrics through, for example, automated dashboards);
- An in house incident management tooling system that supports the end-to-end management of operational incidents; and
- Scalable automation of our risk and control assessment processes, through the adoption of a new GRC (Governance, Risk & Control) tool, for which a provider has been selected, and during FY2024 implementation will improve our risk oversight capabilities across both regions and group.

Scenario Analysis and Stress Testing

Wise performs detailed stress scenario analysis and stress testing process across its capital and liquidity adequacy framework. The process involves the granular identification of harms across businesses lines and products within Wise. The harms identified are then categorised into harms caused to our customers, our employees, our partners and to market participants. The identified harms are further assessed to determine the residual exposure after controls are applied and categorised by materiality. Wise then holds Capital and Liquidity against the residual harms.

Wise conducts a detailed stress testing process taking into consideration severe but plausible stresses, categorised into market-wide scenarios, idiosyncratic scenarios, combined market and idiosyncratic scenarios and a reverse stress scenario. These stress scenarios are used to test the capital and liquidity we have set aside to ensure we are able to overcome these stresses when they occur. The result of the stress tests, determines if additional capital and liquidity is needed.

Embedding of Risk Culture

Risk culture is the beliefs, values and behaviours within Wise that determine how risks are identified, measured, governed and responded to. A positive risk culture drives the right risk decisions and helps Wisers make sound judgements in new and unfamiliar circumstances. We have continued to focus on embedding a culture of risk awareness across the Group and made improvements within FY2023. Some things we have always done, and continue to do include:

- Ensure conversations about risk span across the organisation, not just at Risk Committees;
- Risk playing a significant role within all hands planning, with teams considering 'what could go wrong' (including 2nd line challenge) as part of their ongoing quarterly planning cycle; and
- Working closely with the first line on capability and understanding about incident management and application of lessons learnt across the Group in an open and transparent way.

As we continue to strive for an effective risk culture, in the next financial year our focus will remain on establishing and defining the risk behaviours that demonstrate a positive risk culture and are expected of all Wisers, Leadership Team and the Wise Board to ensure we do right by our customers, communities, stakeholders and regulators. These will always be underpinned by our Wise values of Customer>Team> Ego; We get it done; This isn't just a job, we're a revolution; No drama. Good karma.

Emerging & Strategic Risks

Wise remains conscious that there are a number of Emerging & Strategic Risks that could present challenging circumstances and adverse impacts 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..

Strategic Partnership Risks, and their potential threat remains our primary consideration among our Strategic Risks. Wise uses more than 80 banks and payment service providers around the world to process payments for customers and provide its services. In order to mitigate the risk of not being able to maintain these strategic partnerships that support our operations, we have more than one single integration in major markets. Wise also has live integrations with various Payment Service Providers (PSPs) that offer payment processing services in various markets, which can be used as back-ups to ensure continuity of service if the risk were to materialise.

To mitigate the risk, Wise has a team dedicated to maintaining the commercial relationships with all its banks and PSPs, with clear ownership of each relationship, as well as escalations. This Team also reviews data of Requests for Information (RFI) initiated by the main banks and payment partners, as well as other qualitative factors that might indicate further attention, improvements or enhancements of the partnership.

Emerging Risks are defined as material, highly uncertain risks not meaningfully impacting Wise today, but that are rapid and non-linear in their nature. This means these risks are hard to predict, can surface rapidly, and in unexpected ways. They can quickly become principal risks for us, requiring an immediate response, with monitoring and measures in place and/or inclusion within our risk taxonomy.

Sometimes they may take longer to surface, or their impact continues to remain unclear, so we may have them on our radar, but choose not to undertake an immediate or direct response. These risks will always be adjacent to our risk environment, and their layered nature may mean we see these risks surface in an interconnected way. Through our Emerging Risk Forum senior management monitor (and consider) potential Emerging Risks to ensure we have an appropriately accurate risk profile, surfacing insights and management action to the Board (through the ARC) on a periodic basis (or as otherwise required).

Principal risks

Across FY2023, we continued to make a significant commitment to uplifting our global risk maturity across our key regions. We have done this by maintaining focus on initiatives in key areas across our Risk Management Framework and our approach to risk. These changes have enabled an uplift in the reporting across the business to our Leadership Team (LT) and Board, affording us the opportunity to better understand key areas requiring management focus through improved tracking and indicators.

Principal Risk Description + Mitigation Strategy

Regulatory Compliance Risk

Regulatory compliance risk is the risk we fail to comply with the laws, regulations or ethical standards expected of Wise in order to provide our products and services.

We hold 21 licences across 16 markets and as a result are required to comply with a large number of laws, regulations, licence conditions, regulatory guidelines and statements of policy applicable to its business activities.

These cover a wide range of topics, impacting 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 and impede our ability to maintain licences and/or expand market offerings. The responsibility for these risks reside with the first-line, subject to ongoing support from the second-line Compliance team.

In many markets, the regulatory environment that governs our products is still evolving and our product offering may be the only one of its kind at our size in the market. The complexity of the regulatory risk landscape continues to increase due to further expansion into new markets and products. As a result, we anticipate continuing to experience challenges with new markets and their local regulation as they have yet to be exposed to products that we offer at scale.

Within existing markets, during FY2023 significant regulatory reforms required implementation (for example the Consumer Data Rights Act in Australia). Scoping and planning for significant regulatory reforms requiring implementation in the near future has also been in focus (for example the new Consumer Duty in the UK and the Money Transmitter Model Act in the USA).

We also faced an increased volume of regulatory engagements and requests for information. Wise satisfies such requests through the provision of information and materials in a timely manner, and provides clarifications promptly when asked.

We strive to abide by its regulatory obligations at all times. In the event gaps are identified, Wise strives to remediate these promptly and communicates these to its regulators.

Key Actions in FY2023 and FY2024

During FY2023, we increased monitoring and testing of our regulatory compliance risks, to enable greater oversight and mitigation. Throughout the year, the teams tasked with this work have expanded and each of the key regions that Wise operates in has staff with local regulatory knowledge, who test the design and operating effectiveness of the existing controls. These activities enabled proactive control deficiency identification – relating to (for example) safeguarding of customer funds, card charges, marketing and regulatory obligations mapping.

Specifically, key areas of focus included control improvements and enhancements of the regulatory compliance expertise within the business by:

- growing the Regulatory Product Compliance team aligned to specific products and regions. The primary focus of product compliance is to help the Product team to identify and effectively manage regulatory compliance risks across a range of existing and new markets;
- training the first line and driving deeper regulatory risk awareness; and
- fostering greater ownership by management and mitigation of regulatory risks within the first line.

Wise operates in a complex regulatory landscape and has continued to strengthen the relationships with all of our relevant regulators and governing bodies in line with our regulatory engagement strategy. We regularly engage with regulators on proposed market offerings and will continue to focus on streamlining new licence and product launches at the Group level.

The regulatory teams continue to work closely with the business to assess regulatory change impacts, reducing the likelihood of non-compliance (during the design and implementation of our products) and providing the opportunity to take necessary measures to mitigate any associated risks.

Financial Crime Risk

Financial crime risk is the risk we fail to detect and prevent customers using Wise's services for financial crimes, such as money laundering; bribery and corruption and other fraudulent activity. Associated with this is the risk we fail to comply anti-money laundering (AML), counter-terrorism financing (CFT) regulations and sanctions.

The financial crime risk landscape is complex due to ever-evolving criminal activities coupled with increasing (and geographically varying) regulatory requirements to identify, escalate, and mitigate these risks. This risk is particularly significant to Wise due to the speed, convenience, and nature of the payment services Wise provides its customers.

As the likelihood of a global economic slowdown and the complexity of our product increases, our service features will attract potential criminals who try to exploit our services for personal gain. If financial crime risk materialises it could increase our regulatory compliance risk and negatively impact our reputation within the industry and with our customers or regulators. It could also result in financial loss to our customers.

We deploy a multifaceted approach to identify and mitigate this risk. Key among these are our:

- customer due diligence (measures 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);
- transaction monitoring (dynamic rules that monitor the transactions entering and exiting the Wise platform);
- additional risk-based controls (heightened measures that may be automatically enacted based on a customer's unique risk profile); and
- training programmes for all Wise employees.

Further, we actively engage across multiple national financial crime intelligence units and regulatory partners to ensure our overall control environment is in line with best practices and addresses emerging trends.

Our financial crime risks have and will continue to increase as:

- Wise's brand, product and market footprint 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 we seek to do the right thing by our stakeholders.

Whilst the risk of financial crime increased this year, we improved identification and mitigation of risks with measures that helped prevent a material impact on our business model. These measures included:

- investing in advanced analytics and artificial intelligence to strengthen our transaction monitoring and fraud programme;
- monitoring geopolitical developments closely and the impacts on our financial crime controls;
- implementing a second line monitoring and testing function, focused 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.

We will continue to enhance our financial crime risk management capabilities throughout FY24 with increased investment in machine learning for transaction monitoring, fraud detection and customer risk scoring; and increased investment in our Financial Crime operational teams.

Principal Risk Description + Mitigation Strategy

Key Actions in FY2023 and FY2024

IT Systems and Infrastructure Risk (incl. IT general controls)

This risk relates to potential misappropriation of assets or misstatement of financial statements as a result of inadequate controls over our internal systems (IT general controls or ITGCs). Specifically, the risk that we may not prevent or detect unauthorised access, use of or change to data or systems. It also considers the risk that we fail to appropriately back up our systems, or our systems fall over.

We are committed to investing in the reliability and resilience of our IT systems and infrastructure. We do so to ensure we can continue to deliver our products and protect our customers from disruption to our services. We manage our systems through a shared accountability model between product engineering, platform infrastructure and security teams. Our key mitigation strategy focuses on the following approach:

- Continuously improving our system resilience and how products are developed, delivered and maintained to provide stable and secure services.
- An established a change management process that enforces accountability for using secure coding standards, and for testing and approval of changes before we launch new features or products.
- An identity and access management programme that ensures access to Wise systems is granted in a controlled manner and only to users who require it.
- Automated controls in place to enforce segregation of duties within select higher risk processes and detective monitoring mechanisms to identify if a user has used their access to perform unauthorised activities.

Our ITGC control framework has continued to develop over the course of FY2023, through enhanced security measures within our product change lifecycle, and improved testing and approval controls. We have also implemented additional monitoring processes to identify unauthorised or potentially suspicious activities within our applications.

As we continue to further develop and embed these controls, to reduce related risk, our efforts have focused around:

- Reviewing and redesigning identity and access management processes, specifically related to provisioning and re-certification of user access across key systems and underlying infrastructure. Where excessive rights have been identified, comprehensive reviews were 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.
- Improving our threat management capabilities and ongoing monitoring processes.

Our efforts will continue in FY2024 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 noted within our fraud risk mitigation strategy on page 78) to provide additional comfort that any control weaknesses were not exploited.

We remain 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.

Security Risk

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 would result in serious reputational losses and customer harm.

Key mitigation of this risk at Wise is maintaining 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, and 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, and we continually train and raise awareness with employees and customers on evolving threats and, where relevant, how to report incidents.

Our workforce increasingly relies 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 are enhancing our vulnerability management programme to ensure timely identification and mitigation of potential threats to the system infrastructure.

Data Privacy Risk

Data privacy risk is the risk to the rights and freedoms of people through the improper use or disclosure of their personal information.

Wise is subject to data privacy regulations across the jurisdictions within which it operates. As Wise opens additional markets, new regulations also apply. The EU GDPR (General Data Protection Regulation) is one of the most comprehensive privacy regulations, so we apply its standards across our global operations, with additional enhancements where required by differences in local privacy regulations.

To manage privacy risk, we train all employees so they understand privacy principles and can identify where privacy risk exists so they can take appropriate action. This is further supported by the dedicated Privacy Team, which plays a partnership role, providing challenge and advice to teams across Wise.

The Privacy Team reports privacy risks to the Operational Risk Committee on a periodic basis, with oversight and challenge provided by second-line Operational Risk Management and other Executive team members, including the Global Head of Operations, Chief Marketing Officer, VP of Growth and the Chief Financial Officer.

The data privacy regulatory landscape is rapidly evolving, with new and updated regulations being enacted, for example state privacy regulations in the USA. The Privacy Team continuously monitors these changes and works with industry bodies and the Government Relations team with the aim of supporting robust protection for customers, consistency across jurisdictions and efficient operations.

We have implemented regular monitoring of leading KRIs to identify emerging privacy risks and report them, along with other privacy risks, to the Operational Risk Committee on a monthly basis.

AI (Artificial Intelligence) is an emerging opportunity for Wise to improve the efficiency and quality of its processes. However, it also poses privacy risks, particularly regarding sharing of customer personal data with vendors. To manage this risk, we provide guidance to employees on the safe use of AI vendors, in particular ensuring they are risk-assessed and on-boarded before they receive customer personal data.

Principal Risk Description + Mitigation Strategy

Key Actions in FY2023 and FY2024

Market Risk (FX)

Market Risk is the risk that the value of an investment or other assets decreases, or the value of liabilities increase due to market prices moving.

Wise is most significantly exposed to market risk in relation to fluctuations in FX rates and interest rates. Material value changes related to those risks could result in financial losses and/or customer price increases in order to fund higher levels of risk (for example during periods of high volatility). Our ability to manage these risks, and their resulting costs, has a direct link to our ability to reduce prices and offer better services to customers.

As Wise continues to expand into new product currencies and jurisdictions, this exposes us to new forms of FX risk. In the same regard, as the level of customer funds we hold continues to increase, this requires a more complex and sophisticated approach.

To manage our market risk, and the impact these risks have on our business, we set an FX risk appetite using a maximum one-day expected loss model and absolute currency exposure levels. 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.

We set risk FX thresholds and appetites which help us to monitor risk levels. If our level of risk surpasses thresholds, this leads to escalation via defined management actions.

We made good progress through FY2023 in establishing new approaches and tools to manage our FX exposures, and this in the context of increasing volatility in all currencies.

We'll continue to focus in FY2024 on reducing our exposures where cost-effective, which in turn reduces the risk to the Company and the cost to customers. As such, continued active management of these risks and reduction of FX costs can also enable price decreases for our current customer base.

Market Risk (Interest Rate)

Interest Rate Risk (IRR) is the risk of losses arising from changes in the interest rates associated with fixed rate assets on our balance sheet. Wise is mainly subject to IRR on its bond portfolio such that an increase or decrease to interest rate expectations leads to a movement in the value of the portfolio and Wise becomes exposed to the difference in value.

Wise performs active monitoring of the Bond portfolio and has set internal risk appetites and thresholds to ensure that the portfolio does not significantly expose Wise to interest rate risk. Investments purchased over the last 18 months have had shorter dated maturities of less than 2 years, which are less sensitive to sudden changes in interest rates.

During FY2023 the level of investment in Bonds increased as customer balances grew and local Wise boards approved investment policies which included an allocation to bonds. Wise continued the active monitoring of IRR during FY2023, both on a Group and on an entity basis and retained the approach of only buying bonds with short dated maturity. The average maturity across the Groups bond portfolio is under 6 months.

During the year we saw significant market volatility both as a result of the UK mini-budget in September 2022 and with the Silicon Valley Bank (SVB) crisis, but this did not have a significant impact on Wise as a result of the previously introduced interest rate appetite and monitoring installed.

Credit Risk

Credit risk is the risk of financial losses resulting from a customer's or counterparty's failure to meet contractual obligations. This risk can cause harm in the form of encumbered customer funds and Wise would seek to cover these losses to avoid such harms.

Wise does not engage in lending by giving out overdrafts, personal loans, corporate loans or mortgages, which are the key products that could give rise to higher credit risk. Wise's credit risk exposures mainly arise from the placement of customer and corporate funds with partner banks and counterparties, as either cash deposits or investments or receivables arising from the receipt of customer funds by partners. In an event of default by one or more of these counterparties, there is a risk that Wise will suffer financial losses as the funds might become unrecoverable.

To mitigate credit risk, Wise partners with high-quality counterparties, including banks and non-bank institutions. Generally, Wise relies on available public credit ratings issued by internationally recognised credit rating agencies to assess the credit quality of our partners as part of the initial due diligence and ongoing review process.

For counterparties without such public credit ratings, Wise is introducing a process for credit assessments performed through an internal rating process, using available financial and other information or referring to external consensus ratings if available. Credit risk exposure is monitored at a counterparty level and overall against our risk appetite. This is then reported as part of the internal risk governance process.

Wise's counterparty exposures grow as the business and our partner network continues to expand and therefore the approach to credit risk also needs to adapt. Wise has made progress in FY2023 developing its credit risk approach, creating a framework of standard credit limits and a process for internal credit ratings. This will be fully rolled out in FY2024, alongside an approach for approval of bespoke credit limits and improved monitoring. SVB crisis highlighted the impact that credit risk can have and the lessons from this are being reflected into the developing credit risk policy and approach.

Liquidity Risk

Liquidity Risk is the risk that Wise is unable to meet its short-term funding needs or cash obligations due to:

- a lack of available cash reserves,
- limited access to external funding sources, or
- an unexpected large outflow of cash.

Wise operates across a number of countries, each with their own regulatory liquidity requirements. Wise monitors and ensures compliance with all regulatory liquidity requirements globally.

We continue to utilise an Internal Liquidity Adequacy Assessment Process (ILAAP) to define our risk appetite. This process includes an assessment of liquidity outflows over a number of severe, yet plausible, stress scenarios. This ensures Wise maintains prudent levels of liquid resources at all times.

As a result of the market volatility following the SVB crisis, Wise strengthened its liquidity stress testing to assess the potential impact that similar events may have on Wise's overall liquidity portfolio and to highlight where further focus may be required going forward. These scenarios were then fed into Wise's ILAAP. Whilst the bank crisis did not have a significant direct impact on Wise, it did result in an increased focus on our strategic partner risk and progress in improving product level monitoring of operating liquidity.

In addition, during FY2023 Wise implemented an intercompany loan facility between its subsidiaries in order to provide greater financial flexibility. This has ensured that liquid resources can be managed efficiently across the group.

In FY2024, we will continue to improve its liquidity management with a focus on enhancing the monitoring and controls over product liquidity requirements, in order to improve overall liquidity risk capabilities.

Principal Risk Description + Mitigation Strategy

Key Actions in FY2023 and FY2024

Fraud Risk

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.

We take both a preventative and detective approach to fraud risk. This enables Wise to ensure we are not only mitigating the inevitability of our existing fraud position, but are also working to prevent (to the extent we can) customers from being bad actors through activities such as impersonation scams, theft and payment fraud.

Over the course of FY2023, we continued to invest heavily in fraud intelligence and controls by partnering with external fraud prevention partners and enhancing in-house detection and prevention controls.

FY2023 saw Wise continue to build on our previous activities, with an aim of focusing on the mitigation of the known threat vectors of fraud as well as ensuring we stay ahead of potential threat vectors such as scams and account takeover.

Our focus has remained on designing and implementing an improved control framework for managing external fraud through:

- continued investment in our detective controls by improving the machine learning capabilities underpinning our fraud alerting models to protect customers transacting on our platform and minimise fraud losses for Wise;
- enhanced proactive and preventative controls to stop fraud before transactions happen;
- enhanced efficiency and quality of processes within our operational teams handling fraud alerts; and
- scaling our operational teams in line with any increases in fraud risks.

In addition to the work done on external fraud mitigation, management has also focused on improving control environment to mitigate internal fraud risk, including:

- implementing additional measures to enforce robust segregation of duties, through automated controls where possible, to reduce the risk of error or fraud; and
- implementing additional monitoring processes to identify unauthorised or potentially suspicious activities performed within operational teams.

Over the course of FY2024, management will continue to focus on maturing the control framework further and ensuring the revised framework is fully embedded. Our aim during FY2024 is to:

- improve fraud detection models to combat fraud, including pay-in fraud; and
- prioritise scam prevention as a key controls initiative by implementing controls, processes and education to detect and prevent scams, thereby protecting stakeholders and promoting trust in the marketplace.

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 identify 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 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, any inability to maintain strong relationships with payment providers and/or vendors could impact the pricing of our services.

In FY2023, we made strong progress in developing both our third-party management (TPM) operating model, as well as how we manage third-party risk. We rolled out a global central function and a new TPM system that assesses and monitors third parties, and houses all arrangements. This was supported by a refreshed and rationalised governance model.

In FY2024, the focus is to further operationalise the programme of work started in FY2023 across external third-party relationships, banking services, and intragroup services as follows:

- Governance: conduct annual review of the new global TPM policy and present to local boards;
- Systems: complete the build and roll out the new TPM system, including migration from the existing platform; and
- Management information: produce actionable management information on risk associated with intragroup entities and external providers as well as identify opportunities to reduce costs where appropriate.

Customer Experience Risk

This is the risk we fail to provide good quality customer service, support and outcomes throughout the customer lifecycle, and in particular, that our products fail to comply with laws and/or regulations due to incorrect design or implementation.

Wise mitigates this risk predominantly through two main pillars:

The strength of our Product development process

This is designed to ensure we are capturing the best outcomes for our customers and designing and deploying new products that meet their needs at every stage of the product life cycle. Wise does this by focusing closely on a number of measures such as NPS, customer feedback and our regulatory environment during the design stage whilst also ensuring rigorous challenge and feedback is undertaken on exactly what problem we are solving for our customers or how this is contributing to the Mission. Through gradual releases (starting internally with team members, then to a small number of customers, and eventually expanding to more customers) we seek to reduce the impact of releases and allow for quick rollbacks if needed. This incremental approach reduces the impact on our customers. Following release, automated testing & monitoring is undertaken to ensure updates or changes take into account previously implemented considerations, and alerts our on-call teams in case something isn't working as expected.

Focusing on quality customer service and reducing our contact volumes

Wise uses data to capture the direct and indirect effects on our customer as a result of any changes we make, and have a dedicated team monitoring how our contact rate (when a customer has to get in touch with us) is impacted to ensure we quickly understand where our areas of higher risk exist. This provides a feedback loop to our support teams on insights we gather from this monitoring and what our customers are telling us.

During FY2023, our Customer Experience team underwent an organisational redesign, moving to a levelled support model that enabled our agents to specialise and improve our resolution rate. This enabled Wise to increase our answer speed on both email and phone, improving the customer experience in the event they have to get in contact with us.

We've also built out our vulnerable customer team to monitor and ensure we are servicing these types of customers appropriately.

Dedicated product teams will continue to focus on solving the root causes that arise from our customers having to get in touch in the first place (our contact rates). These dedicated teams manage our contact rates and regularly identify and manage potential solutions within the product space to minimise our contact rates and ensure our customers have as much ability as possible to self-serve.

Principal Risk Description + Mitigation Strategy

Key Actions in FY2023 and FY2024

Climate Risk

In the past year, Wise has taken steps to align with the Task Force on Climate-related Financial Disclosures (TCFD) requirements on climate risk. We have established a Sustainability team to oversee our climate-related risks and opportunities, and have made commitments to conduct an assessment of our exposure to risks associated with climate change. Please see the Sustainability section on page 55 for more details.

As part of our efforts to align with TCFD requirements on climate risk, Wise is in the process of updating its taxonomy to include climate risk. This will support us to better identify, measure, and manage our climate-related risks and opportunities.

The next step as we focus on this area for FY2024 is development of climate-related risk indicators within our taxonomy, which provide information on the likelihood of and impact of climate risks for the Wise Group.

This will allow us to better understand and quantify our climate-related risks, and identify opportunities to transition to a low-carbon economy. Through these efforts, we are committed to managing climate risks, and contributing to a more sustainable future for all.

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 date of approving these Group Consolidated Financial Statements.

The assessment period

The Directors have determined that a period of 3 years until April 2026 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 time frame 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 19 to the Consolidated Group Financial Statements; and
- forecasts beyond 3 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 a review of its recent financial performance (pages 26-33), the Group's product offering and mission pillars (pages 12-13) and the principal risks the Group faces (pages 72-80).

The prospects of the Group are considered as part of its financial and strategic planning process led by the CFO in conjunction with the Leadership Team (LT) and other relevant functions. This occurs annually 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 regulatory capital and liquidity requirements and ongoing compliance with the 6-monthly financial covenants attached to the RCF. The most recent financial and strategic plan was approved by the Board in March 2023.

As set out in the Audit and Risk Committee (ARC) report on pages 106-112, the ARC reviews and discusses with the LT those sections that support the assessment of the Group's going concern and viability.

The assessment of viability

The Group's base forecast is its 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 crystallise.

The assessment of viability has been based on the impact of severe but plausible scenarios for the principal risks described on pages 72-80. 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 and liquidity requirements and the financial covenant requirements attached to the RCF.

The table below summarises the scenarios modelled by the Group:

Scenario	Description	Principal risks addressed in the scenario
Market-wide stress	<ul style="list-style-type: none"> Assumes that weak Eurozone growth leads to volatility in the currency markets with euro depreciation This is followed by rising global inflation during FY2024 which leads major central banks, including the Federal Reserve, the European Central Bank and the Bank of England to continue to keep their policy rates high Uncertainty in financial markets and potential failures of banks and financial services companies result in reduced customer confidence in Wise Increased cost of living as well as high global unemployment rates lead to weakened demand for Wise's product offering 	<ul style="list-style-type: none"> Market Risk (FX) Market Risk (Interest Rate)
Credit risk event with counterparty (idiosyncratic)	<ul style="list-style-type: none"> Unrated, medium-sized counterparty of Wise goes into administration after a liquidity run Wise holds cash with the partner bank in excess of the deposit guarantee limit. Wise expects to partially recover the cash balance in 12 months This leads to significant customer withdrawals from Wise accounts and Wise is required to issue a press release that all balances held with Wise are safeguarded Reputational damage and loss of market's confidence in Wise result in lower customer activity and volume throughout FY2024 Additionally, Wise identifies a number of historical representation breaches to the RCF. As a result of this, the RCF agent bank denies Wise the right to roll over upcoming loan repayments, leading to a full repayment of the RCF 	<ul style="list-style-type: none"> Credit Risk Third-party risk Liquidity risk

Under these scenarios, the Group is able to meet its capital and liquidity obligations before considering 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
- reduced benefits paid to customers
- 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 an unpredictable but significant 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 Group's operating 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 volumes consistently year over year through all stages of the business cycle, (b) Wise has a strong base of existing customers, and (c) investment 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. Any warning signs would be identified and escalated appropriately as part of management reporting and internal monitoring processes, which include regular capital and liquidity monitoring. This process 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 3-year period until April 2026.

Going concern

Furthermore, following the review of the stress testing 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 Group Consolidated 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	ESG strategy – is a strategy covering our sustainability and charitable partnership efforts in a hybrid of what other companies might call environmental, social and governance (ESG). The strategy, which is made up of five pillars, includes our ‘Emission Zero’ pillar which enshrines our Measure, Reduce and Remove approach to climate change and our emissions.	ESG at Wise s172 statement	52 to 59 60 to 66
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.	ESG at Wise s172 statement	52 to 59 60 to 66
Our people	Code of Conduct – sets high standards for how Wisers 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 provides information and guidance on how to recognise and deal with bribery and corruption red flags. Whistleblowing policy – is the process for Wisers to report any suspected instances of wrongdoing. Delegation of authority policy – defines the process for assigning authority to Wisers. 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 Wiser. Conflict resolution process – sets out the informal process for resolving conflicts between Wisers.	Our people s172 statement	46 to 51
Social matters	Group third-party management policy – provides robust guidelines and practices with respect to the onboarding, ongoing management, review cycles and offboarding of third parties, including arrangements 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 Wisers can get involved in disaster relief and other 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.	ESG at Wise s172 statement	52 to 59 60 to 66

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 framework – sets out our responsibilities in observing and upholding our position on bribery and corruption; and provides information and guidance on how to recognise and deal with bribery and corruption red flags.	ESG at Wise	52 to 59
	Regional anti-money laundering policy – provides all employees with an overview of the Wise approach to mitigating the risk of money laundering and terrorist financing.	Risk Management	67 to 80
	Sanctions policy – sets out the controls to protect Wise 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 enhanced due diligence procedures which strengthen Wise's Know Your Customer framework and looks to ensure compliance with relevant regulatory requirements for customers who require a higher level of due diligence.		
	Financial crime oversight escalation and approval policy – guides the selection and prioritisation of 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 describes in detail the compliance programme for how PEPs are identified, onboarded and monitored.		

Non-financial information	Where to find the information within our Strategic report
Our business model	36 to 37
Principal risks and impact on business policy	72 to 80

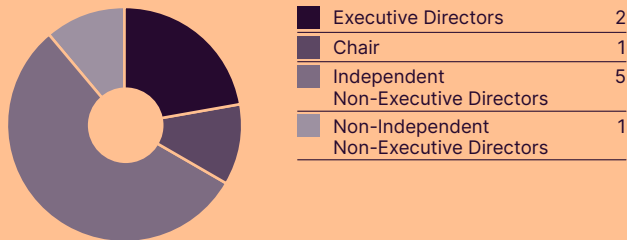


GOVERNANCE

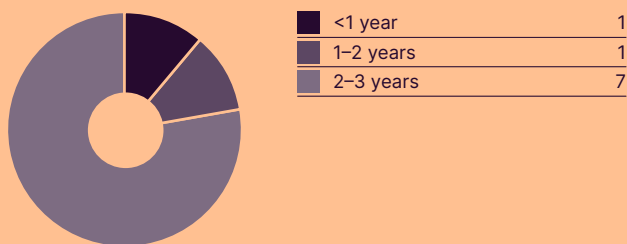
Governance at a glance

Board composition, skills and experience

Composition*



Tenure*

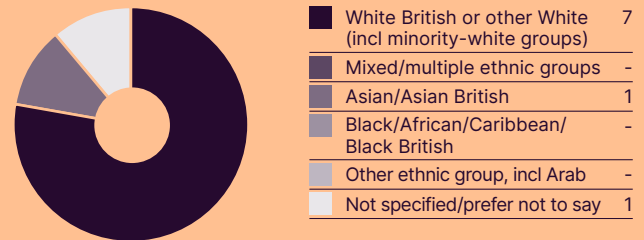


Skills and Experience

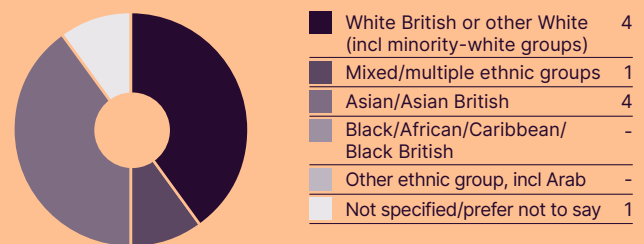


Ethnic diversity

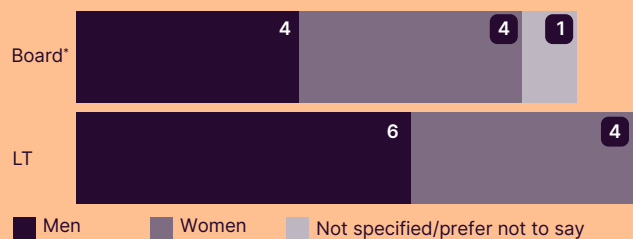
Board*



Leadership Team



Gender



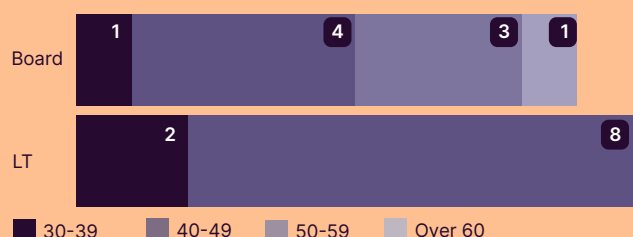
Age

Average age of the Board

47*

Average age of the Leadership Team (LT)

42



* Includes Elizabeth Chambers who was appointed to the Board on 19 April 2023

OUR 2023 GOVERNANCE HIGHLIGHTS



Board changes

- Appointment of Elizabeth Chambers as an Independent Non-Executive Director in April 2023.
- Appointment of Clare Gilmartin as Senior Independent Director in April 2023.

Governance improvements

- Launch of a formal workforce engagement plan in March 2023.
- Adoption of a formal Board diversity policy in September 2022.

Board diversity

44%

Women on the Board

LT diversity

40%

Women on the LT



Board and committee scheduled meeting attendance

During the financial year, we held a number of scheduled meetings of the Board and each of its committees, shown in the table below. A number of ad hoc meetings of the Board and its committees were also held as and when required.

	Board 4 meetings	Nomination Committee 4 meetings	Remuneration Committee 4 meetings	Audit and Risk Committee 5 meetings
David Wells	4	4	4	n/a
Matt Briers	4	n/a	n/a	n/a
Kristo Käärmann	4	4	n/a	n/a
Clare Gilmartin	4	n/a	4	5
Terri Duhon	4	n/a	n/a	5
Alastair Rampell	4	n/a	n/a	n/a
Hooi Ling Tan	4	4	n/a	n/a
Ingo Uytdehaage	4	n/a	4	5

The Group Company Secretary and General Counsel are regular attendees at Board meetings and members of the LT attend at the invitation of the Chair. Other directors and members of the LT attend committee meetings at the invitation of the relevant committee chair. More information is available in the individual committee reports on pages 103 to 128.

Guided by our mission



David Wells
Chair

Dear Wise owner,

On behalf of the Board, I am pleased to present the Corporate Governance report for this financial year which focuses on our governance arrangements, compliance with the UK Corporate Governance Code and the Board's activities.

This has been an important year for us as we continued to build on our first year as a listed company. In particular, the Board focused on supporting our Leadership Team towards achieving Wise's mission to 'build money without borders' and ensuring we have the right governance processes in place to help navigate the increasingly challenging external environment we operate in. To do this, we have developed a number of strategic objectives to define what success looks like for the Group, as well as strengthening our Board by adding Elizabeth Chambers and appointing Clare Gilmartin as Senior Independent Director (SID), and continuing to focus on our risk management strategy.

Governance updates

This year we continued to enhance our governance arrangements and invested in strengthening our relationships with key stakeholders. One example of this was the implementation of a new workforce engagement plan. For more information on how we engaged with our stakeholders see our section 172 statement on page 60 of the Strategic report.

As we reviewed our composition and skills matrix as a Board this year (page 86), we took the opportunity to strengthen the Board with the addition of Elizabeth Chambers as an Independent Non-Executive Director with effect from 19 April 2023. Elizabeth brings to the Board a deep understanding of the financial industry from nearly 3 decades of experience building and scaling such companies as Bank of America, Barclays and Western Union. We also appointed Clare Gilmartin, who joined the Board over 2 years ago, as SID. In this position, Clare will support me in my role as Chair and also act as an intermediary between the Board and Wise owners.

These changes also ensure that the Board has a diversity of experience, views and voices around the table, and I am pleased to report that we are in full compliance with the FCA's board diversity targets. You can see more on inclusion at Wise on pages 46 to 51 of the Strategic report.

Risk

The rapid and global expansion of the business, combined with an increasingly challenging external environment, has only increased the critical importance of robust risk management to both Wise and our stakeholders. Risk management and internal controls therefore remain 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, and have seen significant steps forward in our financial and non-financial risk maturity this year.

You can find more detail in the Risk Management section on page 67 to 80 and the Audit and Risk Committee report on pages 106 to 112.

Focus for the next financial year

In keeping with Wise's clear focus on achieving its mission of "money without borders", the Board will continue to support the Leadership Team (LT) on delivering long-term sustainable value for the benefit of all stakeholders.

In the following pages you will find more information on our Board, our corporate governance arrangements, the Board's activities across the year, and reports from our Board Committees and their Chairs.

We also look forward to welcoming you to our second AGM in September 2023. More information will be available when our Notice of AGM is published later this year.

A handwritten signature of David Wells in black ink.

David Wells
Chair

27 June 2023

Corporate Governance Statement

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

As we have a standard listing on the London Stock Exchange, we are not required to comply, or otherwise explain non-compliance, with the requirements of the UK Corporate Governance Code (CGC). However, we have chosen to voluntarily adopt the UK CGC, demonstrating the Board's commitment to ensuring the highest standards of governance. The Board is responsible for monitoring compliance with the UK CGC and received updates throughout the year on the status of our compliance.

Details of how the principles of the UK CGC have been applied can be found on the pages referenced below throughout this Corporate Governance report, the Strategic report and Committee reports:

Part A of this Corporate Governance Statement lists the areas of the UK CGC in which we have achieved compliance since the 2022 Annual Report and Accounts.

Part B lists the areas with where we are not yet fully compliant.

With the exception of the areas listed in Part B, we now comply fully with the principles and provisions of the UK CGC and intend to continue doing through FY2024.¹

UK Corporate Governance Code

1. Board leadership and company purpose

An effective board	97
Purpose, values and culture	97
Governance framework and Board resources	97-100
Stakeholder engagement	60-66
Workforce policies and practices	46-51, 53-54, 62

2. Division of responsibilities

Board roles	101
Independence	99
External appointments and conflicts of interest	98
Key activities of the Board in 2022	97-98

3. Composition, succession and evaluation

Appointments to the Board	103-105
Board skills, experience and knowledge	86-87, 92-94
Annual Board and Committee evaluation	100

4. Audit, risk and internal control

Financial reporting, external auditor and internal audit	108-110
Review of the FY2022 Annual Report and Accounts	108
Internal financial controls and risk management	72-80, 108

5. Remuneration

Linking remuneration with purpose and strategy	118
Remuneration Policy review	117-119
Performance outcomes in 2022 and strategic targets	121-122

The key requirements under DTR 7.2 are covered in greater detail throughout the Annual Report and Accounts as follows:

- The Group's risk management and internal control systems are described on pages 67-80.
- Information with regard to share capital is presented in the Directors' report on pages 129-132.
- Information on Board and Committee composition can be found on pages 98-100 and information on their operation is included across the Corporate Governance report and in the individual Committee reports.
- Information on Wise's diversity policy can be found on page 111.

1. In last year's Annual Report we disclosed that prior to Wise's listing, and in the context of the Group being privately owned, legacy incentive plans were operated in which certain NEDs held share options. In order to avoid any impairment of the independence of the NEDs, the options were vested with effect from admission on the London Stock Exchange in July 2021. Consequently, David Wells and Ingo Uytendhaage still hold options over Class A Shares under these legacy arrangements, with these options being fully vested. Further detail can be found in the Directors' Remuneration Report on page 113 to 128. No grants of share options or performance-related remuneration have been made to the NEDs since.

Part A: Areas of the UK CGC in which we have achieved compliance since the 2022 Annual Report and Accounts

Principle or provision	Status of compliance
<p>Provision 5 (under Board leadership and company purpose)</p> <p>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:</p> <ul style="list-style-type: none"> • a director appointed from the workforce; • a formal workforce advisory panel; • a designated NED. 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. 	<p>The Board formally adopted a workforce engagement plan in May 2022 which constitutes an alternative arrangement under the UK CGC. This alternative arrangement comprises the two elements below. Given the diversity and geographical spread of both our offices and our Board members, this is considered the most effective and efficient way for NEDs to gain insights into the experiences of Wisers and further understand the culture of Wise.</p> <ol style="list-style-type: none"> 1. Roundtable discussions where the NED asks a set of predetermined questions to hear about employee experiences and culture. These are held quarterly and across the regions in which Wise operates (by rotation); and 2. Ask Me Anything: Wisers submit questions in advance for NEDs to answer about their role on the Board. Questions can also be asked live. These are to be held annually as part of wider Wise events. <p>The first activity took place in March 2023 when Terri Duhon visited our office in Budapest and held a series of roundtable discussions with Wisers.</p>
<p>Provision 12 (under Division of responsibilities)</p> <p>The board should appoint one of the independent NEDs to be the 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 NEDs should meet without the chair present at least annually to appraise the chair's performance, and on other occasions as necessary.</p>	<p>Clare Gilmartin was appointed a SID on 19 April 2023.</p> <p>In May 2023 Clare Gilmartin led an appraisal of the Chair's performance which comprised a questionnaire and subsequent discussion with the NEDs without the Chair present.</p>
<p>Provision 23 (policy on diversity and inclusion)</p> <p>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.</p>	<p>Wise formally adopted a policy on board diversity in September 2022. In addition, DEI practices are embedded into our recruitment process to ensure that we build a diverse Board with different ideas, skill sets and backgrounds. For more information on Board diversity and the selection process for new NEDs please refer to the Nomination Committee report on page 103.</p>
<p>Provision 32 (under Remuneration)</p> <p>The chair of the board can be a member of the remuneration committee but cannot chair the committee.</p>	<p>The Chair of the Board, David Wells, is a member of the Remuneration Committee but has not chaired the Committee this financial year. Clare Gilmartin was appointed Chair of the Remuneration Committee on 1 April 2022.</p>
<p>Provisions 36 to 41 (under Remuneration)</p>	<p>A Remuneration Policy was approved by Wise owners at our first AGM held on 23 September 2022. This formalised our compliance with provisions 36 to 41.</p> <p>For more information please refer to the Remuneration Committee report on pages 113-128.</p>

Part B: The relevant areas where we do not yet fully comply with the provisions of the UK CGC

Principle or provision	Status of compliance
Provision 17 (Nomination Committee composition)	On listing in July 2021, the Nomination Committee comprised two Independent NEDs and the CEO, and therefore met the requirements of the UK CGC. However, since David Wells, who chairs the Nomination Committee, was appointed Chair of the Board in December 2021, he is excluded from the independence calculation. Therefore, the composition of the Nomination Committee does not meet the requirements of the UK CGC. The Nomination 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. In particular, the Nomination Committee will consider whether to appoint an additional Independent NED to its membership.
Provision 20 (use of an external search consultancy for the appointment of the chair and NEDs)	An explanation of our approach to the appointment of NEDs can be found in the Nomination Committee report on page 105.
Provision 41 (under Remuneration)	During the financial year, the Remuneration Committee did not formally engage with employees on executive director remuneration (as required under provision 41). As we progress the workforce engagement plan, we will consider the most effective ways to engage with our employees to explain how executive remuneration aligns with wider pay. For more information please refer to the Remuneration Committee report on pages 113 to 128.

Our Board of Directors

Our Board is an experienced, entrepreneurial team that considers all of our stakeholders while fostering the long-term sustainable success of Wise.

The Board is collectively responsible for the overall leadership of the Group, setting its values and ensuring that these align with Wise's mission and culture. The Chair leads the Board, and the CEO sets the strategy for the Group and leads its implementation with the LT. All of our Directors have access to the advice and support of the Group Company Secretary.

At the time of approval of this Annual Report and Accounts, the Board comprised the Chair, the SID, two Executive Directors, four Independent NEDs and one NED.



David Wells – 52, American



Chair

Date of appointment as Chair: 8 December 2021

Skills and experience: David joined Wise as an Independent Non-Executive Director in July 2019. Before joining Wise, David served as Chief Financial Officer at Netflix for 8 years, retiring in 2019 after nearly 15 years with Netflix. From 1998 to 2004, David held various positions at Deloitte Consulting and in the non-profit sector. David 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.

External current appointments: Board member and chair of the Finance Committee of Innovations for Poverty Action, Independent Non-Executive Director and chair of the Audit Committee of Hims/Hers and Independent Non-Executive Director, chair of the Audit Committee and member of the Compensation Committee of The Trade Desk



Kristo Käärman – 42, Estonian



Chief Executive Officer

Date of appointment: 28 April 2021

Skills and experience: Kristo co-founded Wise in 2010 and holds the position of Chief Executive Officer. Prior to that, he was a consultant at Deloitte and PwC.

Kristo holds an MSc in Mathematics and Technology from the University of Tartu.

External current appointments: Non-Executive Director of Tuleva Tulundusühistu and Non-Executive Director of ActiveHours Inc

- N** Member of Nomination Committee
- A** Member of Audit and Risk Committee
- R** Member of Remuneration Committee
- Chair



Matthew Briers – 46, British

Chief Financial Officer

Date of appointment: 8 June 2021

Skills and experience: Matt is Chief Financial Officer and joined Wise in September 2015. He has nearly 20 years of experience in the UK financial services sector.

Prior to Wise he was Head of Sales Finance for Google UK. He has also held the role of Head of Strategy for Asset Finance at Lloyds Banking Group and managerial positions at Bain & Company and Capital One.

Matt holds a Master of Engineering in Engineering, Economics and Management from the University of Oxford.

External current appointments: None



Terri Duhon – 51, American

Independent Non-Executive Director



Date of appointment: 1 January 2022

Skills and experience: Terri 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. She started her career at JPMorgan working as a derivative trader. Later, Terri became an entrepreneur and started a consulting business. Terri holds a degree in Mathematics from the Massachusetts Institute of Technology.

External current appointments: Non-Executive Director, Chair of Risk Committee, Member of Audit, Remuneration and Nomination Committees of Morgan Stanley International; Non-Executive Director and Chair of the Risk Committee of Rathbones Group PLC and Ambassador of Women on Boards



Clare Gilmartin – 47, Irish

Senior Independent Director



Date of appointment: 18 June 2021

Skills and experience: Clare has been a high-growth technology leader for over 20 years. Before joining Wise, she was CEO at Trainline from 2014 to 2021, during which time she expanded the business internationally and led the business through a private equity sale and an IPO. Prior to Trainline, Clare spent 10 years growing eBay in Europe, after a stint consulting at BCG. Clare holds a Bachelor of Commerce International from University College Dublin.

External current appointments: Board Member and Chair of the Compensation Committee at GetYourGuide GMBH and Trustee at Teach First



Alastair Rampell – 42, American

Non-Executive Director

Date of appointment: 18 June 2021

Skills and experience: Alastair joined Wise as a Non-Executive Director in January 2018. He is a General Partner at Andreessen Horowitz, where he focuses on financial services. Before joining Andreessen Horowitz, Alastair co-founded multiple companies, including Affirm, FraudEliminator, Point and TrialPay. Alastair holds a BA in Applied Mathematics and Computer Science from Harvard University.

External current appointments: Co-founder and Board Observer of Affirm, Inc., General Partner and Board Member for 15 portfolio companies at Andreessen Horowitz and Board Member of Steadman Philippon Research Institute



Ingo Uytdehaage – 50, Dutch

Independent Non-Executive Director



Date of appointment: 18 June 2021

Skills and experience: Ingo has been the Co-CEO of fintech Adyen since February 2023 where he had been CFO from 2011. 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.

Ingo has earned MBAs from Maastricht University and Aarhus Business School, and is a Certified Public Accountant.

As Co-CEO of Adyen, one of Wise's suppliers, Ingo will excuse himself from any relevant commercial negotiations.

External current appointments: Co-CEO of Adyen



Hooi Ling Tan – 39, Malaysian

Independent Non-Executive Director



Date of appointment: 19 June 2021

Skills and experience: Hooi Ling co-founded Grab, Southeast Asia's leading super app that offers users a wide range of on-demand services in the region. Before co-founding Grab full-time in 2015, Hooi Ling led high-priority strategic and operational projects at Salesforce and was a consultant at McKinsey & Company.

Hooi Ling has a Bachelor of Engineering (Mechanical) from the University of Bath and a Master's in Business Administration from Harvard Business School.

External current appointments: Director of Grab Holdings Inc and Trustee of National University of Singapore



Elizabeth Chambers – 60, American

Independent Non-Executive Director



Date of appointment: 19 April 2023

Skills and experience: Elizabeth is an operating partner at Searchlight Capital, supporting their investments in fintech. She is a former McKinsey partner, and later held C-level marketing, strategy and product roles at Barclays, Barclaycard, Western Union and Freshfields.

Elizabeth has a BA in Economics and Political Science from Stanford University and a Master of Business Administration from Harvard Business School.

External current appointments: Director and Member of Audit, Remuneration and Technology Committees of TSB Banking Group; Director and Member of Audit and Risk, Remuneration, and Nomination Committees of Evelyn Partners; Director and Chair of the Customer, Culture and Ethics Committee, and member of the Risk and Nomination Committees of Vanquis Banking Group; and Director and Member of the Patient Safety and Quality Committee of the University of Colorado Anschutz Medical Campus

Leadership Team

The CEO is supported in his role by the CFO and the rest of the Leadership Team, who come from a range of backgrounds in financial services and technology. Their role is to advise, challenge and support decisions made by the business, based on their expertise.



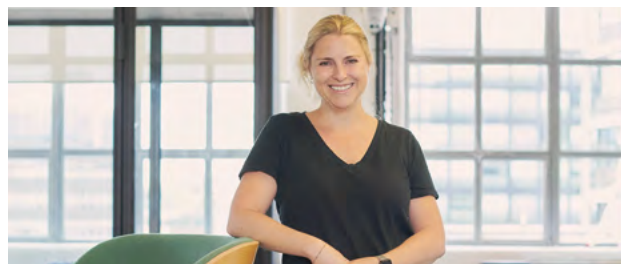
Diana Avila

Global Head of Banking and Expansion

Experience and contributions: Diana was appointed as Global Head of Banking and Expansion in February 2019, having held the position of Head of Banking (West) and Banking Lead for the LatAm region since joining Wise in July 2015.

Before moving to Wise, Diana was a Latin America Operations Manager at the International Project Finance Association (IPFA). Prior to this she was practising as a finance and banking lawyer in Colombia.

Diana holds an MSc in Law and Finance from Queen Mary University of London and a Law degree from Universidad de los Andes (Bogotá, Colombia).



Isabel Naidoo

Chief People Officer

Experience and contributions: Isabel joined Wise as Chief People Officer in June 2022. Prior to joining Wise, Isabel led the Talent function at FIS, where she developed their overall people strategy, and ran teams across talent acquisition & management, workforce planning & analytics, global learning, inclusion & diversity, and employee experience.

Her earlier experience includes leading human resources at Capco globally, as well as creating and delivering human capital and diversity strategy at Accenture.



Nilan Peiris

Chief Product Officer

Experience and contributions: Nilan joined Wise in 2014 as VP Growth, helping the Company scale and work towards the mission, but he had been following Wise's journey since 2012 as an adviser.

Prior to Wise, Nilan was VP Growth at HouseTrip, in charge of scaling the company's growth in the European market. He's also worked as Chief Marketing Technology Officer at Holiday Extras, where he was responsible for all areas of technology, marketing and customer acquisition. Nilan also advises a number of early-stage startups on growth and getting to traction. Nilan holds a BSc in Mathematics from the University of Bristol.



Harsh Sinha

Chief Technology Officer

Experience and contributions: Harsh has served as Chief Technology Officer at Wise since 2015.

Prior to joining the Company, Harsh was Director of Product at PayPal where he led product strategy and development for PayPal's mobile apps and software development kits. Harsh also spent a decade at eBay where he helped scale foundational technologies, and built global teams and businesses across categories including motors, local shopping, and electronics. He capped his tenure at the pioneering e-commerce platform as Director of Engineering. He holds an MBA from the Haas School of Business, University of California, Berkeley, and a BCoE from Sikkim Manipal University, India.



Ben Steyn

Chief Compliance Officer

Experience and contributions: Ben joined Wise in 2014 as the Head of Compliance, and built Wise's Compliance oversight function. Since 2021, Ben has served as Wise's Chief Compliance Officer leading both the Compliance and Risk management teams globally.

Before Wise, Ben was the Head of Compliance at Skrill, one of the first international e-money companies in the UK, which is part of the Paysafe Group. He joined Skrill in the early stages of its growth in 2007.



Rahel Tänavsuu

Global Head of Operations

Experience and contributions: Rahel became Global Head of Operations in October 2017, having joined Wise as Operations Team Lead in May 2014.

Before Wise, Rahel held the position of Finance Support Lead at Microsoft Skype Division and in the Skype Accounts Payable Team.

Rahel holds a BA in Business, Administration and Languages from the Estonian Business School.



Cian Weeresinghe

Chief Marketing Officer

Experience and contributions: Cian was appointed as Chief Marketing Officer in March 2021.

Before joining Wise, he held the position of Chief Customer Officer at Secret Escapes from 2018 to 2021. Cian has held several other senior roles, including Head of Growth at Guardian News, Head of Performance Marketing at ASOS, Director of Insight and Analytics at Essence, and Marketing Director at TotallyMoney.

Cian holds a BA in Economics and Management Studies from the University of Cambridge and started his career at Capital One, Lloyds TSB and eBay.



Jessica Winter

General Counsel

Experience and contributions: Jessica joined Wise as Head of Corporate in October 2019 and was appointed General Counsel in January 2022.

Before joining Wise, Jessica was a senior lawyer at Herbert Smith Freehills LLP and Prudential UK.

Jessica holds a BA in Ethics, Politics & Economics and International Studies from Yale University, an MSt from the University of Oxford and a Juris Doctorate from Stanford Law School.

Role of the Board, activities and decisions

Operation of the Board

Role of the Board

The role of the Board is to promote the long-term sustainable success of the Group and to generate and deliver value for all of our stakeholders. The Board provides oversight on the strategic direction of the business and is committed to high standards of corporate governance.

The Board's full responsibilities are set out in its Terms of Reference and Matters Reserved which are available on our website at www.wise.com/owners.

Board activities and principal decisions

The Board held four scheduled meetings throughout FY2023. The meetings were held in person in London and via video conference.

When making decisions the Board must balance potentially 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 the Group's strategic priorities and decision-making process, the Board aims to ensure that its decisions are in the best interests of the Company.

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

- Strategy and performance
- People and culture
- Finance and risk
- Governance

A summary of major discussions held and decisions made, grouped by focus area, is set out below.

Strategy and performance

The Group's strategy remains focused on achieving the mission. During this financial year, the Board supported this by:

- Working with the LT to develop five key business goals by which success towards achieving the mission could be measured. These were tracked over the course of the year. These five business goals were:
 - Customer satisfaction
 - Coverage and expansion
 - New customers
 - Cross-border volume
 - EBITDA margin

- Reviewing growth and performance on a quarterly basis. The review includes an Owner Relations update which provides an overview of the views of Wise owners on our strategy. This provides the Board with confidence that our strategy is the right one going forward and that the business is making the expected level of progress.
- Holding customer interview segments at Board meetings to better understand the customer experience. These segments comprised live interviews with two customers, each with different profiles and requirements. The interviews were followed by a Q&A with the Board.
- Holding an in-depth review of Wise Business product decisions. This provided the Board with deeper insight into the Wise Business product strategy and an opportunity to challenge and debate the Product team's thinking behind their design decisions.
- Taking deep dives into specific strategic topics such as Wise Platform, and Banking and Payment Service Providers.

People and culture

The Board and its Committees dedicated time to discussing items relating to Wise's people and culture, with a particular focus on:

- A briefing from Wise's new Chief People Officer, Isabel Naidoo, who joined in June 2022. This included hearing her initial thoughts on people and culture at Wise, the organisational health of the People team and her plans for the future.
- Reviewing and approving Board workforce engagement plans.
- Reviewing diversity, equity and inclusion data and initiatives.
- Reviewing workforce salary benchmarking and hiring trends.
- Approving a share purchase programme by the Employee Benefit Trust to satisfy future awards of shares to Wisers.

Finance and risk

The Board and its Committees reviewed and approved key financial reports throughout the year. This work included:

- Reviewing reports from the CFO on financial performance.
- Approving the FY2022 Annual Report and Accounts and FY2023 Half-Year Report.
- Reviewing and approving the liquidity adequacy assessment process and the individual capital adequacy assessment process.
- Reviewing stress-testing scenarios.

Governance

The Board continued to oversee governance arrangements for the Group, including:

- Reviewing the Group's global subsidiary footprint with emphasis on the composition of subsidiary boards.
- Establishment of a Chair's Committee to consider and approve routine matters.
- Receiving regular reports from the Chairs of the Audit and Risk, Remuneration and Nomination Committees.
- Reviewing regular reports from the Group Company Secretary on governance matters.
- The appointment of an additional Independent NED and the SID to the Board.
- Reviewing the Board's 2021 conclusion that the CEO remained fit and proper to perform his roles. The Board determined that its decision in 2021 was reasonable and appropriate.

Directors oversight of governance

Conflicts of interest

All of our NEDs have significant experience in their fields and hold roles outside 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 ('Articles'), we have a conflicts of interest policy in place to ensure that all Directors adhere to the highest standards.

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 note 26 to the Group Consolidated Financial Statements on page 179.

Directors' indemnities and insurance

In accordance with our Articles and to the extent permitted by law, Directors are granted an indemnity by the Company in respect of liability incurred in their capacity as Directors, which remains 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 and the UK CGC, all Directors, except for Elizabeth Chambers, will retire at the forthcoming AGM and be up for re-election in line with the provisions of the UK CGC and Wise's Articles of Association.

Elizabeth Chambers was appointed by the Directors since the last AGM. Elizabeth will retire and seek election at the forthcoming AGM in accordance with the Company's Articles of Association.

Along with the summary of experience and skills of our Directors contained on page 86, the Notice of AGM will also set out why the Board believes the Directors should be elected or re-elected.

Director interests

For details on Directors' interests in share awards, including the shareholdings of their connected persons, refer to page 122 within the Directors' Remuneration Report.

Composition, succession and evaluation

Board and Leadership Team diversity

Wise serves millions of people and businesses worldwide, and we believe that it is important that our team reflects and understands the diversity inherent in our global community of customers. To demonstrate our commitment to diversity we have set out diversity metrics for our Board and LT as at the date of signing off the Annual Report and Accounts. The information has been presented in accordance with Listing Rule 9.8.6 (10).

The information was collected on a self-reporting basis via a questionnaire, completed by our Board and LT, who were asked to select an option under both gender and ethnicity. The options provided mirrored the reporting requirements under Listing Rule 9.8.6 (10).

	Number of Board members*	%	Number of senior positions on the Board**	Number in LT***	%
Men	4	44	3	6	60
Women	4	44	1	4	40
Not specified/prefer not to say	1	11	-	-	-

	Number of Board members*	%	Number of senior positions on the Board**	Number in LT***	%
White British or other White (including minority-white groups)	7	78	4	4	40
Mixed/Multiple ethnic groups	-	-	-	1	10
Asian/Asian British	1	11	-	4	40
Black/African-Caribbean/Black British	-	-	-	-	-
Other ethnic group, including Arab	-	-	-	-	-
Not specified/Prefer not to say	1	11	-	1	10

* Includes Elizabeth Chambers who was appointed to the Board on 19 April 2023.

** Senior positions on the Board include the Chair, CEO, CFO, SID

*** The LT comprises the CEO, CFO, Global Head of Operations, Global Head of Banking and Expansion, General Counsel, Chief People Officer, Chief Technology Officer, Chief Marketing Officer, Chief Product Officer, Chief Compliance Officer

Changes to the Board

In the period between 31 March 2023 and the date of this report, the Board appointed Elizabeth Chambers as an Independent Non-Executive Director.

The Chair

The Chair, David Wells, is considered by the Board to be independent on appointment. Wise is therefore compliant with provision 9 of the UK CGC.

Senior Independent Director

In the period between 31 March 2023 and the date of this report, the Board appointed Clare Gilmartin as SID. Given Clare's experience and knowledge of both the Wise Group and the Board, the Nomination Committee was pleased to endorse her appointment.

Independence

As at 31 March 2023, 57% of our Board, not including the Chair, comprised independent NEDs, and we are therefore compliant with provision 11 of the UK CGC. The appointment of Elizabeth Chambers on 19 April 2023 increased this proportion to 63%. 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 NEDs, Alastair Rampell, is not considered independent under the UK CGC. However, given Alastair's prior experience with Wise Group, the Board believes that it is in the best interests of the Company for him to remain on the Board.



Board training

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 relevant to their duties. We also expect our Directors to keep their knowledge and skills up to date.

During the year the Board received training on:

- Conflicts of interest
- The Takeover Code

The Board received regular Board coverage reports which included updates on:

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

The Board also had briefings with our external auditors and had regular access to members of the LT.

Induction

The Company Secretariat 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 LT. Each Director has received a detailed introduction to our business, how we work and the market in which we operate.

The Company Secretariat also provides key corporate governance training for our Directors on topics such as directors' duties, the UK CGC, and important internal policies such as our conflicts of interest and related party transactions policies, and the share dealing code.

Board evaluation

Significant progress was made against all of the action points identified during the Board evaluation that took place in FY2022, including:

- the appointment of a further Independent NED to the Board;
- increased customer focus, with live customer interviews at Board meetings and review of data on customer complaints; and
- a sustained focus on improving Board and Committee papers which will continue during FY2024.

In FY2022 the Nomination Committee agreed that an internally facilitated evaluation of the effectiveness of the Board would take place for FY2023. The evaluation was conducted through interviews of the Board by the Group Company Secretary and Deputy Company Secretary, during which qualitative feedback was provided on 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 and fulfilled their remit. Furthermore, the evaluation found that the Board and LT worked well together, with sufficient purpose and focus. However, it was highlighted that the Board would benefit from more in-person time together and the establishment of more structured lines of communication with the LT. Agendas were considered balanced, with a good cadence of strategic and forward looking items. However, it was observed that a more structured, thematic approach to agenda planning would be beneficial.

In terms of stakeholder engagement, feedback from the Board was positive, particularly given the focus on customer experience and Wise owners throughout the year. For the next financial year, the Board requested a greater focus on regulatory strategy and engagement.

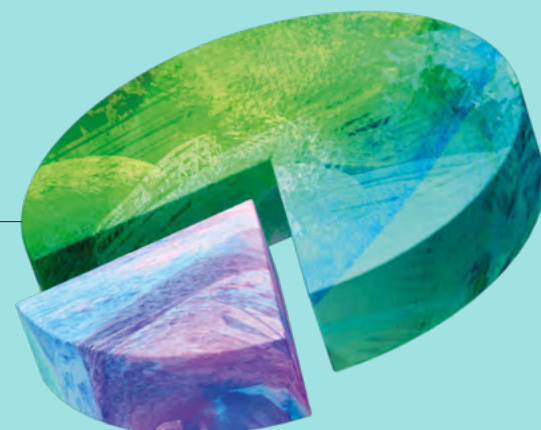
Board meetings themselves were deemed to be effective, with robust discussion and improved papers. The Board encouraged continued focus on the quality of papers to further enhance meeting effectiveness.

The Nomination Committee will consider the format of the next evaluation during the course of the year.

Division of responsibilities and Group governance structure

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:

Director	Responsibility
David Wells (Chair)	<ul style="list-style-type: none"> • Provides effective leadership of the Board and promotes a high standard of governance. • Sets a Board agenda that is forward-looking and reflects the important issues facing the Group. • Leads the Board in overseeing management and provides support to the CEO and LT. • Leads the evaluation process for the Board and its Committees. • Reports to the Board on the views of Wise owners. • Represents Wise to its key stakeholders.
Kristo Käärmann (CEO)	<ul style="list-style-type: none"> • Manages the Group on a day-to-day basis within the authority delegated by the Board. • Develops strategy, plans and objectives for review by the Board. • Leads the LT in ensuring that Board decisions are implemented and that significant decisions made by the LT are communicated to the Board. • Promotes a Group culture that fosters a prudent, safe and sound business. • Engages in discussion with investors alongside the CFO. • Represents the Group externally.
Clare Gilmartin (SID)	<ul style="list-style-type: none"> • Acts as a sounding board for the Chair. • Provides the Chair with support in the delivery of his objectives. • Serves as an intermediary for the other Directors and Wise owners. • Leads the evaluation of the Chair on behalf of the other Directors. • Remains available to Wise owners if they have concerns where contact through the normal channels has failed to resolve the issues. • In times of stress, works with the Chair and other Directors and/or Wise owners to resolve significant issues. • Chairs the Nomination Committee when Chair succession is considered. • Presides at Board meetings in the absence of the Chair.
Matthew Briers (CFO)	<ul style="list-style-type: none"> • Supports the CEO in establishing strategy. • Establishes the annual operating plan. • Leads the Finance function. • Responsible for financial reporting and for ensuring effective processes and controls are in place.
NEDs	<ul style="list-style-type: none"> • Oversees, assesses and challenges the delivery of strategy.
Terri Duhon	<ul style="list-style-type: none"> • Reviews and oversees performance of management.
Alastair Rampell	<ul style="list-style-type: none"> • Approves the Group's performance, risk profile and risk appetite.
Ingo Uytdehaage	<ul style="list-style-type: none"> • Considers the interests of the Company's stakeholders.
Hooi Ling Tan	
Elizabeth Chambers	



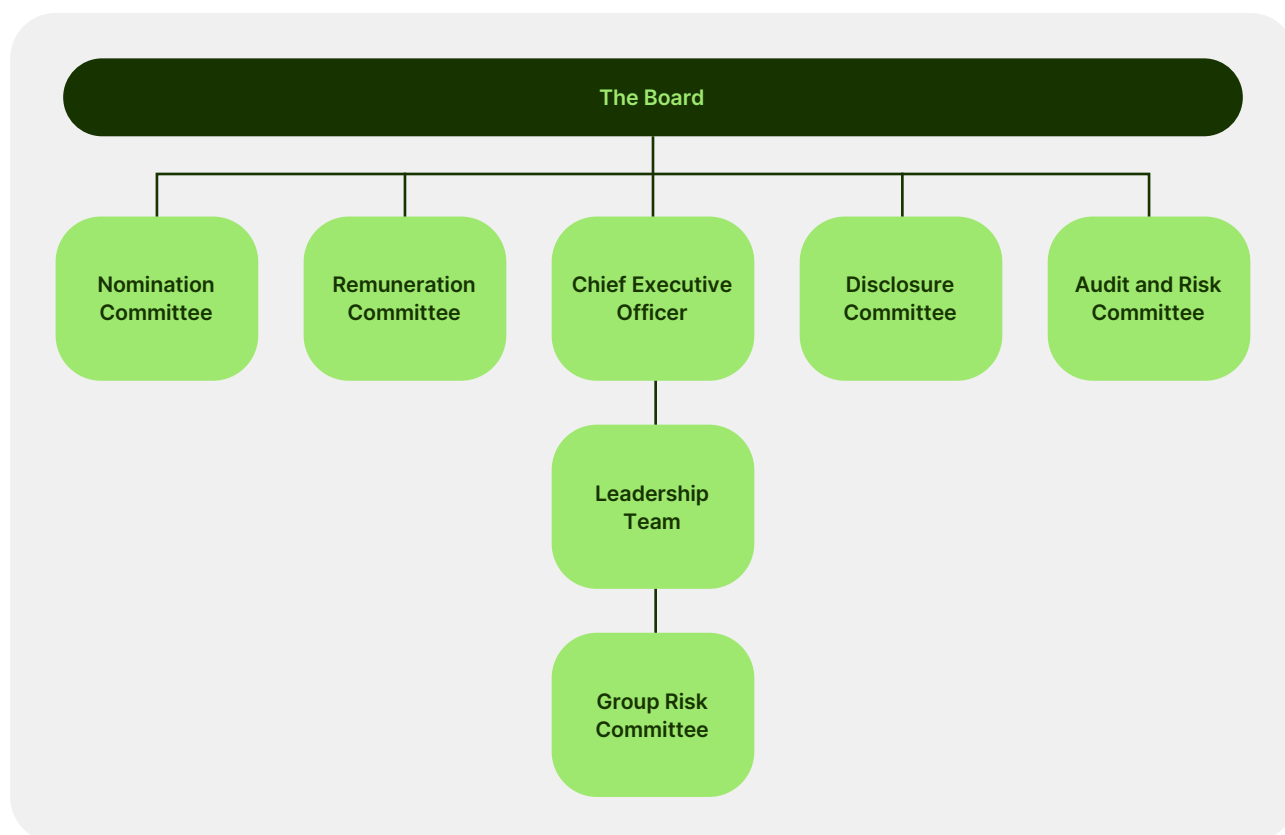
The Board delegates certain matters to the Audit and Risk Committee, the Remuneration Committee and the Nomination Committee. Details of the work of these Committees can be found on pages 103 to 128.

The Board also has use of a Chair's Committee, which considers routine matters on an ad hoc basis, and a Disclosure Committee, which assists the Board in discharging its obligations relating to monitoring the existence of inside information and its disclosure.

The Board delegates the day-to-day responsibility of running the Group to the CEO, who has a number of committees to enable him to discharge his obligations. The LT 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 LT committees such as the Group Risk Committee that provides oversight and advice on operational and risk matters.

For more information on how we manage risk at Wise please see our Risk management report on pages 67 to 80 and our Audit and Risk Committee report on pages 106 to 112.



Nomination Committee report

Membership

The Nomination Committee is chaired by David Wells and its other members are Independent NED Hooi Ling Tan and our CEO, Kristo Käärmann.

The Chief People Officer and other members of the People team also attend meetings by invitation and provide support to the Nomination 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)	4/4
Hooi Ling Tan (Independent NED)	4/4
Kristo Käärmann	4/4

Role and responsibilities

As detailed within its Terms of Reference, the Nomination Committee has delegated authority from the Board 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 Wise, and the skills and expertise needed on the Board in the future.





Dear Wise owner,

I am pleased to present our Nomination Committee report, covering the year to 31 March 2023.

The majority of the Board has been independent since January 2022 in line with the UK CGC. However, the Nomination Committee continued to put emphasis this year on further expanding the skills, capability and diversity of our Board and began a search for an additional Independent NED in June 2022. Following an extensive search, the Board appointed Elizabeth Chambers in April 2023. The Nomination Committee also reviewed and recommended the appointment of Clare Gilmartin as SID, also in April 2023.

In addition to building an independent Board, the Nomination Committee was focused on building strength and resilience in the LT, and has commenced a review of succession planning in this area. This has focused in particular on CEO succession planning both in the short and long term.

FY2023 key activities

During FY2023 the Nomination Committee:

- Reviewed the needs of the Board in terms of key skills and competencies and developed an ideal role profile for the next Independent NED.
- Oversaw the search for and recommended the appointment of Elizabeth Chambers to the Board and Remuneration Committee.
- Reviewed and recommended the appointment of Clare Gilmartin as SID.
- Reviewed and approved the approach to CEO and LT 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 LT, and to oversee the development of a diverse pipeline for succession.
- Reviewed Wise's progress on DEI.
- Reviewed and approved updates to Wise's Board succession planning and diversity policy.
- Reviewed the results of the Board evaluation and recommended a number of actions to the Board in June 2023. For more information see page 100.

FY2024 focus areas

Our key priorities for FY2024 will be:

- With the CEO and LT, lead the search for a new world-class CFO.
- Continue to review the Board and LT short and long-term succession planning.
- Further review of Board and Committees' composition.
- Consider whether an externally facilitated Board evaluation should be conducted during the next financial year.

Board diversity and progress

At 31 March 2023 our Board was 37.5% women and the Non-Executive Director gender split was 50/50. Following the appointment of Elizabeth Chambers, our Board is 44% women and the Non-Executive Director gender split is now positive in favour of women.

Board and senior management composition

	2022	2023*
Board size	8	8
Average age: Executive Directors	43	44
Average age: Non-Executive Directors	45	46
% women Directors: all	37.5	37.5
% of women Directors: Non-Executive Directors	50	50
% 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	53	53

* Does not include Elizabeth Chambers who was appointed to the Board on 19 April 2023.

** Defined as per the UK CGC

The Board adopted a formal Board diversity and succession planning policy in September 2022 and reviewed the policy again in March 2023. The key diversity-related provisions of the policy are outlined below.

1. The Board aspires to have diverse representation, as follows:

- women/men parity on the Board is the ultimate goal, with a commitment to have no less than 40% female representation on the Board;
- at least one Director is from an ethnic minority background;
- a woman is appointed to at least one of the senior Board positions of Chair, CEO, SID or CFO as soon as practicably possible;

while recognising that periods of change in Board composition may result in temporary periods when this balance is not achieved.

2. We ensure that the search for Board candidates, Board appointments, nominations and succession plans are based on merit and objective criteria which promote and consider various aspects. These include but are not limited to characteristics such as gender, ethnicity, age, geographical provenance and social, educational and professional backgrounds.

3. The aspiration for diverse representation applies equally to all Board Committees and appointments to Committees are made with all of the aspects in mind.

We are happy to report that with the appointment of Clare Gilmartin as SID, we now meet the representation goals outlined under 1 above.

Selection process for new NEDs

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

Our in-house team uses executive search methodologies to identify, engage with and assess both active and passive candidates.

Inclusive hiring principles are built into our end-to-end process for board and executive recruitment in order to promote diversity and ensure our Board is made up of individuals from different backgrounds, cultures and experiences. Specific measures that we take include:

- Training the board and executive recruiting team in avoiding unconscious bias.
- Setting clear criteria for selection to mitigate performance bias.
- Limiting requirements for the role to minimise diverse candidates self-selecting out.
- Include diverse candidate targeting in all searches.
- Remove gender bias from job descriptions and in-mail messages by using a gender decoder.
- Ensure a diverse, representative interview panel on every search.
- Adapt our process to accommodate and support the needs of diverse candidates.

I look forward to discussing the work of the Nomination Committee with Wise owners at the 2023 AGM.



David Wells
Chair

27 June 2023

Audit and Risk Committee report

Membership

The Audit & Risk Committee (ARC) is chaired by Ingo Uytdehaage and its members are Independent Non-Executive Directors Terri Duhon and Clare Gilmartin. Regular attendees include:

- CEO
- CFO
- Chief Compliance Officer
- Chief Product Officer
- Chief Technology Officer
- Global Head of Operations
- General Counsel
- Group Financial Controller
- Head of Internal Audit

The Deputy Company Secretary acts as Secretary to the Audit and Risk Committee.

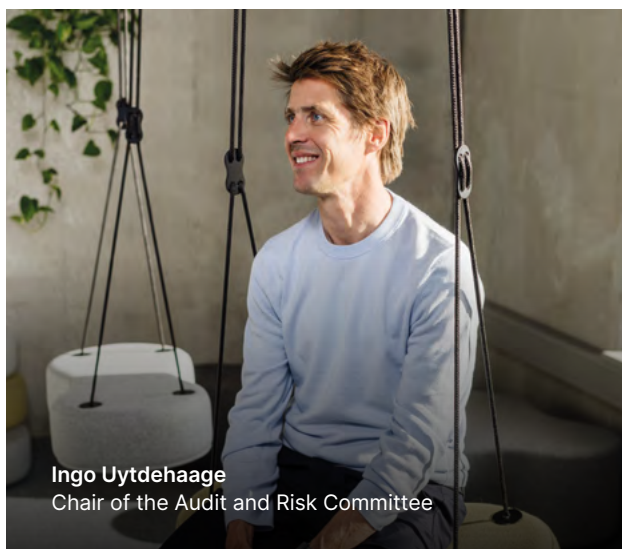
Member	Number of scheduled meetings attended
Ingo Uytdehaage (Chair and Independent Non-Executive Director)	5/5
Terri Duhon	5/5
Clare Gilmartin	5/5

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 there are appropriate internal controls over, financial reporting;
- engaging with, 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 internal audit;
- 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.





Ingo Uytdehaage
Chair of the Audit and Risk Committee

Dear Wise owner,

I am pleased to present the ARC report for FY2023, which details how we have carried out our responsibilities in relation to overseeing risk and financial reporting.

It has been a productive year for the ARC, building upon the progress we made in the audit and risk space in FY2022. Our focus this year has been on reviewing and approving the annual and half-year financial statements for FY2023. With respect to the external audit for FY2023, the ARC reviewed and approved the audit plan and the audit testing plan. During the course of FY2023, the ARC also reviewed other financial information and regulatory documents such as the Internal Capital Adequacy and Risk Assessment (ICARA), Internal Capital and Liquidity Adequacy Assessment (ILAAP) and Pillar 3 disclosures.

The ARC continued to provide oversight on embedding our risk management strategy with particular interest in reviewing financial crime risk, operational risk, regulatory engagement and the Group's IT and general control environment. The ARC was pleased to see the maturing and evolution of risk culture across the Group, including increased risk awareness across the first line of defence.

As Chair of the ARC, I also led an ARC effectiveness review and we are now in the process of implementing the actions that were identified to continue to improve the operation of the ARC. These actions include making improvements to meeting materials.

Finally, I was pleased to receive a letter from the Financial Reporting Council (FRC) with reference to the 2022 Annual Report and Accounts. The FRC's review considered the legal and accounting frameworks and our application of these. We welcomed the FRC's feedback on how we could improve our disclosures and are pleased that they raised no questions that the Group needed to address. This demonstrates the Group's commitment to high-quality reporting and robust corporate governance practices.

Alongside reviewing and approving the annual and half-year financial statements for this financial year, the key priorities for the ARC for FY2024 will be:

- reviewing the Group's control processes and internal audit capabilities to ensure they continue to evolve alongside developments in the business;
- continuing our monitoring of improvements to the IT environment and the control framework surrounding this as the business continues to grow and mature;
- reviewing new and emerging risks such as liquidity risk;
- continuing the monitoring of and embedding of a risk management system; and
- analysing regulatory developments in accounting, reporting and auditing.

At the 2023 AGM, I will recommend Wise owners vote to re-appoint PwC as the Group's external auditors and to adopt this report.

Ingo Uytdehaage
Chair of the Audit and Risk Committee

Key activities of the ARC in FY2023

Risk oversight

Management supports the ARC with its risk oversight obligations by providing a quarterly Group risk report. This report assists the ARC in the monitoring and oversight of financial and non-financial risk in relation to:

- 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.
- Reviewing the adequacy and effectiveness of Wise's processes and procedures to manage risk and the internal control framework, including the design, implementation and effectiveness of those systems.
- Ad hoc updates and deep dives from the first line of defence on key areas of risk, including cyber risk and data privacy.

Financial reporting

The ARC is responsible for reviewing the Annual Report and Accounts, all interim financial reports and other financial disclosures. The ARC conducts its reviews with management and our external auditors. Specifically, the ARC:

- Reviewed management's application of critical accounting policies, with a focus on the material areas in which significant accounting judgements were applied.
- Considered the Group's key financial risks, going concern considerations and long-term viability.
- Focused on compliance with disclosure requirements in the interim financial statements and Annual Report to ensure such disclosures were consistent, appropriate and acceptable.
- Reviewed the change to the income statement presentation in the current year.
- Approved the Group's financial documentation including ICARA, ILAAP and Pillar 3 disclosures.
- Received reports from PwC on their audit of the Annual Report and Accounts.

Fair, balanced and understandable assessment

Following review and challenge, the ARC recommended to the Board that these financial statements, taken as a whole, are fair, balanced and understandable. The financial statements provide Wise owners with the necessary information to assess the Group's strategy, position, business model, performance and risks facing the business.

Risk management

The Board is ultimately responsible for risk management for the Group and has delegated to the ARC the review of risk appetite, identification of principal and emerging risks, and review of the Group's risk management and internal control framework. In doing so, the ARC relies on reports from the first line, Risk and Compliance teams and Internal Audit. Also, the Chair and ARC members attend deep dive sessions and meet key internal stakeholders on a range of audit and risk-related matters to gain additional insight.

In FY2023, the ARC focused on the following areas:

- Overseeing the risk management strategy and assessing its effectiveness.
- Reviewing compliance and monitoring testing information;
- Reviewing notable risk incidents and remediation plans.
- Challenging management on identification of risks and issues.
- Overseeing operational resilience and financial adequacy;
- Reviewing resourcing in the second-line and third-line teams.
- Advising management on the Group's most significant risks, notably in the areas of regulatory and financial crime.
- Reviewing the regulatory landscape in which the Group operates and engages with regulators.

Internal controls

The ARC continues to review the effectiveness of the Group's internal controls, with particular focus on:

- Monitoring progress made in relation to IT general controls. The ARC was pleased to see progress made in enhancing security measures within product change lifecycles, access management and change management but acknowledge there is still work to do as the Company continues to grow.
- Overseeing the Group's finance control environment, focusing particularly on controls around cash management and safeguarding of customer assets.
- Reviewing proposed actions to remediate any failings or weaknesses identified in the Group's internal control framework.

Internal Audit

The Internal Audit function's primary role is to provide independent and objective assurance of the effectiveness of the risk management, control and governance processes of the Group. The Internal Audit team has continued to grow and develop its capabilities during the year. The Internal Audit Charter was approved during the course of the financial year and communicated to management to ensure clear understanding of the role of Internal Audit.

The ARC continued to support Internal Audit through frequent meetings with the Head of Internal Audit. The Head of Internal Audit was also an attendee at all ARC meetings, providing reports and updates on the progress of the internal audit plans, including internal control issues raised and management's actions to remediate any identified deficiencies.

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

- Approving the internal audit plan for FY2023 and FY2024, including coverage of key risks and business activities.
- Reviewing results of internal audit reviews, which included an assessment of the risk management, control framework and processes of each area being audited, remediation actions to be taken by management and the specified timetable to complete remediation.
- Monitoring management's actions to ensure it has appropriately addressed issues raised by the Internal Audit function within the agreed timetable.
- Overseeing and ensuring that the Internal Audit function is adequately resourced.
- Approving the Internal Audit Charter.
- Monitoring engagement of Internal Audit with the LT, PwC and key business stakeholders.

Internal Audit independence assurance

The ARC assessed the independence of the Internal Audit function by reviewing the annual internal audit plan and was satisfied that the quality, experience and expertise of the Internal Audit function are appropriate for the business.

Internal Audit effectiveness

The ARC considered that the Internal Audit function remained effective and provided a comprehensive level of assurance through its programme of work.

External auditor

The ARC oversees the Group's relationship with its external auditor, PwC, ensuring objectivity, independence and effectiveness are monitored on a regular basis. This will be PwC's second engagement as the Group's external auditor, although PwC has been engaged by the wider Group since 2016. The Senior Audit Partner, Mark Jordan, has been in the role since July 2021, the first year of a possible 5-year rotation, and remained as Statutory Auditor for FY2023.

External auditor effectiveness

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

- Reviewed PwC's audit approach, including the materiality, risk assessment and scope of the audit.
- Reviewed changes being made to PwC's approach to the audit in the current financial year, which included changes to IT general controls testing. Specialists were also used to improve the quality of the audit and enhance utilisation of technology.
- Management regularly attended ARC meetings, during which the ARC obtained feedback from management on the effectiveness of the external auditor.
- Discussed and considered PwC's findings when challenging management in the areas of financial reporting and risk management.
- Reviewed regular updates from PwC and management on the progress of the audit.
- The Statutory Auditor attended all ARC meetings and the ARC Chair maintained regular contact with the external auditor monthly throughout the year.

External auditor independence

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

- Reviewing the independence of the external auditor and the arrangements which they have in place to restrict, identify, report and manage conflicts of interest.
- Reviewing any changes in key external audit staff and the arrangements for the day-to-day management of the audit relationship.
- Considering the overall extent of non-audit services provided by the external auditor, in addition to case-by-case approval of the provision of non-audit services.
- Satisfying itself that the External Audit Engagement Partner has a thorough understanding of the business.
- The External Audit Engagement Partner regularly attending the ARC meetings with management and constructively challenge management on technical, governance and risk issues.
- Review of the findings of the audit with PwC, with a focus on areas identified as being at higher risk of potentially resulting in material misstatements in the financial statements.

Provision of non-audit services by the external auditor

The ARC is responsible for setting, reviewing and monitoring the appropriateness of the provision of non-audit services by the external auditor. Our Group policy permits the provision of permitted audit-related services and permitted non-audit services, as specified in the FRC Revised Ethical Standard 2019, with the prior approval of the ARC or Group Finance, when acting within delegated limits.

The main aims of this policy are to:

- ensure the independence of the auditor in performing the statutory audit; and
- avoid any conflict of interest by clearly detailing the types of engagements that the auditor can and cannot undertake.

During the year, PwC were engaged to provide a total of £534k in non-audit services. These services were those required by legislation or closely linked to regulation such as CASS and Safeguarding.

External auditor reappointment

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 reappointment include the experience and skill of the auditor, the geographical locations of their network of offices, their past performance and fees charged.

The ARC has recommended to the Board that PwC should be reappointed as auditor for FY2024. Resolutions concerning the reappointment of PwC will be proposed to Wise owners at the AGM.

Whistleblowing

There are various channels for Wisers to raise concerns, which include a whistleblowing portal and an independent external whistleblowing hotline. The ARC is responsible for ensuring that whistleblowing arrangements are effective and the General Counsel provides periodic reporting on any matters arising from whistleblowing channels and subsequent actions.

Principal activities and significant issues relating to the financial statements

The ARC exercises its judgement in deciding the areas of accounting that are significant to the Group's accounts. The external auditor's reports detail the results of their audit in relation to these identified areas. The ARC subsequently assesses the quality and appropriateness of, and adherence to, the Group's accounting policies and principles. The significant matters relating to financial judgements are set out below.

Matter	Actions and conclusion
Long-term viability and going concern statement Directors are required to 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 ARC considered the following: <ul style="list-style-type: none"> • Information relating to present and future planning of the Group's business model, taking into account forecasts on profitability, cash flows, capital requirements and capital resources. • Internal stress testing scenarios, including those set out in the ICARA and ILAAP. • Review of the Group's principal risks. • The geopolitical situation at the time of reporting. The ARC concluded by recommending the Viability Statement to the Board for approval and considered that related disclosures were sufficiently clear and transparent.
Interest income recognition The Group's interest income became material during the year and therefore judgement was required to assess whether the current accounting treatment continued to be appropriate.	The ARC reviewed and challenged management on the updated accounting policy to recognise interest income/expense from customer balances and benefits related to customer balances as part of gross profit in the income statement. The disclosures in the interim financial statements and the Annual Report and Accounts were also reviewed and the ARC concluded that these were correct and in line with the treatment being adopted.
Alternative performance measures The ARC monitors the alternative performance measures (APMs) being used, which can provide further insight to the Group's IFRS reporting.	APMs included in the Annual Report and Accounts have been reviewed by the ARC and discussed with management and the external auditor in order to conclude that: <ul style="list-style-type: none"> • APMs disclosed are appropriate and reconciled to the IFRS reporting measures where required; and • any APMs referenced in the Annual Report and Accounts do not have greater prominence than IFRS results.

Principal activities and significant risk issues

Listed below were the key risk matters considered by the ARC in FY2023:

Matter	Actions and conclusion
Group risk profile The ARC reviews the risk environment and challenges to revenue, operational resilience and stakeholders.	The ARC reviewed the principal risks facing the business, the risk appetite statements and emerging risks, from a first, second and third-line perspective. The ARC also reviewed management action plans to address the main risks and continued to challenge decisions regarding resourcing and proposed timelines. The ARC was comfortable with the assessment of principal risks facing the business.
Risk management strategy The ARC continued to monitor progress of the risk management strategy.	The ARC reviewed the embedding of the risk management strategy through receiving regular reports from the Head of Risk and Compliance. The ARC was pleased with the progress made, particularly in relation to risk identification and enhancing the monitoring and testing environment, and acknowledged the next steps would be to finalise the risk and control framework into an automated system. The ARC will continue to oversee the evolution of the Risk Management function.

Matter	Actions and conclusion
Control environment The ARC ensures the effectiveness of internal controls required to manage risk.	<p>The ARC focused on IT general controls in particular. Regular updates were received on the progress made in this area, acknowledging the enhancements made in privileged access and monitoring processes. While progress has been made, the ARC has challenged management that there are still areas that need continued improvement.</p> <p>The ARC also reviewed the Group's approach to safeguarding customer assets and was satisfied that significant progress was being made to remediate identified risks in this area.</p>
Financial crime compliance The ARC provides oversight to the management of financial crime risk to reduce the risk of our business being exploited for criminal activity including money laundering, terrorist financing and proliferation financing.	<p>The ARC received regular reports on the management of financial crime risk. In FY2023, there was particular focus on enhancing our financial crime operations and remediating gaps in our financial crime control framework.</p> <p>Throughout the year, the ARC challenged management on gaps, resourcing and action plans.</p> <p>The ARC concluded that significant progress had been made in reducing financial crime risk.</p>
Regulatory compliance risk The ARC oversees the risks relating to operating in multiple jurisdictions and meeting regulatory standards or expectations in these regions.	<p>The ARC focused on management actions to reduce regulatory compliance risk.</p> <p>The ARC reviewed a global health check, with particular focus on the UK, EU, AU and USA, which provided an overview of active licences, the status of local Compliance teams and remediation plans.</p> <p>There was also a spotlight on the FCA's Consumer Duty that will set higher expectations for the standard of care FCA-regulated firms give consumers and progress against the implementation plan.</p> <p>Finally, the ARC received updates on ongoing regulatory investigations, current and future areas of regulatory focus and the nature of the relationships with the Group's principal regulators.</p> <p>The ARC is happy that progress is being made on regulatory compliance risk but due to the fast moving and global nature of the business, this will continue to be an area of focus for the ARC and a heightened risk area.</p>
Financial risk The ARC monitors financial risk and how it relates to the delivery of the mission and meeting relevant regulatory requirements.	<p>The ARC was provided with updates relating to the investment strategies of the Group and in particular there was focus on the liquidity, credit and interest rate risk relating to these investment strategies.</p> <p>The ARC also monitored foreign exchange risks applicable to the Group's activities.</p> <p>There was also review and approval of the ICARA and ILAAP, which incorporated outcomes from a stress test scenario review.</p>
Operational risk The ARC monitors the Group's operational risk profile and risk appetite, with focus on ensuring the business is operationally resilient.	<p>The ARC received a report on operational incidents and the corrective actions taken to remediate.</p> <p>There was a spotlight on cyber risk profile and third-party risk management.</p>
Litigation The ARC considers ongoing litigation and impact on financial reporting.	<p>The ARC considered regular reports detailing new and existing investigations and litigation and any subsequent potential provisioning.</p>
ESG reporting The ARC reviews the ESG disclosures made in the Annual Report and Accounts.	<p>The ARC reviewed the ESG reporting strategy, which included the increased coverage in the Annual Report and Accounts.</p> <p>The ARC provided feedback on the ESG report.</p>

Directors' Remuneration report

Membership and composition

During FY2023, the Remuneration Committee comprised three Independent Non-Executive Directors (NEDs).

Member	Number of scheduled meetings attended*
Clare Gilmartin (Chair)	4/4
David Wells (Independent NED)	4/4
Ingo Uytdehaage (Independent NED)	4/4

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

Role and responsibilities

The Remuneration Committee has key responsibilities relating to remuneration matters for the Group as a whole, including the following:

- Overseeing the design of remuneration policies and practices which support Wise's strategy, aligning with all relevant regulatory requirements and promoting long-term sustainable success.
- Determining the Group's approach to Executive Director remuneration in the context of Company culture and employee remuneration, approving appropriate levels of remuneration for Executive Directors and also the members of the Company's Leadership Team within the terms of the agreed Remuneration Policy.
- Overseeing the Group's employee share schemes.

Committee focus during FY2023

- Reviewing the appropriateness of remuneration for Wise's Executive Directors throughout our first full year as a listed company.
- Ensuring that remuneration opportunities remain appropriate to attract and retain key talent.
- Considering and setting long-term incentive award targets that are appropriately forward-looking and aligned to strategy.
- Appointment of new remuneration advisers to the Remuneration Committee.

Priorities for FY2024

- Remuneration matters related to the appointment of the next CFO.
- Review our current approach to variable pay, with a particular focus on ensuring that our chosen long-term incentive vehicle remains the most suitable option for Wise.
- Review our remuneration principles and philosophy.
- Continue to keep abreast of changes in UK corporate governance and applicable regulatory requirements.

The Remuneration Committee's Terms of Reference are reviewed annually and are available at <https://wise.com/owners/>





Clare Gilmartin
Chair of the Remuneration Committee

Dear Wise owner,

I am pleased to present this year's Directors' Remuneration report ('DRR') on behalf of the Remuneration Committee. This report, describing how the Directors' Remuneration Policy was put into practice during FY2023 and will be implemented in FY2024, will be put to an advisory vote at the 2023 AGM.

Business performance

FY2023 has been another year of growth and innovation at Wise, and one in which the business has made further progress towards the mission. This past year has seen strong performance, with increases in active customers, volume and total income. Specially, our volume growth remains strong and is a major driving force for our mission as well as being a key metric in our Performance Share Plan. Overall, the focus as a business remains on the long-term mission, ensuring continued and sustainable investment in people and projects. This is the context in which we present the DRR.

Our Remuneration Policy and its implementation in FY2024

Our first Remuneration Policy as a publicly listed company was approved by Wise owners at the AGM on 23 September 2022 with 99.88% voting in favour. I would like to take this opportunity to thank Wise owners for the support received.

During FY2023, the Committee undertook a review of the Remuneration Policy to ensure it remained aligned with Wise's strategy, and that it supports our continued success within the four key principles we have set out in the FY2023 Directors' Remuneration report. We reviewed structure, quantum and measures against the competitive landscape for talent as well as other key considerations, and decided not to make any changes to our remuneration structure and variable

pay levels for FY2024. We will continue to review and make any required changes if and when appropriate to ensure that remuneration structures continue to motivate our leadership (and wider employee groups) to deliver our long-term business objectives.

CEO remuneration

As outlined in the FY2022 Annual Report and Accounts, the CEO has elected to abstain from both the annual bonus and the Long-term Incentive Plan (LTIP) and has requested for his salary not to be reviewed for the term of the current Remuneration Policy. It is the Remuneration Committee's view that given the CEO is a significant shareholder in the Company, holding 18.23% of the Class A Shares and 48.22% of voting rights, he is sufficiently aligned to other Wise owners and the long-term success of the Company.

Governance

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

- Head of Reward
- CEO
- Chief People Officer
- Deputy Company Secretary

The Remuneration Committee meets regularly with our advisers and holds Independent-NED-only sessions. No member of the Remuneration Committee or regular attendee takes part in any decision in relation to his or her own remuneration and no member of the Remuneration Committee has any personal financial interest (other than as a Wise owner) in the decisions made by the Remuneration Committee.

How this Directors' Remuneration report is structured

Section	Page
Remuneration Committee Chair's statement	114-115
Remuneration at a glance – summarising the remuneration arrangements for Executive Directors	116
Summary of the Policy approved at the 2022 AGM	117-120
Annual Report on Remuneration – detailing pay outcomes for FY2023 and covering the planned implementation of remuneration in FY2024	121-128

CFO remuneration

Early in FY2024, we announced Matt Briers' decision to step down from his position at Wise in early 2024. Matt has been instrumental in establishing Wise as a successful listed company and his contributions will continue to shape Wise for years to come.

As set out in last year's Annual Report, base salaries for Executive Directors at Wise are lower in comparison to our current peers, given our prior status as a private company and emphasis on share-based pay. It is however important that we pay fairly in the context of the current size and complexity of the Company and the markets in which we operate, as well as having regard to our executives' success in growing the business to date. To support our ability to recruit at this level, we also require an established pay structure that demonstrates we are able to pay competitively within the global marketplaces for talent from which we wish to recruit, comprising publicly listed and private global fintech and technology companies, as well as traditional financial services companies.

With these factors in mind, when introducing the current Remuneration Policy, we stated our intention to increase the CFO's salary level over the three-year policy period to bring it more in line with other businesses of similar size and scale.

We flagged in last year's Annual Report and Accounts that we would be increasing Matt's salary by 20% for FY2024. The Remuneration Committee believes this continues to be appropriate to ensure alignment with our Remuneration Principles. In reaching its decision, the Committee has also taken into account Matt's commitment and his choice to continue in his role throughout FY2024, exceeding his notice period, to ensure a smooth transition period and provide critical support during our CEO's upcoming sabbatical.

To recognise Matt's commitment to supporting Wise throughout the course of FY2024, he will also continue to receive an FY2024 PSP award. As Matt is a good leaver, the FY2023 and FY2024 PSP awards will vest in line with their normal vesting dates (on a pro-rata basis), subject to performance, and be subject to the normal post-vesting holding periods. Details on Matt's leaving arrangements are provided on page 123.

All-employee remuneration

Our people form the vital connection between our customers and our products. We are committed to creating an inclusive working environment and rewarding Wisers fairly and competitively, with transparency at the heart of our reward philosophy and approach.

Over the last year, changes in the economic climate and the rising cost of living have impacted many Wisers across the world. We have remained committed to supporting our people and providing competitive pay to all to ensure we attract and retain talent capable of delivering our mission. It is against this backdrop that we made reward decisions during the year.

We responded quickly to the changing labour market conditions, reviewing our salary ranges mid-way through the year and providing market-rate adjustments to individuals in roles where compensation data had shifted significantly.

We are proud to continue to provide all Wisers with share awards. Equity ownership in the business remains culturally important for us, ensuring every Wiser is motivated to deliver the long-term success of the mission and is aligned to shareholder success.

The Remuneration Committee seeks to take a measured and responsible approach to executive pay, considering decisions from the perspective of all our stakeholders as well as the external environment.

Whilst the Remuneration Committee did not specifically engage with Wisers on Executive Director remuneration during FY2023, we are continuing to build out our employee engagement plan to ensure that Wisers' views are considered with regards to the Policy and its implementation. However, the Board did hold more general employee engagement sessions with Wisers during the financial year, as detailed on page 50 of this report.

The Remuneration Committee receives regular updates from the Chief People Officer and Head of Reward on recruitment and reward matters and how these align with the wider organisation and is mindful of these when making decisions on executive pay.

AGM

On behalf of the Remuneration Committee, I would like to thank Wise owners for their input and engagement in the year, and welcome any comments you may have on this Remuneration report.

We remain dedicated to continuous and open dialogue with our shareholders and proxy advisers and this Remuneration report seeks to describe and explain our remuneration decisions clearly. I hope that having read the information in this report, and considering Wise's performance during FY2023, you will vote in support of this Remuneration report at the 2023 AGM.

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, at cossec@wise.com, and I will also be available at the 2023 AGM to answer any questions.

On behalf of the Remuneration Committee and the Board,



Clare Gilmartin
Chair of the Remuneration Committee

27 June 2023

Remuneration at a glance

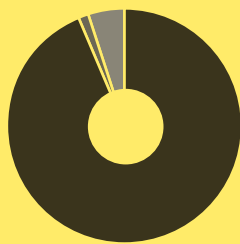
Structure of Executive Directors' pay

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 3-year deferral period subject to continued employment			
Long-term Incentive Plan (malus and clawback provisions apply)	Maximum opportunity: 500-650% of base salary 3-year performance period			2-year holding period	
Shareholding requirements	Executive Directors are required to build and maintain a 300% base salary minimum shareholding whilst in employment and for 2 years post-employment				

* The Committee has not historically awarded annual bonuses, nor does it plan to in FY2024.

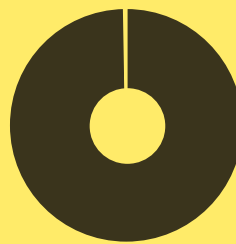
FY2023 single total remuneration figures

CEO single figure



Salary	£197k
Taxable benefits	£1.7k
Pension	£9.8k
Annual Bonus	£0k
LTIP	£0k
Total	£209k

CFO single figure



Salary	£335k
Taxable benefits	£0.8k
Pension	£0k
Annual Bonus	£0k
LTIP	£0k
Total	£336k

Workforce remuneration highlights

Gender pay gap – Year-on-Year decrease (mean)

↓3.9pp

Gender pay gap – Year-on-Year decrease (median)

↓0.5pp

Employee share ownership

100%*

*Excludes apprentices, interns and fixed term contracts

Remuneration Policy

Remuneration Policy as approved at the 2022 AGM

The Remuneration Policy was approved by Wise owners at the 23 September 2022 AGM. For ease of reference, the Remuneration Policy table has been reproduced in the summary below. The full Remuneration Policy can be found in the FY2022 Directors' Remuneration report, which is available on the Group's website at <https://wise.com/owners/>.

Remuneration Policy summary table

Pay element and purpose	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.	<p>Normally reviewed annually, with increases at the discretion of the Company and the Remuneration Committee.</p> <p>When setting base salaries, the Remuneration Committee takes into account a number of factors including (but not limited to):</p> <ul style="list-style-type: none"> • 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. <p>An out-of-cycle review may be conducted if the Remuneration Committee determines it is appropriate.</p>	<p>Whilst there is no maximum salary level, salary increases are normally considered in relation to wider salary increases across the workforce.</p> <p>For the duration of the 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.</p>	None.
Benefits To provide competitive, cost-effective benefits based on the market in which the Executive Director is employed.	<p>The Executive Directors' benefits are currently aligned to the wider workforce.</p> <p>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.</p> <p>Other market-standard benefits, including, but not limited to, car allowance, relocation expenses, dental insurance, life assurance and tax equalisation may be provided, as deemed appropriate by the Remuneration Committee. Benefits vary by country.</p> <p>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.</p>	<p>The maximum is based on the cost to the Company of providing the benefits described.</p> <p>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.</p>	None.
Pension To provide market-competitive retirement benefits	<p>Contribution to the Company pension plan or a cash allowance in lieu of pension.</p> <p>Pension contributions for Executive Directors are aligned with Wisers based in the country where the individual is based.</p>	<p>UK-based Executive Directors' employer contributions will be 5% of salary, in line with the wider UK workforce.</p>	None.

Pay element and purpose	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.	<p>The Remuneration Committee has not historically awarded annual bonuses, nor does it plan to in FY2024. 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 relevant measures.</p> <p>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 3 years, subject to continued employment.</p> <p>Any annual bonus, including any deferred bonus, would be subject to malus and clawback provisions as set out on page 100 of the 2022 Annual Report and Accounts.</p> <p>Bonus awards would be non-pensionable.</p> <p>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 CFO in FY2024.</p>	<p>The annual bonus policy maximum is 150% of base salary.</p> <p>50% of maximum is achievable for achieving 'target' performance.</p>	<p>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.</p> <p>Following the end of the performance period the Remuneration Committee would review the appropriateness of the formulaic outcome and retain 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.</p>
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.	<p>Long-term incentive awards are made under the Long Term Incentive Plan (LTIP). The Remuneration 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 3-year performance period are met and subject to continued employment.</p> <p>The net-of-tax number of shares that vest will be subject to a 2-year holding period post-vesting.</p> <p>Awards will be subject to malus and clawback provisions as set out on page 100 of the FY2022 Annual Report and Accounts.</p> <p>The incumbent CEO has elected to abstain from participating in the LTIP for the duration of the Remuneration Policy.</p>	<p>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.</p> <p>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.</p>	<p>Performance will normally be measured over a period of no less than 3 years.</p> <p>The Remuneration Committee will review the performance measures and weightings for each award to ensure alignment with Wise's long-term strategy.</p> <p>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.</p> <p>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.</p> <p>Following the end of the performance period the Remuneration Committee will review the appropriateness of the formulaic outcome and retain 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.</p>

Pay element and purpose	Operation	Opportunity	Performance metrics, weighting and assessment
Shareholding requirement To align with shareholders' interests and to foster a long-term mindset.	<p>Executive Directors are required to accrue and then maintain a holding of Class A Shares with a value of 300% of salary within 5 years of appointment to the Board, as assessed by the Remuneration Committee on an annual basis.</p> <p>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.</p> <p>Post-employment</p> <p>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 2 years, subject to the Remuneration Committee in exceptional circumstances amending the requirement. This will be managed via individuals' nominee accounts and is a contractual condition in their employment contract.</p> <p>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.</p>	Not applicable.	Not applicable.
NEDs To provide an appropriate fee level to attract and retain NEDs and to appropriately recognise their responsibilities and time commitment.	<p>NEDs are paid an annual base fee and may be paid additional fees for serving on Board Committees, acting as SID and as Chair of Board Committees (or to reflect other additional responsibilities and/or additional/unforeseen time commitments).</p> <p>Additional fees may be paid to a NED should they be required to assume executive duties on a temporary basis.</p> <p>There is no performance-based variable pay or pension provided to the Chair or the other NEDs.</p> <p>Business expenses incurred in respect of their duties (including any tax thereon) are reimbursed.</p>	<p>Fees for the Chair and NEDs are set by the Remuneration Committee.</p> <p>Fees are reviewed, but not necessarily increased, annually.</p> <p>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 paid to other NEDs at the time.</p>	None.

Consideration of the UK Corporate Governance Code principles

Our Remuneration Policy has been designed taking into account the following principles of the UK Corporate Governance Code:

Clarity	<ul style="list-style-type: none"> • The Remuneration Policy is designed to be simple and support long-term, sustainable performance. • The Remuneration Policy is in line with UK listed company practice. • The Remuneration 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	<ul style="list-style-type: none"> • 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 Remuneration Policy.
Risk	<ul style="list-style-type: none"> • The Remuneration Policy has been shaped to discourage inappropriate risk-taking through a weighting of incentive pay towards long-term incentives. Additional measures include: <ul style="list-style-type: none"> • When considering performance measures and target ranges, the Remuneration Committee will take account of the associated risks and liaise with the Audit and Risk 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	<ul style="list-style-type: none"> • The potential reward outcomes are easily quantifiable and are set out in the illustrations provided in the Remuneration Policy. • Performance can be reviewed at regular intervals to ensure there are no surprises in outcomes at the end of the performance period.
Proportionality	<ul style="list-style-type: none"> • Incentive outcomes will be contingent on successfully meeting stretching performance targets aligned to the delivery of the Company's strategy. • The Remuneration Committee retains discretion to override formulaic outturns.
Alignment to culture	<ul style="list-style-type: none"> • The Remuneration Policy encourages long-term shareholding, which is aligned with Wise's culture and mission. • Measures used in the variable incentive plans will be selected to reflect the KPIs of the business.

Annual Report on Remuneration

The Remuneration Committee believes that the existing Remuneration Policy operated as intended during FY2023. This section provides details of remuneration outcomes for the financial year ended 31 March 2023, as well as how the Remuneration Policy will be implemented in FY2024.

Single total figure of remuneration-Executive Directors (audited)

The table below sets out the single figures of total remuneration earned by each Executive Director of the Company during the year ended 31 March 2023 and the prior year.

	Kristo Käärmann £'000		Matthew Briers £'000	
	FY2023	FY2022 ¹	FY2023	FY2022 ¹
Salary	197	153	335	217
Taxable benefits ²	1.7	0.5	0.8	0.5
Pension-related benefits ³	9.8	8	-	-
Total fixed pay	209	161	336	217
Annual bonus ⁴	-	-	-	-
Performance-based share awards ⁵	-	-	-	-
Total variable pay	-	-	-	-
Total	209	161	336	217

1. FY2022 within the single figure table refers to the period from the date each individual was appointed as a Director of the Company to 31 March 2022. The dates of appointment were 28 April 2021 for Kristo Käärmann and 18 June 2021 for Matthew Briers.

2. The benefits total represents the taxable value of benefits paid. Benefits provided to Executive Directors include private health insurance.

3. Executive Directors have the ability to opt into pension benefits, equivalent to 5% of salary.

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. No PSP awards vested in the period ended 31 March 2023. The first PSP award, granted during FY2023, is expected to vest in spring 2025.

6. In the period since its incorporation to the date of the pre-Admission Group reorganisation, the CEO and CFO did receive remuneration, with Matthew Briers also receiving 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 it in respect of an agreement to provide, qualifying services with the Company. For completeness, a summary of the remuneration paid to the CEO and CFO during this period and details of awards under the Legacy Incentive Plans were included on page 107 of Wise's FY2022 Annual Report and Accounts.

PSP award granted in FY2023

The following table summarises the PSP award made to the CFO in October 2022. The CEO does not participate in the PSP and will not for the duration of the current Policy.

In light of the CFO's planned resignation, the FY2023 PSP award will be pro-rated to reflect his time in role. No changes are expected to be made to the planned vesting schedule, performance period or performance measures set out below.

Executive Director	Shares granted (conditional awards)	% of base salary awarded	Value at award date ¹	Vesting at threshold	End of performance period ^{2,3}
Matthew Briers	340,767	650%	£2,177,500	25% of maximum	31 March 2025

1. The value has been calculated using the average of the prior 30 day closing market share price to the date of grant (15 October 2022) of 639.34p.

2. The award has a 3-year performance period which will end on 31 March 2025.

3. The vested shares, net of any tax liabilities, will be subject to a post-vesting holding period of 2 years.

The performance measures and targets for the FY2023 PSP are set out below. Both PSP performance metrics have straight-line vesting between threshold and maximum.

	Weighting	Threshold (25% payout)	Maximum (100% payout)
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

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

As set out in the Prospectus and on page 107 of the FY2022 Annual Report and Accounts, 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.

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

Directors' share interests (audited)

The Company has share ownership guidelines in place for Executive Directors to ensure that their interests are aligned with those of Wise Owners. For detailed information on their shareholding requirement, please refer to the Remuneration Policy table on page 119.

The table below sets out the Directors' interests in share awards, including the shareholdings of their connected persons. Any changes in the shareholdings of the Directors from 31 March 2023 to the date of this report have been highlighted in the footnotes below.

	Class A Shares	Class B Shares	Unvested legacy share awards	Unvested legacy share options	Vested but not exercised legacy share options	Unvested conditional share awards	Persons Connected	Shareholding requirement as a percentage of salary	Shareholding requirement met
Executive Directors¹									
Kristo Käärmann	186,078,489	186,022,590	–	–	–	–	1,559,532 ⁸	300%	Yes
Matthew Briers ²	284,998	–	625,638	236,366	1,469,510	340,767	–	300%	Yes
NEDs¹									
Alastair Rampell	–	–	–	–	–	–	116,641,134 ⁹	N/A	N/A
Clare Gilmartin	96,720	–	–	–	–	–	–	N/A	N/A
David Wells ³	–	–	–	–	923,000 ⁵	–	239,616 ⁶	N/A	N/A
Hooi Ling Tan ⁴	96,720	–	–	–	–	–	–	N/A	N/A
Ingo Uytendhaag ³	–	–	–	–	572,000	–	–	N/A	N/A
Terri Duhon	–	–	–	–	–	–	–	N/A	N/A

1. The Remuneration Committee did not determine or approve the grants made to Executive and 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, Matthew Briers holds awards over Class A Shares under the legacy share plans which were operated by the Company prior to Admission. At the date of this report, this comprises 236,366 Class A Shares in relation to unvested legacy share options, 1,469,510 vested but not exercised legacy share options and 568,750 Class A Shares in relation to outstanding unvested legacy share awards. The unvested share awards and share options remain subject to continued employment.

3. As set out in the Prospectus, prior to Admission and in the context of the group operating as a private company, David Wells and Ingo Uytendhaag 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 Uytendhaag respectively.

4. As set out in the Prospectus, prior to Admission and in the context of the group operating as a private company, Hooi Ling Tan held options over WPL A Shares under the Legacy Incentive Plans. An option was granted on 21 June 2021 over 3,720 WPL A Shares. Hooi Ling Tan exercised 3,720 options prior to Admission.

5. David Wells exercised and sold 100,000 of his legacy share options on 21 April 2023. On the date of this report, he holds 823,000 remaining legacy share options.

6. David Wells sold 139,616 Class A Shares on 21 April 2023. At the date of this report, he holds 100,000 Class A Shares via a persons connected.

7. At the date of this report, Terri Duhon holds 2,645 Class A Shares via a persons connected.

8. Kristo Käärmann holds 779,766 Class A Shares and 779,766 Class B Shares via persons connected.

9. Alastair Rampell holds 88,424,920 Class A Shares and 28,216,214 Class B Shares via persons connected.

Single total figure of remuneration – NEDs (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 FY2023 and FY2022. NEDs are not paid a pension and do not participate in any of the Company's variable incentive schemes.

Director	Fees	
	FY2023 £'000	FY2022 ¹ £'000
Alastair Rampell ²	0	0
Clare Gilmartin ³	24	0
David Wells	33	5
Hooi Ling Tan ³	14	0
Ingo Uytdehaage ³	29	4
Terri Duhon	170	43

1. For FY2022, remuneration is reported in respect of qualifying services with the Company from the date the Company was incorporated (18 February 2021) or, if later, the date of appointment as a Director of the Company.

2. Alastair Rampell has voluntarily waived all fees in relation to his appointment as a NED of the Company.

3. Hooi Ling Tan, Clare Gilmartin and Ingo Uytdehaage received fees of £1 from 1 April 2022 to 28 February 2023.

Payments for loss of office (audited)

There were no payments for loss of office during FY2023.

Payments to former Directors (audited)

There were no payments to past Directors during FY2023.

Matthew Briers' leaving arrangements

As set out earlier in this report on page 28, Matt will step down from his position at Wise in early 2024, voluntarily extending his notice period in order to ensure a smooth transition period and provide critical support during our CEO's upcoming sabbatical. Matt will receive his salary and any pension and benefits payments to which he is entitled until the cessation of his employment with the Group.

Matt will be treated as a good leaver in respect of his FY2023 and FY2024 PSP awards to reflect his contribution to Wise during his employment as well as the context for his departure. His PSP awards will vest in line with the normal vesting date (on a pro-rata basis to reflect the percentage of the performance period Matt is employed), to the extent the performance conditions attached to the award are fulfilled. The two-year post-vesting holding period will continue to apply. In addition, Matt's pre-IPO share options award will vest on a pro-rated basis until his last day of employment.

Matt will also be subject to a two-year post-employment shareholding requirement. This will cover all shares and share options acquired through Wise share plan awards prior to his final date of employment, including his Legacy Incentive Plan awards. In line with the Policy, the post-employment shareholding requirement equals the lower of Matt's shareholding at the point of him leaving the Company or 300% of his salary.

Change in remuneration of Wisers and Directors

The table below sets out how the change in reported remuneration for each Director between FY2022 and FY2023 compares to the change in average pay for employees of Wise Payments Limited, where the majority of our UK colleagues are employed. No Directors or employees currently receive annual bonuses.

The relevant regulations prescribe that the above comparison should include all employees of the Parent Company. However, since there are no individuals employed by Wise plc except for the Executive Directors, a representative comparison has instead been formulated using all UK-based employees of Wise Payments Limited as the basis for this calculation. The average change for all employees has been calculated on a full-time equivalent basis, by reference to pay received for the full FY2022 and FY2023 (excluding any share award vesting). The salary increase includes changes made through the annual salary review as well as additional changes made throughout FY2022 and FY2023, for example reflecting promotions or role changes. The change to the level of taxable benefits has been driven by higher average take-up of the benefits offering in FY2023 compared to FY2022 and an increase in our UK medical benefit premium.

	Salary/fees (% change) ¹	Benefits (% change) ²
	FY2023	FY2023
Executive Directors		
Kristo Käärmann	Nil	141%
Matthew Briers	20%	15%
NEDs		
Alastair Rampell ⁴	N/A	N/A
Clare Gilmartin	— ⁵	N/A
David Wells	65%	N/A
Hooi Ling Tan	— ⁵	N/A
Ingo Uytdehaage	94%	N/A
Terri Duhon ³	Nil	N/A
Wisers		
Average UK Wiser	20%	24%

1. Percentage change based on annualised Executive and Non-Executive Director emoluments in FY2022 and FY2023, and therefore includes a notional amount for the period of FY2022 before Admission on 7 July 2021. The table reports on full-time equivalent figures for Executive and Non-Executive Directors.
2. The benefits increase for Kristo Käärmann is reflective of a one-off payment made to Kristo to cover benefit in kind taxes of £898. The benefits offered to Executive Directors have not changed in FY2023 versus FY2022. There were no taxable benefits paid to Non-Executive Directors during the year.
3. Terri Duhon joined the Board on 1 January 2022. Her fee for FY2022 has been calculated on an FTE basis for the purpose of this comparison.
4. Alastair Rampell has voluntarily waived all fees in relation to his appointment as a NED of the Company.
5. The significant change in fees for Non-Executive Directors is driven by transitioning all Wise NEDs to the Policy fee structure. David Wells, Ingo Uytdehaage, Clare Gilmartin and Hooi Ling Tan received a nominal fee of £1 per annum up to 28 February 2023 as remuneration for their duties for the Company. After such date, David Wells' fee increased to £275,000 per annum (as Chairman) and fees for Ingo Uytdehaage, Clare Gilmartin and Hooi Ling Tan increased to £170,000 per annum. This is in line with the Chair fee and Non-Executive Director fees set out in the Policy, which can be found on page 119.

CEO pay ratio

Wise is committed to remunerating its employees fairly and competitively. We calculated our CEO pay ratio using the prescribed Methodology B, a continuation of approach from last year and based on the availability of data at the time the Annual Report and Accounts is published.

Financial year	Method	25 th percentile pay ratio	Median	75 th percentile pay ratio
FY2023	Option B	3:1	2:1	2:1
FY2022 ¹	Option B	3:1	2:1	1:1

1. Details provided in respect of the period 1 April 2021 to 31 March 2022.

The total pay and benefits of each Wiser at the 25th, 50th and 75th percentile are as follows:

FY2023	CEO	25 th percentile	Median	75 th percentile
Salary	197,000	60,500	85,750	104,000
Total pay and benefits	208,566	64,343	90,855	110,018

The CEO remuneration is based on the total single figure remuneration for the relevant years, as disclosed on page 116. The value of each employee's total pay and benefits was calculated using the single figure methodology consistent with that used for the CEO. Where required, remuneration was approximately adjusted to be full-time and full-year equivalent basis based on the employee's average full-time equivalent hours for the year and the proportion of the year they were employed. As an additional sense check, the salary and total pay and benefits of a number of employees either side of these 25th, 50th and 75th percentile employees were also reviewed with an adjustment made to ensure that the figures used were representative of an employee at these positions, including to exclude elements of pay which are not representative of employees at the relevant level. The calculations for the UK employees were performed as at the final day of the relevant financial year.

The FY2023 CEO pay ratio is higher when compared to FY2022. The CEO's remuneration has not been increased over this period, so this difference in ratio has been driven by changes in our wider workforce. As the CEO has elected to abstain from participating in any variable remuneration components under the current Remuneration Policy, significant year to year volatility is not expected for the foreseeable future. The Remuneration Committee believes the median pay ratio for FY23 is consistent with the pay, reward and progression policies for Wise's UK employees as a whole.

Diversity, equity and inclusion

At Wise, our Mission is money without borders. In order to build the future of global money, we need a team that is as diverse as the customers we're working for. Over the past year, our focus has been on increasing our representation of women in our most Senior levels. Further detail on our goals and how we are tracking against them can be found on page 49 of the People report.

In addition to improving our diversity, we are committed to paying all of our Wisers fairly for the impact they make here at Wise. We measure role impact through documented career maps and position descriptions and use specific salary ranges for each role. The amount of stock allocated is also benchmarked by role and experience level, and like our salary ranges our stock levels are shared openly with Wisers.

Based on the UK gender pay gap reporting requirements, our FY2021/2022 UK gender pay gaps of 19.05% (median) and 16.11% (mean) show a year-on-year decrease compared to 19.51% and 20.00% in FY2020/2021.

We are committed to closing the gap and are investing in a range of initiatives to facilitate this goal. We know that better diversity means stronger, more experienced teams, as well as a more relevant product for our customers. We're committed to improving our position, and believe that through our long-term recruitment plans, and continued investment into DEI at Wise, we can improve our gender diversity.

Further information about our DEI initiatives across the workforce are set out in the ESG report on page 54.

The Company's latest Gender Pay Gap Statement can be found on the Wise website: <https://wise.com/gb/blog/wises-commitment-to-improving-gender-diversity>

	Mean	Median
Hourly rate of pay	FY2023: 16.11% FY2022: 20.00%	FY2023: 19.05% FY2022: 19.51%
Bonus pay*	FY2023: 61.21% FY2022: 49.71%	FY2023: -147.82% FY2022: -44.93%

* We note that for the Gender Pay Gap calculations, we are required to use the value of equity based on when the tax liability arises for the employee. For stock options (NSOs), which Wise offered between 2011 & 2022, this is when options are exercised. For RSUs, which we have issued since April 2022, it's when they vest. However, as it is the employee's own choice as to when they exercise their stock and stock is awarded based on role and not performance, the numbers do not present a reliable indication of gender pay differentials for variable pay.

Relative importance of spend on pay

The table below sets out our relative importance of spend on pay. There have been no dividends paid to date.

	FY2023 £m	FY2022 £m	% Change
Distribution to shareholders	–	–	–
Total Wiser pay	294.8	184.8	59.52%

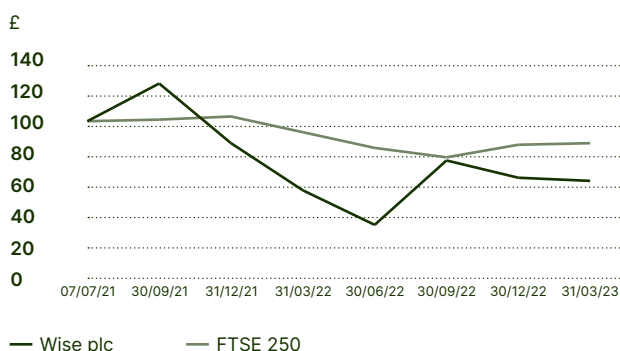
External advisers

Until the end of January 2023, the Remuneration Committee received independent advice on executive remuneration from Aon plc. The total fees paid to Aon plc for the provision of advice to the Remuneration Committee in FY2023 were £114,942. Aon also provided advisory and placement services in respect of financial lines and general lines insurances to the Company during the year. The Remuneration Committee is satisfied that the advice it received from Aon plc was independent and objective, that the engagement partner and team that provided remuneration advice did not have connections with the Company that may have impaired their independence and that the additional services provided did not prejudice Aon's position as the Committee's independent adviser.

In February, following a comprehensive tendering process, the Remuneration Committee appointed Deloitte LLP to be its independent advisors on executive remuneration. Deloitte LLP is a founder member of the Remuneration Consultants Group and, as such, voluntarily operates under its Code of Conduct in relation to executive remuneration matters in the UK. The Committee is satisfied that the advice it has received from Deloitte LLP is independent and that the engagement partner and team that have provided remuneration advice do not have connections with the Company that might impair their independence. The fee paid to Deloitte LLP in FY23 in relation to advice provided to the Committee was £35,750. Deloitte also provided tax and risk advisory services to Wise during FY23.

TSR performance graph

The chart below illustrates the Company's TSR performance compared with that of the FTSE 250 Index. This index has been chosen as it is considered the most appropriate benchmark against which to assess the relative performance of the Company. The chart shows the value of £100 invested in the Company at Admission on 7 July 2021 compared with the value of £100 invested in the FTSE 250 Index.



CEO remuneration

The table below sets out the CEO's single figure of total remuneration for FY2023 and FY2022. As the CEO has elected to abstain from both the annual bonus and the Long-term Incentive Plan, this consists solely of the CEO's fixed remuneration.

	FY2023	FY2022 ¹
CEO single figure of remuneration (£'000)	209	161
Annual bonus outcome (% of maximum)	N/A	N/A
LTIP vesting (% of maximum)	N/A	N/A

1. FY2022 refers to the period from 22 June 2021 to year end at 31 March 2022.

Dilution

The Company complies with the dilution levels that the Investment Association guidelines recommend. These levels are 10% in 10 years for all share plans and 5% in 10 years for discretionary plans. This is consistent with the rules of the Company's share plans.

Service contracts and letters of appointment

Executive Directors' service contracts

The Executive Directors have a service contract requiring 3 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 NEDs

Non-Executive Directors are appointed for fixed terms not exceeding 3 years, which may be renewed subject to their re-election by shareholders at an AGM.

NEDs do not have service contracts, but are bound by letters of appointment issued by the Company. There are no obligations in the Non-Executive Directors' letters of appointment that could give rise to remuneration payments or payments for loss of office. On termination, NEDs will not be entitled to receive any compensation other than any accrued but unpaid fees.

The table below details the letters of appointment for each NED of the Company during FY2023:

NEDs	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	18 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 year 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. Elizabeth Chambers, who joined the Board on 19 April 2023, will be subject to election at the 2023 AGM.

Shareholding voting

The table below sets out the voting outcome for the FY2022 Remuneration Policy and Remuneration report at the 2022 AGM:

	Votes for		Votes against		Votes withheld
	No. of shares	% of votes	No. of shares	% of votes	No. of shares
Remuneration report	3,381,063,797	99.93%	2,226,538	0.07%	391,685
Remuneration Policy	3,379,289,636	99.88%	3,967,564	0.12%	424,819

Implementation of Policy for FY2024

Implementation in FY2024

Base salary

There will be no change to the annual base salary for the CEO. As set out in last year's report and in the Chair's Statement on page 115, an increase of 20% will be applied to the CFO's salary with effect from 1 April 2023. This increase is in line with our commitment to increase the CFO's salary level over the three-year policy period to bring his salary more in line with other businesses of similar size and scale.

- CEO: £197k
- CFO: £402k

Benefits

No changes are proposed to the benefits provision for the Executive Directors.

Pension

Executive Directors continue to be eligible for an employer pension contribution of 5% of base salary. The CFO has elected to waive all pension contributions.

LTIP

As set out in the Chair's Statement, a prorated PSP award will be awarded to the CFO in FY2024, to recognise his commitment to supporting Wise throughout the course of FY2024.

The maximum opportunity for the CFO's award will remain at 650% of salary, with the actual award prorated up to his final date of employment.

The LTIP award will be subject to performance measures to be assessed over a performance period comprising FY2024 to FY2026, based on relative TSR and volume growth (weighted 50% each) and the measures for each are set out within the table below.

FY2024 LTIP grant – performance measures

Performance measure	Weighting	Threshold (25% payout)	Maximum (100% payout)
Relative TSR vs FTSE 250	50%	Median	Upper quartile and above
		CAGR 17% for the performance period	CAGR 27% for the performance period
Volume growth*	50%		

* FY2023 LTIP grant performance measures included volume growth over a 3 year performance period, with a target range of 20% – 30%. The 17% to 27% range given for the FY2024 LTIP grant is slightly lower than last year reflecting the challenge over time of continuing to grow at a consistently high percentage growth rate from a higher base in every successive performance period.

Vesting will be on a straight-line basis between the threshold and maximum for both elements and the award will vest in line with the normal vesting date (on a pro-rata basis).

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

NED fees

The Chair fee and NED fees were reviewed in April 2023. Whilst these fees are reviewed annually, they have not been changed since Wise's Admission in July 2021.

The fees remain as set out below:

Chair fee	£275,000
NED base fee	£170,000
SID	£15,000
Nomination and Remuneration Committee Chairs	£10,000
Audit and Risk Committee Chair	£15,000

Directors' report

The Directors present their report, together with the audited financial statements of the Company, for the year ended 31 March 2023.

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

In accordance with section 414C (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 and Accounts. These matters are cross-referenced below and together form part of the Directors' report.

Disclosures	Annual Report and Accounts section	Page
Greenhouse gas emissions	Strategic report	56-57
Information on how the Directors have had regard for the Company's stakeholders and the effect of the regard	Strategic report	60-66
Information relating to important events affecting the Company which have occurred since the last financial year	Strategic report	10-39
Risk management and objectives	Strategic report	67-80
Going Concern and Viability Statement	Strategic report	81-82
Corporate Governance Statement	Corporate Governance report	89-91
Directors' indemnities	Corporate Governance report	98
Workforce engagement	Strategic report	50
Directors' biographies	Corporate Governance report	92-94
Directors' conflicts of interest	Corporate Governance report	98
Information relating to the use of financial instruments, including financial risk management objectives and policies and exposure to price, credit, liquidity and cash flow risks	Notes 2 and 4 to the Group Consolidated Financial Statements	Notes 2 and 4
Transactions with related parties	Note 26 to the Group Consolidated Financial Statements	Note 26

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 2023.

Powers of the Directors

The Company's 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 Wise owners.

Appointment and replacement of Directors

The appointment and replacement of Directors is governed by the Articles, the UK Corporate Governance Code (CGC), 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 their 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 with the requirements of provision 18 of the UK CGC. Further details can be found on page 98 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 set out in 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 pages 10-11;
- Our mission pillars on pages 12-13; and 'Efficient allocation of capital; and
- Our products on pages 18-23;
- A continued focus on profitable growth' section, found within the CFO's review on pages 40-43.

The Board

The membership of the Board and biographies of the Directors are provided on pages 92-94. Changes to the Directors during the financial year and up to the date of approval of the Annual Report and Accounts are set out on page 87. A summary of the rules relating to the appointment and replacement of Directors and Directors' powers can be found on page 129. 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 122.

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

- | | |
|-------------------|-----------------------|
| • Kristo Käärmann | • Alastair Rampell |
| • Matthew Briers | • Ingo Uytdehaage |
| • Clare Gilmartin | • David Wells |
| • Hooi Ling Tan | • Terri Duhon |
| | • Elizabeth Chambers* |

* Elizabeth Chambers was appointed as a Director of the Company with effect from 19 April 2023.

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 offices

The Group, through various subsidiaries, has branches in a number of different jurisdictions in which the business operates. Further information on Wise's subsidiaries outside the UK is disclosed on pages 186-187 of the Group Consolidated 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 were made during the financial year. The Group's policy is that no political donations are made or political expenditure incurred.

Charitable donations

The Group made a number of charitable donations throughout the year totalling nearly £0.4 million to benefit causes including youth tech education, financial inclusion for immigrants, and assistance for Ukrainian refugees. This total does not include the spending on carbon credit and removal purchases. Refer to the ESG section on page 53 for more details.

Research and development

Expenditure on the research phase of projects to develop new products for our customers is recognised as an expense when incurred. Costs that are directly attributable to a project's development phase and meet IAS 38 capitalisation criteria are recognised as intangible assets. Refer to note 14 to the Group Consolidated Financial Statements for details on total expenditure and amounts capitalised.

Share capital structure

As at the date of this Annual Report and Accounts, the Company's issued share capital consists of 1,024,777,252 A Ordinary Shares ('Class A Shares') with a nominal value of £0.01 each and 398,889,814 B Ordinary Shares ('Class B Shares') with a nominal value of £0.000000001 each. All issued shares were fully paid up, amounting to an aggregate nominal share capital of £10,247,772.91889. Each Class A 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 20 to the Group Consolidated Financial Statements.

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 Articles. 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 Articles. 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.

Save for deadlines for voting by proxy, there are no restrictions on exercising voting rights attached to, or on the transfer of, the Company's Class A Shares and Class B Shares.

Full details regarding the exercise of voting rights at the 2023 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 the AGM 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 Class A and Class B Shares that may restrict their transfer or the voting rights attaching to them.

None of the Company's Class A and Class 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 2022 AGM to purchase in the market its own shares up to a maximum number of 102,458,985 Class A Shares. No shares were purchased by the Company under this authority in the year from 31 March 2023 and up to the date of this Annual Report and Accounts, although £10 million of our capital was used in FY2023 by the Employee Benefit Trust for share purchases which are not relevant to this authority. This authority expires at the conclusion of the 2023 AGM, or, if earlier, at close of business on 30 September 2023. This is a standard authority that the Directors have no present intention of exercising.

At the 2022 AGM the Directors were granted additional authority to allot Class A Shares in the Company or grant rights to subscribe for or to convert any security into Class A Shares: (a) up to an aggregate nominal amount of £3,415,299.52, being one-third of the issued Class A share capital of the Company on 1 August 2022; and (b) comprising equity securities (as defined in section 560(1) of the Companies Act) up to a further aggregate nominal amount of £3,415,299.52 (such amount to be reduced by the aggregate nominal amount of A Shares allotted or rights to subscribe for or to convert any security into shares in the Company granted under paragraph (a) above) again being one-third of the issued Class A share capital of the Company on 1 August 2022 in connection with an offer by way of a rights issue. This authority was used to allot 100,000 Class A Shares in April 2023.

This authority expires at the conclusion of the 2023 AGM, or if earlier at the close of business on 30 September 2023. An ordinary resolution will be proposed for renewal of this authority at the 2023 AGM.

Substantial shareholdings

Notifications received by the Company in accordance with DTR 5 are published via the UK 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, each amounting to more than 3% of the Company's total voting rights:

Name	Total number of voting rights	% of total voting rights
Kristo Käärmann	1,868,079,459	48.2
OÜ Notorious	558,335,341	13.5
AH Capital Mgt	342,370,846	8.28
IA Ventures	190,345,589	4.91

In the period between 31 March 2023 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 Wise plc Long Term Incentive plan remain consistent with those disclosed in the FY2022 Annual Report and Accounts of Wise Group, unless stated otherwise below.

During the year, a 3-year PSP was granted; its vesting is conditional on the achievement of relative TSR compared to the FTSE 250 and volume growth performance measures over the 3-year performance period.

People

As at 31 March 2023, the Group employed 5,157 people (excluding temporary staff).

Diversity

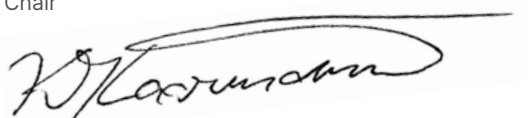
Wise is an inclusive employer and diversity is at the heart of our organisation. We give full and fair consideration to applications for employment by disabled persons and the continued employment of anyone incurring a disability while employed by us. Training, career development and promotion opportunities are equally available to 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 47, 48, 62 and 83.

This Directors' report, which has been prepared in accordance with the requirements of the Companies Act 2006, was approved by the Board on 27 June 2023 and signed on its behalf by:



David Wells

Chair



Kristo Käärmann

Chief Executive Officer

Statement of Directors' responsibilities

Statement of Directors' responsibilities in respect of the Financial Statements

The directors are responsible for preparing the 2023 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; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the group and 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 set out on pages 92 to 102, confirms 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 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 includes a fair review of the development and performance of the business and the position of the group and 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.

This Directors' report was approved by the Board on 27 June 2023 and signed on its behalf by:



David Wells
Chair



Matthew Briers
Chief Financial Officer



FINANCIAL STATEMENTS

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 2023 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 as applied in accordance with the provisions of the Companies Act 2006;
- the Company financial statements have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, including 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 2023 Annual Report and Accounts (the "Annual Report"), which comprise: the Consolidated and Company statements of financial position as at 31 March 2023; the Consolidated statement of profit or loss and other comprehensive income, the Consolidated and Company statements of changes in equity and the Consolidated statement of cash flows for the year 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 8, we have provided no non-audit services to the Company or its controlled undertakings in the period under audit.

Our audit approach

Context

The Group's financial statements are a consolidation of 33 legal entities and one consolidation entity. Two entities are further split into reporting branches. Wise Payments Limited is split into 6 reporting branches and Wise Europe SA is split into 2 reporting branches. We consider Wise Payments Limited (including its branches), and Wise Europe SA (including its branches) to be two separate reporting units. All other legal entities, as well as individual consolidation entities, are considered to be separate reporting units. We consider the Group to consist of 33 reporting units.

Overview

Audit scope

- Our audit focused on those entities with the most significant contribution to the Group's revenues. Of the Group's 33 reporting units, we identified five, which in our review, 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 balances at bank, in hand, and cash balances in transit between Group accounts 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 7 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 87% of Group revenue.

Key audit matters

- Cash and bank balances and short-term financial investments (Group and Company)

Materiality

- Overall Group materiality: £7,300,000 (2022: £4,278,000) based on 5% of profit before tax (2022: 1% of revenue, averaged over three years) .
- Overall Company materiality: £1,820,000 (2022: £1,340,000) based on 1% of total assets.
- Performance materiality: £5,100,000 (2022: £2,673,000) (Group) and £1,274,000 (2022: £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.

This is not a complete list of all risks identified by our audit.

Recognition of deferred tax assets, which was a key audit matter last year, is no longer included because the Group has established a precedent for forecasting recoverability of tax losses and the degree of judgement in determining the quantum of deferred tax assets has decreased. Otherwise, the key audit matter below is consistent with last year.

Key audit matter	How our audit addressed the key audit matter
<p>Cash and bank balances and short-term financial investments (Group and Company)</p> <p>Being a money payments business, the Group has 33 legal entities with circa 470 separate bank accounts. The Group has £7,679.4m of cash and cash equivalents and £3,804.5m of short-term financial investments representing corporate cash and covering the liability from Wise Accounts of £10,676.4m. The Company has cash and cash equivalents of £0.2m.</p> <p>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 and as such have relied on substantive procedures.</p> <p>Given the nature of operations, complexity and the continued IT control matters, our audit focussed on procedures to test the existence of cash and bank balances.</p> <p>Refer to notes 16 and 17 and the Internal Control section of the Audit and Risk Committee Report, and the Corporate Governance Statement.</p>	<p>We obtained management's schedule of bank accounts prepared for the audit and compared this against known bank accounts from previous years;</p> <p>For the Group, we independently confirmed 99.97% of the cash and cash equivalents financial statement line item with third party banks. We performed alternative procedures on the remaining immaterial balance to verify their existence;</p> <p>For the Company, we independently confirmed 100% of the cash and cash equivalents financial statement line item with third party banks</p> <p>We also obtained independent direct confirmations for the nil value balance accounts as at year end and verified the closure letters for bank accounts closed during the year;</p> <p>For confirmations received where the bank would not confirm that there were no other balances held, we performed additional procedures such as logging onto online banking with management and ensuring no other accounts were listed;</p> <p>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;</p> <p>We tested 100% of bank reconciliations from the bank statement to general ledger as at 31 March 2023 and tested a sample of the reconciling items substantively;</p> <p>We also tested a sample of bank reconciliations performed throughout the year;</p> <p>We independently confirmed 100% of the short-term financial investments line item with third party institutions.</p> <p>From our procedures performed, we did not identify any material misstatements in the cash and cash equivalents or short-term financial investments.</p>

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 33 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 throughout the organisation when determining the audit approach. This year we were able to gain greater reliance on the IT systems using a combination of IT controls and IT substantive testing specifically for Revenue and Wise Customer Accounts. Additionally business process controls have not yet sufficiently evolved to allow for controls reliance over bank and cash, and therefore our audit approach was adapted to be substantive in nature. We planned the audit to gain the required level of audit evidence from both controls and 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 and homogenous 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 7 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.

The impact of climate risk on our audit

As part of our audit we made enquiries of management to understand the extent of the potential impact of climate risk on the Group's and Company's financial statements, and we remained alert when performing our audit procedures for any indicators of the impact of climate risk. Our procedures did not identify any material impact as a result of climate risk on the Group's and Company's financial statements.

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	£7,300,000 (2022: £4,278,000).	£1,820,000 (2022: £1,340,000).
How we determined it	5% of profit before tax (2022: 1% of revenue, averaged over three years)	1% of total assets
Rationale for benchmark applied	In the prior year, materiality was based on a revenue benchmark due to the focus of stakeholders still being primarily revenue based growth. As the Group has moved into its second year post listing, we consider a profit based measure to be more appropriate. Profit before tax is a generally accepted auditing benchmark for listed companies.	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 component 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 components was between £563,000 and £7,000,000. Certain components 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 70% (2022: 62.5%) of overall materiality, amounting to £5,100,000 (2022: £2,673,000) for the Group financial statements and £1,274,000 (2022: £1,005,000) for the Company financial statements, representing 70% (2022: 75%) of overall materiality.

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 was appropriate.

We agreed with the Audit and Risk Committee that we would report to them misstatements identified during our audit above £370,000 (Group audit) (2022: £210,000) and £91,000 (Company audit) (2022: £67,000) 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 management's analysis of the going concern of the Group and Company and supporting forecasts;
- Understanding and assessing the key inputs into managements' base case, market-wise stress scenario, credit risk event scenario, and the reverse stress scenario, such as volumes and take rate, to ensure that these were consistent with our understanding and the inputs used in other key accounting judgements, such as deferred tax recoverability;
- Reviewing the covenants applicable to the Group's borrowings and assessing whether the forecasts supported ongoing compliance with the covenants;
- Considering the historical reliability of management forecasting for cash flows by comparing budgeted results to actual performance over a period of two years;
- 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 and board approved forecasts; and

- Reviewing the disclosures in the financial statements relating to the going concern basis of preparation, and evaluating that these provided an explanation of the Directors' assessment that was consistent with the audit evidence we obtained.

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, which includes reporting based on the Task Force on Climate-related Financial Disclosures (TCFD) recommendations. 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 2023 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, included within the Corporate governance compliance 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 and Company 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 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. The Group engagement team shared this risk assessment with the component auditors so that they could include appropriate audit procedures in response to such risks in their work. Audit procedures performed by the Group engagement team and/or component auditors 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;
- Discussions with management and the Audit and Risk Committee, including consideration of known or suspected instances of non-compliance with laws and regulation and fraud;
- Reviewing Board meeting and other relevant Committee minutes to identify any significant or unusual transactions or other matters that could require further investigation;
- Incorporating unpredictability in the selection of the nature, timing and extent of audit procedures performed;
- 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 meeting specific fraud criteria, including those posted to certain 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 address the risk of double counting;
- Performing analytics on cash concentration by geography and subsequent movement to identify indications of round tripping of cash or unusual patterns which required further investigation.
- 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 Audit and Risk Committee, we were appointed by the directors on 21 September 2021 to audit the financial statements for the year ended 31 March 2022 and subsequent financial periods. The period of total uninterrupted engagement is two years, covering the years ended 31 March 2022 and 31 March 2023.

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

27 June 2023

Consolidated statement of profit or loss and other comprehensive income

For the year ended 31 March 2023

	Note	2023 £m	2022 Re-presented* £m
Revenue	6	846.1	559.9
Interest income on customer balances	7	140.2	3.9
Interest expense on customer balances		(3.7)	(6.7)
Benefits paid relating to customer balances		(18.4)	–
Cost of sales	8	(308.2)	(185.8)
Net credit losses on financial assets	8	(17.8)	(2.2)
Gross profit		638.2	369.1
Administrative expenses	8	(494.5)	(321.4)
Net interest income from operating assets		2.8	–
Other operating income		10.7	5.8
Other operating expenses		–	(4.8)
Operating profit		157.2	48.7
Finance expense	10	(10.7)	(4.8)
Profit before tax		146.5	43.9
Income tax expense	11	(32.5)	(11.0)
Profit for the year		114.0	32.9
Other comprehensive (loss)/income			
Items that may be reclassified to profit or loss:			
Fair value loss on investments, net		(5.5)	(17.2)
Currency translation differences		3.0	2.7
Total other comprehensive loss		(2.5)	(14.5)
Total comprehensive income for the year		111.5	18.4
Earnings per share			
Basic, in pence	12	11.53	3.40
Diluted, in pence	12	10.94	3.18
Alternative performance measures			
Income ¹		964.2	557.1
Adjusted EBITDA ²		238.6	121.4

1. Income is defined as revenue plus interest income on customer balances, less interest expense on customer balances and benefits paid relating to customer balances.

2. Adjusted EBITDA is a non-IFRS measure comprising operating profit, adding back amortisation and depreciation, share-based payments and exceptional items. See page 188 for definition and calculation method.

* Comparative balances have been re-presented to show the impact of the change in presentation of the interest income and interest expense on customer balances, as described in note 2.2.

All results are derived from continuing operations.

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

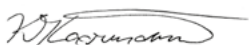
Consolidated statement of financial position

As at 31 March 2023

	Note	2023 £m	2022 £m
Non-current assets			
Deferred tax assets	11	113.2	113.6
Property, plant and equipment	13	21.1	22.6
Intangible assets	14	11.4	20.3
Trade and other receivables	15	17.9	14.3
Total non-current assets		163.6	170.8
Current assets			
Current tax assets		6.7	7.3
Trade and other receivables	15	250.0	137.6
Short-term financial investments	16	3,804.5	1,192.4
Cash and cash equivalents	17	7,679.4	6,056.3
Total current assets		11,740.6	7,393.6
Total assets		11,904.2	7,564.4
Non-current liabilities			
Trade and other payables	18	29.7	15.7
Provisions		2.7	2.2
Deferred tax liabilities	11	1.1	0.5
Borrowings	19	7.8	90.2
Total non-current liabilities		41.3	108.6
Current liabilities			
Trade and other payables	18	11,022.9	7,034.2
Provisions		2.5	1.6
Current tax liabilities		4.0	5.3
Borrowings	19	256.6	5.5
Total current liabilities		11,286.0	7,046.6
Total liabilities		11,327.3	7,155.2
Equity			
Share capital	20	10.2	10.2
Equity merger reserve	21	(8.0)	(8.0)
Share-based payment reserves		247.4	200.5
Own shares reserve		(10.4)	(0.4)
Other reserves		(23.3)	(17.8)
Currency translation reserve		3.2	0.2
Retained earnings		357.8	224.5
Total equity		576.9	409.2
Total liabilities and equity		11,904.2	7,564.4

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

The Group consolidated financial statements on pages 142 to 179 were authorised for issue by the Board of Directors on 27 June 2023 and were signed on its behalf by:



Kristo Käärmann
Co-founder and CEO

27 June 2023

Consolidated statement of changes in equity

For the year ended 31 March 2023

	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 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		–	–	–	–	(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		0.8	–	–	(0.8)	–	–	–	–
Share-based compensation expense		–	–	42.5	–	–	–	1.0	43.5
Tax on share-based compensation		–	–	58.7	–	–	–	–	58.7
Employee share schemes		–	–	(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
Profit for the year		–	–	–	–	–	–	114.0	114.0
Fair value loss on investments, net	16	–	–	–	–	(5.5)	–	–	(5.5)
Currency translation differences		–	–	–	–	–	3.0	–	3.0
Total comprehensive income for the year		–	–	–	–	(5.5)	3.0	114.0	111.5
Shares acquired by ESOP Trust	22	–	–	–	(10.1)	–	–	–	(10.1)
Share-based compensation expense		–	–	58.0	–	–	–	(0.3)	57.7
Tax on share-based compensation	11	–	–	8.0	–	–	–	–	8.0
Employee share schemes	23	–	–	(19.1)	0.1	–	–	19.6	0.6
At 31 March 2023		10.2	(8.0)	247.4	(10.4)	(23.3)	3.2	357.8	576.9

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

Consolidated statement of cash flows

For the year ended 31 March 2023

	Note	2023 £m	2022 £m
Cash generated from operations	24	3,847.1	3,134.1
Interest received		103.9	21.1
Interest paid		(12.4)	(10.7)
Corporate income tax paid		(18.7)	(6.5)
Net cash generated from operating activities		3,919.9	3,138.0
Cash flows from investing activities			
Payments for property, plant and equipment		(3.6)	(4.6)
Payments for intangible assets		(5.2)	(7.3)
Payments for financial assets at FVOCI		(8,655.9)	(868.4)
Proceeds from sale and maturity of financial assets at FVOCI		6,077.2	389.8
Proceeds from sublease		0.2	0.1
Net cash used in investing activities		(2,587.3)	(490.4)
Cash flows from financing activities			
Funding relating to share purchases and employee share schemes		(10.1)	–
Proceeds from issues of shares and other equity		0.6	3.4
Proceeds from borrowings	19	529.0	43.0
Repayments of borrowings	19	(359.0)	(43.0)
Principal elements of lease payments	19	(5.9)	(3.8)
Interest paid on leases	19	(0.7)	(0.9)
Net cash generated from/(used in) financing activities		153.9	(1.3)
Net increase in cash and cash equivalents		1,486.5	2,646.3
Cash and cash equivalents at beginning of the year	17	6,056.3	3,358.6
Effects of exchange rate changes on cash and cash equivalents		136.6	51.4
Cash and cash equivalents at end of the year	17	7,679.4	6,056.3

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

Notes to the Group consolidated financial statements

For the year ended 31 March 2023

Note 1. Presentation of the consolidated financial statements

1.1 General information

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

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

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 with lower revenue growth and profitability compared to the base plan, where future trading is less than forecasted. Management expects that sufficient liquidity and regulatory capital requirement headroom are maintained throughout the forecast period.

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

1.3 Basis of consolidation

The financial statements comprise the consolidated financial statements of Wise plc and its subsidiaries as at 31 March 2023.

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 2022:

- Amendments to IAS 16 – Property, Plant and Equipment: Proceeds before Intended Use
- Amendments to IFRS 3 – Reference to the Conceptual Framework
- Amendments to IAS 37 – Onerous Contracts: Cost of Fulfilling a Contract
- Annual Improvements to IFRS standards (2018-2020 cycle)

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 2022 that would be expected to have a material impact on the Group.

New standards, amendments and interpretations not yet adopted

The following amendments have been published by the IASB and are effective for annual periods beginning on or after 1 January 2023; the amendments have not been early-adopted by the Group:

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

The amendments, as issued in 2020, aim to clarify the requirements on determining whether a liability is current or non-current, and apply for annual reporting periods beginning on or after 1 January 2023. The IASB has subsequently proposed further amendments to IAS 1 and the deferral of the effective date of the 2020 amendments to no earlier than 1 January 2024.

It is anticipated that the application of this amendment may have an impact in the Group's consolidated financial statements in future periods.

- b. Other amendments:

- IFRS 17 – Insurance Contracts
- Amendments to IAS 1 and IFRS Practice 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

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

2.2 Changes in presentation

Interest income and expense on customer balances and benefits paid relating to customer balances

In preparing these financial statements, the Group has made certain presentational changes to better align the relevant IFRS financial statement captions and reflect the underlying nature of the transactions and operations of Wise.

During the financial year, the balances our customers hold with us have continued to increase. These increasing balances, coupled with the increase in interest rates globally, has meant that Wise has started generating material interest income on customer balances, whilst ensuring that they remain safeguarded and available to our customers. As a result of this increased income, Wise has begun to offer new benefits to its customers for holding their balances in Wise accounts.

As the results associated with the interest income and the benefits paid relating to customer balances are now material, we have changed our presentation in the income statement to include within gross profit the revenue (as previously defined) and the results from customer balances, which includes the interest income and interest expense on customer balances along with benefits paid relating to customer balances. Benefits paid relating to customer balances was nil in the prior year and so are not included in the change in presentation table. The net interest income from operating assets will remain unchanged in terms of presentation, refer to note 2.13.

This change in presentation has been applied retrospectively. The comparative information has been re-presented to reflect this change in classification for all instances. This change in presentation has no overall impact on operating profit or profit before tax.

	Year ended 31 March 2022		
	As reported £m	Change in the presentation £m	Re-presented £m
Revenue	559.9	–	559.9
Interest income on customer balances	–	3.9	3.9
Interest expense on customer balances	–	(6.7)	(6.7)
Cost of sales	(185.8)	–	(185.8)
Net credit losses on financial assets	(2.2)	–	(2.2)
Gross profit	371.9	(2.8)	369.1
Administrative expenses	(321.4)	–	(321.4)
Interest income from investments and operating assets	3.9	(3.9)	–
Interest expense from operating assets	(6.7)	6.7	–
Other operating income	5.8	–	5.8
Other operating expenses	(4.8)	–	(4.8)
Operating profit	48.7	–	48.7
Finance expense	(4.8)	–	(4.8)
Profit before tax	43.9	–	43.9
Income tax expense	(11.0)	–	(11.0)
Profit for the year	32.9	–	32.9

The new accounting policies are as follows:

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

Benefits paid relating to customer balances include incentives and other benefits provided to customers for holding their balances in Wise accounts. These are recognised in the income statement in line with the balances held in Wise accounts and apportioned over the same period of time.

Interest expense incurred from holding customer balances relate to negative interest rates on euro denominated balances for some Wise accounts. Interest expense on customer balances is recognised in the income statement using the effective interest rate method.

2.3 Current versus non-current classification

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

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

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

All other assets are classified as non-current.

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

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

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

Group companies

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

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

2.5 Cash and cash equivalents

Cash and cash equivalents include cash on hand, on-demand deposits, money market funds (MMFs) and other short-term high quality liquid investments with original maturities of 3 months or less, and e-money held with payment processing partners. 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 to settle them simultaneously.

Principles to determine the point of delivery are the same as applied in revenue recognition, see note 2.11.

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, as allowed by local regulations.

2.6 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 FVOCI, 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 to 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 FVTPL, transaction costs that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at FVTPL 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 (ECLs) 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 consist solely of quoted bonds that are graded in the top investment categories 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 2.20 and 4.2 for further information on trade receivables and ECLs.

2.7 Derivative financial instruments

Derivative financial instruments are used to manage exposure to market risks. The principal derivative instruments used by the Group are foreign currency swaps, foreign exchange forwards and non-deliverable foreign exchange forwards. Such derivative financial instruments are initially recognised at fair value on the date on which a derivative contract is entered into and are subsequently remeasured at fair value through profit and loss at each reporting date.

All derivative instruments are carried as financial assets when the fair value is positive and as financial liabilities when the fair value is negative. The Group does not hold or issue derivative financial instruments for trading or speculative purposes. The Group enters into derivatives that are due to be realised or settled within 12 months; consequently they are presented as current assets or current liabilities.

Fair value of a derivative financial instrument is determined by reference to a quoted market price for that instrument. When quoted prices are not available, valuation techniques, that utilise observable inputs, are used to estimate fair value. The key inputs in the valuation model are the relevant forward exchange rates for the currencies involved.

2.8 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.

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 (1-7 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 in property, plant and equipment but expensed as low-value short-lived equipment in the Group.

2.9 Intangible assets

Intangible assets predominantly relate to internally generated software, licences and domain purchases.

Internally generated software

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 that 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.

Amortisation

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.

2.10 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.

2.11 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, a customer enters into the contract with the Group at the time the card is made available for use and the customer is able to either make a payment or a withdrawal.

The transaction price is the amount of consideration expected to be received in exchange for providing services to a customer. 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 a 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. Wise offers certain rebates in the form of a fee refund for eligible transactions. The refund liability is recognised for the expected future rebates at the time of the transaction and deducted from revenue in accordance with IFRS 15.

The transaction price is allocated to performance obligations of the different revenue streams on the basis of relative standalone selling prices. 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 the 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

Wise Assets ('Assets'), an investment product, allows customers to purchase units in funds provided by fund managers using their Wise account balance. The Group generates revenue from charging a fee based on the value of the assets under management. The revenue is accrued on a daily basis and is recognised over time, in line with the period the Group provides its services to Assets customers.

The Group acts as a matched principal broker and does not retain control nor benefits from the Assets, thus it does not recognise the financial assets and the respective liabilities for the Assets, and derecognises customer funds on purchase.

As at 31 March the title for the units of three of the funds was held, on the behalf of customers, by a non-dormant Wise entity. Management performed an analysis to assess whether our accounting policy was therefore still appropriate and it was concluded that the policy continued to apply for these funds.

2.12 Other operating income

Other operating income relates, predominantly, to other income recognition from contracts with partners and government grants for qualifying research and development (R&D) activities.

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.

Government grants

Government grants recognised in other operating income relate to qualifying UK R&D under the research and development expenditure credit (RDEC) scheme for large companies. Such grants are taxable and are presented as other operating income in the consolidated income statement.

2.13 Interest income from operating assets

Interest income is recognised using the effective interest rate method on corporate 'cash and cash equivalents'.

2.14 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 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 adjust 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 total expense, relating to short-term leases to which the lessee recognition and measurement requirement have not been applied, for the year ended 31 March 2023 is £1.4m (2022: £nil).

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 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.

2.15 Cost of sales

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

- banking and customer related fees, including any applicable discounts, incurred in processing customer transfers, as well as the card production costs;
- 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. Net foreign exchange differences from the revaluation of customer balances at period end are also included. Other product costs include product losses that are directly generated from consumer transactions, including chargeback losses, as well as taxes directly attributable to customer activity.

2.16 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 11 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.

2.17 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 obligations

Employee entitlement for long-term leave is recognised as a liability using probability of staff departures and leave utilisation.

Share-based payments

The Group operates a number of employee equity-settled schemes as part of its reward strategy. 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 and it is recognised over the vesting period. For non-market-based awards, vesting conditions are included in the assumptions of the number of options and awards that are expected to vest. At each reporting date, the entity revises its estimates of the number of options and awards that are expected to vest. It recognises the impact of the revision to original estimates, if any, in the statement of comprehensive income, with a corresponding adjustment to the share-based payment reserve. For awards subject to a market-based performance condition, no subsequent adjustments may be made. Upon exercise of share options, the impact is recognised in retained earnings.

2.18 Employee share trust

The Group provides finance to the Employee Share Ownership Plan (ESOP) Trust to either purchase Company's shares on the open market, or to subscribe for newly issued share capital, to meet the Group's obligation to provide shares when employees exercise their options or awards. Costs of running the ESOP Trust are charged to the consolidated income statement. 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.

Where any Group company purchases the Company's equity instruments, the consideration paid, including any directly attributable incremental costs (net of income taxes), is deducted from equity.

2.19 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 the 'cross border payment services'. Refer to note 5.

2.20 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 2.6 above for further information on expected credit losses.

2.21 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.

2.22 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 as interest expense, within the finance expense, 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.

2.23 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.

2.24 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.

2.25 Legal provisions and contingent liabilities

The Group may become party to litigation proceedings from time to time and recognises 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 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.

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 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 customers. The total net foreign exchange differences recognised in cost of sales for the year ended 31 March 2023 is £24.5m (2022: £13.3m).

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.

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

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 actively monitors its liquidity risk 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 external working capital funding and corporate funds.

The Group's approach to managing liquidity risk is to ensure, that it always has enough liquid resources to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Group's position. The Group utilises an internal liquidity adequacy assessment process, incorporating micro- and macro-economic stress testing to ensure the Group maintains prudent levels of liquid resources at all times to meet both regulatory requirements and the internal liquidity risk appetite.

The Group assessed the concentration of risk with respect to refinancing its debt and concluded to be low. The Group has access to a £300.0m multi-currency revolving facility.

The breakdowns of trade payables and borrowings into current and non-current are shown in notes 18 and 19. 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 15 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:

	2023 £m	2022 £m
Asset category		
Cash and cash equivalents	7,679.4	6,056.3
Short-term financial investments	3,804.5	1,192.4
Trade and other receivables	233.1	130.1
Total assets subject to credit risk	11,717.0	7,378.8

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:

	2023 £m	2022 £m
External credit rating (Moody's)		
Cash and cash equivalents		
Aa	4,500.6	4,249.5
A	2,715.5	1,519.0
Baa, Ba, B	111.8	62.4
Caa	3.1	0.8
No rating *	76.0	36.3
Cash in transit	272.4	188.3
Total cash and cash equivalents subject to credit risk	7,679.4	6,056.30
Short-term financial investments		
Aa, A	3,804.5	1,192.4
Total short-term financial investments subject to credit risk	3,804.5	1,192.4
Trade and other receivables		
Aa	12.4	36.3
A	85.9	26.8
Baa, Ba, B	44.3	20.8
No rating *	90.5	46.2
Total trade and other receivables subject to credit risk	233.1	130.1

* 'No rating' includes payment providers and banks with no public credit rating.

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, refer to note 19, 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 (2022: £0.1m).

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.

At the reporting date, there are open treasury positions of notional contract amounts of £366.2m (2022: £139.7m), with remaining maturity between 3 to 11 days. The total fair value of those derivative contracts, at the reporting date, is not materially different from their total fair value at the date those derivative contracts were entered into. Consequently, no derivative financial instrument is presented in the financial assets or liabilities as at 31 March 2023 (31 March 2022: no derivative financial instrument is presented in the financial assets or liabilities). The notional contract amounts of those derivatives held to manage the foreign exchange exposure indicate the nominal value of transactions outstanding at the balance sheet date. They do not represent amounts at risk. Post balance sheet date all open treasury positions have been realised or settled.

The 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.

The Group's exposure to foreign exchange risk by currency is as follows:

	2023 £m	2022 £m
Net exposure by currency		
EUR	(56.8)	(10.5)
CHF	(24.5)	(0.8)
BRL	22.6	10.8
USD	18.0	(27.8)
JPY	(17.0)	(3.4)
THB	17.0	2.1
PHP	16.9	3.0
PLN	(16.8)	0.2
SGD	13.6	(1.0)
INR	12.2	14.7
Other currencies	(19.9)	(1.4)

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

	2023 £m	2022 £m
Sensitivity to 5% exchange rate change		
EUR	(2.8)	(0.5)
CHF	(1.2)	–
BRL	1.1	0.5
USD	0.9	(1.4)
JPY	(0.9)	(0.2)
THB	0.9	0.1
PHP	0.8	0.2
PLN	(0.8)	–
SGD	0.7	(0.1)
INR	0.6	0.7
Other currencies	(1.0)	(0.1)

A 5% strengthening or weakening of GBP against all other currencies, with all other variables being constant, would result in a foreign exchange loss or gain of £1.7m (2022: £0.8m), excluding the tax effect.

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

4.4 Capital risk

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

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

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

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

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

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

Both TINV Ltd (a MIFID investment firm) and the Group (a MIFID investment group) are classified as Non-small and Non-interconnected investment firms ('non-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 also follows and adheres to the Overall Own Funds Threshold Requirement as this is derived by the Group's Internal Capital Adequacy Assessment ('ICARA') and approved by the Board. ICARA is a continuous risk assessment process which considers the business model implication on capital and liquidity on an ongoing basis pursuant to the guidance of MIFIDPRU 7.

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:

	2023 £m	2022 £m
Financial assets at amortised cost		
Long-term receivables	2.4	0.9
Short-term trade and other receivables	230.7	129.2
Cash and cash equivalents	7,679.4	6,056.3
Total financial assets at amortised cost	7,912.5	6,186.4
Financial liabilities at amortised cost		
Non-current lease liabilities	(7.8)	(11.7)
Non-current borrowings	–	(78.5)
Non-current trade and other payables	(0.1)	(0.1)
Current lease liabilities	(6.7)	(5.5)
Current borrowings	(249.9)	–
Current trade and other payables	(10,979.6)	(6,997.7)
Total financial liabilities at amortised cost	(11,244.1)	(7,093.5)
Financial assets at FVOCI		
Short-term financial investments	3,804.5	1,192.4
Total financial assets at FVOCI	3,804.5	1,192.4
Financial liabilities at FVPL total	–	–

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 2023 and 31 March 2022 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.

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:

	2023 £m	2022 £m
Measurement Level 1		
Financial assets		
Short-term financial investments	3,804.5	1,192.4
Level 1 financial assets total	3,804.5	1,192.4

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 £38.0m (2022: £11.9m) 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 year, the Group had no financial instruments in level 2 and 3, consistent with the prior year.

Contractual maturity of financial liabilities based on undiscounted cash flows:

	2023 £m	2022 £m
Less than 1 year		
Current lease liabilities	(7.3)	(6.1)
Current borrowings	(256.6)	(3.3)
Current trade and other payables	(10,979.6)	(6,997.7)
Total financial liabilities	(11,243.5)	(7,007.1)
Between 1 and 5 years		
Non-current lease liabilities	(8.2)	(12.4)
Non-current borrowings	(2.9)	(83.3)
Non-current trade and other payables	(0.1)	(0.1)
Total financial liabilities	(11.2)	(95.8)

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, who are 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'.

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 reporting 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 assets, the following geographical breakdown of non-current assets is prepared:

	2023 £m	2022 Restated* £m
Non-current assets by geographical region		
United Kingdom	34.8	41.8
Rest of the world	13.2	14.5
Total non-current assets	48.0	56.3

* Comparative figures have been restated to exclude financial instruments and deferred tax assets.

Note 6. Revenue

	Year ended 31 March	
	2023 £m	2022 £m
Revenue by customer type		
Personal	656.3	433.2
Business	189.8	126.7
Total revenue	846.1	559.9

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

Disaggregation of revenues

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

	Year ended 31 March	
	2023 £m	2022 £m
Revenue by geographical region		
Europe (excluding UK)	269.6	185.7
United Kingdom	170.1	124.3
North America	179.0	117.0
Asia-Pacific	161.6	101.3
Rest of the world	65.8	31.6
Total revenue	846.1	559.9

No individual customer contributed more than 10% to the total revenue in 2023 or 2022.

Note 7. Interest income on customer balances

	Year ended 31 March	
	2023 £m	2022 £m
Interest income		
Interest income from cash at banks	53.0	0.7
Interest income from investments in MMFs and listed bonds	87.2	3.2
Total interest income	140.2	3.9

Note 8. Cost of sales and administrative expenses

Breakdown of expenses by nature:

	Year ended 31 March	
	2023 £m	2022 £m
Cost of sales		
Banking and customer-related fees	225.5	146.4
Net foreign exchange loss and other product costs	82.7	39.4
Total cost of sales	308.2	185.8
Net credit losses on financial assets		
Amounts charged to credit losses on financial assets	17.8	2.2
Total net credit losses	17.8	2.2

Expected credit losses are presented as net credit losses within gross profit and subsequent recoveries of amounts previously written off are credited against the same line item.

Subsequent recoveries of amounts previously written off are negligible in both current and prior year.

	Year ended 31 March	
	2023 £m	2022 £m
Administrative expenses		
Employee benefit expenses	294.8	184.8
Marketing	37.4	28.2
Technology and development	42.7	25.0
Consultancy and outsourced services	70.4	42.3
Other administrative expenses	30.6	22.9
Depreciation and amortisation	23.2	22.9
Less: Capitalisation of staff costs	(4.6)	(4.7)
Total administrative expenses	494.5	321.4

Refer to note 9 for details on employee benefit expenses.

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

	Year ended 31 March	
	2023 £m	2022 £m
Audit fees		
Fees payable to the Company's auditors and its associates for the audit of Company and Group consolidated Financial Statements	2.8	1.7
Audit of the financial statements of the Company's subsidiaries	1.5	0.8
Total audit fees	4.3	2.5
Non-audit fees		
Other services*	0.5	0.5
Total non-audit fees	0.5	0.5

* Other services include assurance related fees and other regulatory services.

Note 9. Employee benefit expenses

	Year ended 31 March	
	2023 £m	2022 £m
Salaries and wages	194.6	117.6
Share-based payment compensation expense	58.2	42.2
Social security costs	29.6	17.8
Pension costs	6.3	3.6
Other employment taxes and insurance cost	6.1	3.6
Total employee benefit expense	294.8	184.8

Refer to note 23 for details on share options granted to employees.

Remuneration of key management personnel is disclosed in note 26.

The monthly average number of employees during the year ended 31 March 2023 was as follows:

	Year ended 31 March	
	2023 Number of employees	2022 Number of employees
Product development	1,170	879
Servicing	2,593	1,571
Other functions	648	469
Total average number of employees	4,411	2,919

Note 10. Finance expense

	2023 £m	2022 £m
Finance expense		
Interest expense related to revolving credit facility	9.3	3.5
Interest on lease liabilities	0.7	0.9
Other financial expenses	0.7	0.4
Total finance expense	10.7	4.8

Note 11. Tax

Tax expense:

	Year ended 31 March	
	2023 £m	2022 £m
Current income tax for the year		
UK corporation tax	17.7	15.4
Foreign corporation tax	9.0	6.6
Adjustment in respect of prior years	(1.3)	(0.8)
Total current tax expense for the year	25.4	21.2
Deferred income tax for the year		
Increase in deferred tax	6.9	(10.5)
Adjustment in respect of prior years	0.2	0.3
Total deferred tax credit for the year	7.1	(10.2)
Total tax expense for the year	32.5	11.0

Factors affecting tax expense for the year:

	Year ended 31 March	
	2023 £m	2022 £m
Profit before taxation	146.5	43.9
Profit multiplied by the UK tax rate of 19% (2022: 19%)	27.8	8.3
Adjustments in respect of prior periods	(1.1)	(0.5)
Effect of expenses not deductible	0.7	2.4
Movement in tax provisions	1.5	1.2
Employee option plan	1.2	1.8
Difference in overseas tax rates	3.7	2.2
Change in rate of recognition of deferred tax	(1.3)	(4.4)
Total tax expense for the year	32.5	11.0

The Group's effective tax rate (ETR) before other comprehensive income (OCI) is a 22% charge (2022: 25% charge).

This equates to the applicable UK corporation tax rate of 19%, adjusted for a number of factors such as the change in the rate of recognition of deferred tax as a result of the UK corporation tax rate change, non-deductible employee option plan costs, movement in tax provisions and higher overseas tax rates.

On 10 June 2021, an increase in the UK corporation tax rate from 19% to 25% applicable from 1 April 2023 was enacted. Therefore, the UK deferred tax assets and liabilities, which are expected to unwind after 1 April 2023, have been measured in the current reporting period based on the increased UK corporation tax rate (25%) and reflected accordingly in the statement of profit and loss and equity.

Amounts recognised in other comprehensive income:

	2023 £m	2022 £m
Current tax		
Recognition of current tax liability on listed bonds	(0.1)	–
Deferred tax	2.5	5.4
Recognition of deferred tax asset on listed bonds		
Total amounts recognised in other comprehensive income	2.4	5.4

Amounts recognised directly in equity:

	2023 £m	2022 £m
Current tax		
Deduction for exercised options	5.0	16.0
Deferred tax		
Recognition of deferred tax asset on share-based payments*	3.0	42.7
Total amounts recognised directly in equity	8.0	58.7

* 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 £5.4 (2022: £5.0).

Deferred tax assets and liabilities

Movements during the year

Year ended 31 March 2023

	1 April 2022 £m	Recognised in income £m	Recognised in equity/OCI £m	FX £m	31 March 2023 £m
Property, plant and equipment	0.1	0.4	–	(0.2)	0.3
Share-based payments	49.9	8.4	3.1	0.2	61.6
Intangibles	(2.2)	1.2	–	–	(1.0)
Provisions	2.7	0.3	–	–	3.0
Tax losses	57.2	(17.5)	–	0.5	40.2
Other	5.4	0.1	2.5	–	8.0
Closing deferred tax asset	113.1	(7.1)	5.6	0.5	112.1
Represented by:					
Deferred tax assets	113.6				113.2
Deferred tax liabilities	(0.5)				(1.1)
Total	113.1				112.1

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

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 deferred tax assets are reviewed at each reporting date to determine recoverability and to determine a reasonable time frame for utilisation. To determine this, the Group uses the approved Group forecast used for the Viability Statement and going concern analysis. There is no time limit for utilisation of UK or US tax losses. In addition, the UK and the US have sufficient taxable profits in FY2023 to commence utilisation of brought forward losses. 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 (2022: £nil) and the asset has been recognised in full as at 31 March 2022 and 2023.

Note 12. Earnings per share

The following table reflects the income and share data used in the basic and diluted earnings per share (EPS) calculations:

	2023	2022
Profit for the year (£m)	114.0	32.9
Weighted average number of Ordinary Shares for basic EPS (in millions of shares)	988.6	967.2
Plus the effect of dilution from share options (in millions of shares)	53.8	66.8
Weighted average number of Ordinary Shares adjusted for the effect of dilution (in millions of shares)	1042.4	1,034.0
Basic EPS, in pence	11.53	3.40
Diluted EPS, in pence	10.94	3.18

Note 13. 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 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
Additions	3.3	0.9	1.5	1.7	7.4
Reclassifications	–	1.4	–	(1.4)	–
Depreciation charge	(5.7)	(2.3)	(1.6)	–	(9.6)
Write-offs	–	(0.1)	–	–	(0.1)
Foreign currency translation differences	0.1	0.2	0.5	–	0.8
At 31 March 2023					
Cost	29.4	13.0	6.6	0.5	49.5
Accumulated depreciation	(17.5)	(7.2)	(3.7)	–	(28.4)
Net book value	11.9	5.8	2.9	0.5	21.1

Refer to note 19 for disclosure of security.

Note 14. Intangible assets

	Software £m	Other intangible assets £m	Total £m
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
Additions	4.6	0.1	4.7
Amortisation charge	(11.4)	(2.2)	(13.6)
Currency translation differences	–	–	–
At 31 March 2023			
Cost	28.3	5.0	33.3
Accumulated amortisation	(19.1)	(2.8)	(21.9)
Net book value	9.2	2.2	11.4

Software is internally generated intangible asset which consists of capitalised development costs. Other intangible assets primarily include licences and domain purchases.

In addition to capitalised amounts as software intangible, the Group expensed £91.8m of product engineering costs for the year ended 31 March 2023 (2022: £59.8m). These costs directly relate to the development of the Group's product offerings and primarily comprise employee costs of the engineering and product teams, that do not meet the capitalisation criteria.

Note 15. Trade and other receivables

	2023 £m	2022 £m
Non-current trade and other receivables		
Office lease deposits	2.4	0.7
Other non-current receivables	15.5	13.6
Total non-current trade and other receivables	17.9	14.3
Current trade and other receivables		
Receivables from payment processors	86.8	69.5
Receivable from partners	41.0	9.6
Collateral deposits	44.8	33.6
Prepayments	19.4	8.3
Other receivables *	58.0	16.6
Total current trade and other receivables	250.0	137.6

* Net of expected credit loss provision of £31.5m as at 31 March 2023 (2022: £19.8m). The movement in the year is predominantly related to increased activity and the corresponding increase in customer balances; this resulted in the increase of overdrawn customer's balances older than 30 days. Customer chargebacks increased by £1.2m to £4.1m at 31 March 2023 (31 March 2022: £2.9m) and overdrawn accounts increased by £17.9m to £27.4m (31 March 2022: £9.5m). During the year, the recognised specific provision for the receivables with MS Bank S.A. Banco de Câmbio was utilised (2022: specific provision of £7.4m).

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 16. 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:

	2023 £m	2022 £m
Short-term financial investments - level 1		
Listed bonds	3,804.5	1,192.4
Total short-term financial investments	3,804.5	1,192.4

During the year, the following losses were recognised in other comprehensive income:

	2023 £m	2022 £m
Debt investments at FVOCI		
Fair value losses recognised in other comprehensive income	(7.9)	(22.6)
Tax on listed bonds	2.4	5.4
Total fair value losses in other comprehensive income	(5.5)	(17.2)

Note 17. Cash and cash equivalents

	2023 £m	2022 £m
Cash and cash equivalents		
Cash at banks, in hand and in transit between Group bank accounts	4,827.8	5,618.8
Cash in transit to customers*	182.0	154.6
Investment into money market funds	2,669.6	282.9
Total cash and cash equivalents	7,679.4	6,056.3

* 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 £7,679.4m (2022: £6,056.3m) cash and cash equivalents at the year end, £671.1m (2022: £357.8m) is considered corporate cash balance, not related to customer funds, which is held in Wise accounts or collected from customers as part of the money transfer settlement process.

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

As at 31 March 2023, the Group held £3,832.9m (2022: £4,930.2m) of customer funds as cash in segregated, safeguarding bank accounts at investment grade banking institutions. The remainder of safeguarded customer deposits were held across highly liquid global money market funds (MMFs), treasury bonds and investment grade corporate paper.

Note 18. Trade and other payables

	2023 £m	2022 £m
Non-current trade and other payables		
Accounts payable and accrued expenses	4.6	3.7
Other payables	25.1	12.0
Total non-current trade and other payables	29.7	15.7
Current trade and other payables		
Outstanding money transmission liabilities*	191.3	170.6
Wise accounts	10,676.4	6,783.2
Accounts payable	8.2	10.4
Accrued expenses	52.2	26.5
Deferred revenue	8.0	5.6
Payables to payment processors	53.6	16.4
Other taxes	11.1	9.6
Other payables	22.1	11.9
Total current trade and other payables	11,022.9	7,034.2

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

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

Note 19. Borrowings

	2023 £m	2022 £m
Current		
Revolving credit facility	249.9	–
Lease liabilities	6.7	5.5
Total current borrowings	256.6	5.5
Non-current		
Revolving credit facility	–	78.5
Lease liabilities	7.8	11.7
Total non-current borrowings	7.8	90.2
Total borrowings	264.4	95.7

Debt movement reconciliation:

	Revolving credit facility £m	Lease liabilities £m	Total £m
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
Cash flows:			
Proceeds	529.0	–	529.0
Transaction costs related to revolving credit facility	(1.5)	–	(1.5)
Repayments	(359.0)	(5.9)	(364.9)
Interest expense paid	(6.4)	(0.7)	(7.1)
Non-cash flows:			
New leases	–	3.2	3.2
Interest expense	9.3	0.7	10.0
As at 31 March 2023	249.9	14.5	264.4

The interest expense accrued is recognised within finance expense in the consolidated statement of profit or loss.

Revolving credit facility (RCF)

The Group has access to a multi-currency debt facility of £300.0m with a maturity date in 2025 and 2 1-year, extension options. The RCF is a multi-bank facility with Silicon Valley Bank UK Limited ('SVB UK'), Citibank N.A., JP Morgan Chase Bank N.A., National Westminster Bank plc, Barclays Bank plc, Goldman Sachs Lending Partners LLC and Morgan Stanley Senior Funding.

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

The Group monitors compliance with the covenants throughout the reporting period. On 31 March 2023, the Group was in breach of a representation in the RCF Agreement, which meant that further draw-downs and roll-overs of credit were temporarily suspended. This technical breach was waived by lenders before the date of signing these financial statements and the facility was fully resumed. As a result of this technical breach on 31 March and the future intention of the Group to use the facility primarily for short-term funding, the facility has been recorded as a current liability on the balance sheet. The Group has complied with all financial covenants for this and all reporting periods. The undrawn amount of the facility as at 31 March 2023 was £50.0m (2022: £132.0m).

The facility is secured by certain customary security interests and pledges including over shares in certain Group entities (Wise plc, Wise Financial Holdings Ltd, Wise Payments Limited, Wise US Inc., Wise Europe SA and Wise Australia Pty Ltd), and fixed and floating pledges over assets and undertakings of Wise Payments 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 2023, the lease liabilities are £14.5m (2022 £17.2m) and relate to the expected terms remaining on UK, US, Estonia, Hungary, Singapore, Belgium and Brazil office space leases discounted at between 2.21% and 15.75%. The leases expire between 2023-2029.

The Group has an extension option in an office lease, which has not been exercised as at 31 March 2023. The potential future lease payments, should the Group exercise the extension options, would result in an increase in the lease liability of £1.0m.

The Group has a termination option in an office lease, which has not been exercised as at 31 March 2023. The potential future lease payments, should the Group exercise the termination option, would result in a decrease in the lease liability of £1.4m.

Note 20. Share capital

Class	As at 31 March 2023			As at 31 March 2022		
	Nominal value, £	Number of shares	Share capital, £	Nominal value, £	Number of shares	Share capital, £
Class A Ordinary	0.01	1,024,677,252	10,246,773	0.01	1,024,589,856	10,245,899
Class B Ordinary	0.000 000 001	398,889,814	–	0.000 000 001	398,889,814	0.40
Total		1,423,567,066	10,246,773		1,423,479,670	10,245,899

During the year, the Group allotted 87,396 class A Ordinary Shares of £0.01 related to customer shareholder programme (2022: 82,736,034 class A Ordinary Shares of £0.01 related to employee share options awards).

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

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

Note 21. Equity merger reserve and other reserves

Equity merger reserve

As disclosed in the 2022 Annual Report and Accounts, the Class A Shares of the Company were admitted to trading on the London Stock Exchange on 7 July 2021. The merger reserve arises from the Group pre-listing reorganisation accounted for as a capital reorganisation. Upon the reorganisation, the Group's Ordinary Shares have been represented as those of Wise plc. The difference between Wise Payments 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. Comparative figures include £4.8m net loss on disposal of a number of listed bonds, that was transferred from other reserves in equity to other operating expenses in the consolidated income statement. No debt investments were disposed during the year.

Note 22. Own share reserve

In January 2023, Wise announced the intention of the Employee Benefit Trust to acquire up to £10.0m of Wise shares in the market in order to reduce the impact of dilution from stock-based compensation. As of 31 March 2023, a total of 1,776,098 shares were purchased from the market at an average of £5.63 per share. Directly attributable costs of £0.1m have been expensed to equity.

Note 23. Share-based employee compensation

The employee share schemes are designed to provide long-term incentives for all employees to deliver long-term shareholder returns. Under the plans, participants are granted share awards in 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. During the year, an award was granted that its vesting is conditional on achievement of the relative total shareholder return (TSR) compared to the FTSE 250 and volume growth performance measures over the 3-year performance period.

Transactions on the share schemes for employees during the year were as follows:

	As at 31 March 2023		As at 31 March 2022	
	Weighted average exercise price per award, £	Number of awards	Weighted average exercise price per award, £	Number of awards
Beginning of year	0.11	58,305,023	0.1100	97,252,168
Granted during the year	0.00	19,229,526	0.0100	8,373,106
Exercised during the year	0.07	8,694,892	0.0800	42,170,404
Forfeited during the year	0.03	3,190,799	0.1600	5,149,847
End of year	0.08	65,648,858	0.1100	58,305,023
Vested and exercisable as at end of year	0.14	38,644,818	0.1500	36,294,247

The share-based payment compensation expense for the year ended 31 March 2023 is £58.2m (2022: £42.2m) for employees directly employed by the Group and £0.1m (2022: £0.3m) for outsourced personnel.

During the year £19.1m (2022: £25.2m) 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	Number of awards as at 31 March 2023	Number of awards as at 31 March 2022
2013	2023	0.00	–	275,126
2014	2024	0.00	232,310	232,310
2015	2025	0.11	1,256,199	1,443,678
2016	2026	0.15	1,678,385	2,031,776
2017	2027	0.10	2,690,444	3,258,130
2018	2028	0.07	4,275,362	4,988,593
2019	2029	0.12	9,288,573	11,429,400
2020	2030	0.13	13,051,895	15,262,193
2021	2031	0.00	7,490,612	8,810,346
2022	2032	0.00	8,123,460	10,573,471
2023	2033	0.00	17,561,618	–
Total			65,648,858	58,305,023
Weighted average remaining contractual life of options outstanding at end of year			7.1 years	7.2 years

The weighted average share price at the date of exercise for share options exercised in 2023 was £4.98p (2022: £8.76).

Valuation of share awards

The assessed fair value at the grant date of share awards granted during the year ended 31 March 2023 was £5.12 per option on average (2022: £9.51). The fair value of the share awards granted 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.

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 24. Cash generated from operating activities

	Note(s)	2023 £m	2022 £m
Cash generated from operations			
Profit for the year		114.0	32.9
Adjustments for:			
Depreciation and amortisation	8,13,14	23.2	22.9
Non-cash share-based payments expense		58.2	42.2
Foreign currency exchange differences		(61.5)	18.3
Current tax expense	11	32.5	11.0
Adjustment for interest income and expense		(129.4)	7.3
Fair value loss on financial assets at FVOCI		–	4.8
Effect of other non-monetary transactions		1.7	(1.5)
Changes in operating assets and liabilities:			
Increase in prepayments and receivables		(66.8)	(16.7)
Increase in trade and other payables		23.8	16.8
Increase in receivables from customers and payment processors		(29.1)	(34.0)
Increase in liabilities to customers, payment processors and deferred revenue		78.7	46.2
Increase in Wise accounts		3,801.8	2,983.9
Cash generated from operations		3,847.1	3,134.1

Note 25. Commitments and contingencies

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

	2023 £m	2022 £m
Infrastructure subscriptions		
No later than 1 year	1.7	1.4
Later than 1 year and no later than 5 years	0.3	0.7
Total	2.0	2.1
Significant capital expenditure contracted		
No later than 1 year	–	–
Later than 1 year and no later than 5 years	16.1	–
Later than 5 years	23.3	–
Total	39.4	–

During the financial year, the Group has entered into a contract to lease a new office facility with commencement date on 30 September 2024, for a specified term of 10 years. The lease liability and the right-of-use assets have not been recognised in the financial year to 31 March 2023.

The Group did not have any other material commitments, capital commitments or contingencies as at 31 March 2023 and 31 March 2022.

Note 26. 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 interests in shares are disclosed in the Directors' 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.

	2023 £m	2022 £m
Compensation of KMP of the Group		
Short-term employee benefits	0.5	0.5
Share-based payment expense	2.1	3.1
Non-Executive Director's fees	0.3	–
Total compensation paid to key management personnel	2.9	3.6

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

Share-based payment expense is related to employee share option plans (more information about the plans are provided in note 23).

	2023 £m	2022 £m
Transactions and balances with KMP of the Group		
Deposits	0.9	1.8
Other transactions	–	0.7
Total transactions and balances with KMP of the Group	0.9	2.5

No other material transactions with related parties of the Group incurred during the financial years ended 31 March 2023 and 31 March 2022.

In the comparative year, other transactions referred to contributions received from related parties at the time of the listing.

Note 27. Post balance sheet events

No post balance sheet events have occurred since 31 March 2023.

Company statement of financial position

As at 31 March 2023

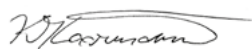
	Note	2023 £m	2022 £m
Non-current assets			
Investments in subsidiary	3	174.5	119.3
Trade and other receivables		0.2	0.1
Total non-current assets		174.7	119.4
Current assets			
Deferred tax assets		2.7	0.3
Amounts owed by Group undertakings	4	3.5	2.2
Cash and cash equivalents		0.2	11.1
Trade and other receivables		1.5	1.4
Total current assets		7.9	15.0
Total assets		182.6	134.4
Non-current liabilities			
Trade and other payables		0.2	0.1
Total non-current liabilities		0.2	0.1
Current liabilities			
Amounts owed to Group undertakings	4	1.7	7.5
Current tax liabilities		1.6	1.4
Trade and other payables		4.3	1.3
Total current liabilities		7.6	10.2
Total liabilities		7.8	10.3
Net assets		174.8	124.1
Equity			
Share capital	5	10.2	10.2
Share-based payment reserves		127.0	86.7
Own shares reserve		(10.4)	(0.4)
Other reserves		0.1	0.1
Retained earnings		47.9	27.5
Total equity		174.8	124.1

The profit for the financial year to 31 March 2023 is £1.1m (period from 18 February 2021 to 31 March 2022: loss of £0.2m including £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 180 to 187 were authorised for issue by the Board of Directors and were signed on its behalf by:



Kristo Käärmann
Co-founder and CEO

27 June 2023

Company statement of changes in equity

For the year ended 31 March 2023

	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		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
Profit for the year		–	–	–	–	1.1	1.1
Shares acquired by ESOP Trusts	6	–	–	(10.1)	–	–	(10.1)
Share-based compensation expense		–	58.0	–	–	(0.3)	57.7
Tax on share-based compensation		–	1.4	–	–	–	1.4
Employee share schemes		–	(19.1)	0.1	–	19.6	0.6
At 31 March 2023		10.2	127.0	(10.4)	0.1	47.9	174.8

The accompanying notes form an integral part of the Parent Company financial statements.

Notes to the Company financial statements

For the year ended 31 March 2023

Note 1. Accounting policies for the Company financial statements

General information

The Company is a public limited company, limited by shares, and is incorporated in England. The Company primarily operates as a holding company for the Group's subsidiaries.

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 profit for the financial year ended 31 March 2023 was £1.1m (period from 18 February 2021 to 31 March 2022: loss of £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
- 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.

Dividends

The Group has not declared or paid out any dividends for the year ended 31 March 2023 (no dividend paid for the year ended 31 March 2022).

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 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 reporting 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 reporting 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.

Employee share trust

The Group provides finance to the Employee Share Ownership Plan (ESOP) Trust to either purchase Company's shares on the open market, or to subscribe for newly issued share capital, to meet the Group's obligation to provide shares when employees exercise their options or awards. Costs of running the ESOP Trust are charged to the consolidated income statement. 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.

Where any Group company purchases the company's equity instruments, the consideration paid, including any directly attributable incremental costs (net of income taxes), is deducted from equity.

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

The Company did not receive dividend income from subsidiary undertakings during the year (period from 18 February 2021 to 31 March 2022: £0.8m).

Note 3. Investment in subsidiaries

The Company holds a direct investment in Wise Financial Holdings Ltd. In addition, during the year to 31 March 2023, the Company recognised a capital contribution of £55.2m (2022: £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 7.

The movement in the subsidiary undertakings during the financial year to 31 March 2023 is provided below:

	2023 £m	2022 £m
Beginning of the year	119.3	–
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	55.2	30.7
End of the year	174.5	119.3

* In the comparative year as a result of the Wise Group reorganisation, Wise Payments Limited, the former ultimate parent of the Wise Group, transferred the obligation to settle the share-based payment awards 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 owed by Group undertakings are mainly comprised from management services provided by the Company to subsidiaries. Current amounts owed to group undertakings are related to pass-through of employee share options sales to the respective employing entity.

	2023 £m	2022 £m
Amounts owed by group undertakings		
Wise Payments Limited	3.0	2.1
Wise Investments Holdings Ltd	–	0.1
Wise US Inc	0.5	–
Total	3.5	2.2
Amounts owed to group undertakings		
Wise Payments Limited	1.5	7.5
Wise US Inc	0.2	–
Total	1.7	7.5

Amounts due from Group companies are repayable in cash and short-term in nature.

5. Called-up share capital

Class	As at 31 March 2023			As at 31 March 2022		
	Nominal value, £	Number of shares	Share capital, £	Nominal value, £	Number of shares	Share capital, £
Class A Ordinary	0.01	1,024,677,252	10,246,773	0.01	1,024,589,856	10,245,899
Class B Ordinary	0.000 000 001	398,889,814	–	0.000 000 001	398,889,814	–
Total allotted and paid called up share capital		1,423,567,066	10,246,773		1,423,479,670	10,245,899

During the year, the Group allotted 87,396 class A Ordinary Shares of £0.01 related to customer shareholder programme (2022: 82,736,034 class A Ordinary Shares of £0.01 related to employee share options awards).

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

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

Note 6. Own share reserve

In January 2023, the Company announced the intention of the Employee Benefit Trust to acquire up to £10.0m of Wise shares in the market; in order to reduce the impact of dilution from stock-based compensation. As of 31 March 2023, a total of 1,776,098 shares were purchased from the market at an average of £5.63 per share. Directly attributable costs of £0.1m have been expensed to equity.

7. Other statutory information

Related undertakings

This list of related undertakings is in accordance with Section 409 of the Companies Act 2006 and The Large and Medium-sized Companies and Groups (Accounts and Reports) Regulations 2008, as amended by The Companies, Partnerships and Groups (Accounts and Reports) Regulations 2015. Below is a full list of subsidiaries within the Group, together with the country of incorporation and registered office as at 31 March 2023. Unless otherwise stated, the share capital disclosed comprises Ordinary Shares which are indirectly held by Wise plc. The effective percentage of shares held in subsidiary undertakings is 100%. The entities have been grouped by the countries in which they were incorporated and are resident for tax purposes in their country of incorporation unless otherwise stated.

United Kingdom

6th Floor, Tea Building, 56 Shoreditch High Street, London, E1 6JJ
TINV Ltd
TINV Nominees Ltd
Wise Financial Holdings Ltd*
Wise Investments Holdings Ltd
Wise Payments Limited

Australia

Level 15, 390 St Kilda Road, Melbourne, VIC 3004
Wise Australia Investments Pty Ltd
Wise Australia Pty Ltd

Belgium

Rue du Trône 100/Lvl 3, Ixelles, 1050 Brussels
Wise Europe SA

Brazil

WeWork Alameda Rio Claro, 241, 5th floor, Bela Vista, São Paulo, 01332-010
Wise Brasil Instituição de Pagamento Ltda.
Wise Brasil Corretora de Câmbio Ltda.

Avenida Paulista, 2537, 10th floor, sala 102, Bela Vista, São Paulo, São Paulo, 01311-300
Transferwise Brasil Correspondente Cambial e Pagamentos Ltda.

Canada

99 Bank Street, Suite 1420, Ottawa, ON K1P 1H4
Wise Payments Canada Inc.

Chile

Rosario Norte 407, Office 1601, Las Condes
Wise Chile SpA

China

WeWork Fuhui, 26 Qi Xia Lu Pudong New District, Shanghai, 200120
Wise China Ltd

Estonia

Veerenni tn 24, Tallinn city, Harju county, 10135
TINV Europe AS

Hong Kong

WeWork, Room 47-105, 47/F., Lee Garden One, 33 Hysan Avenue, Causeway Bay
Wise Payments Hong Kong Limited

India

4/55WEA Saraswati Marg, Karol Bagh, Delhi, 110005
Vaho Forex Private Limited

TEC, Level 7, B wing, The Capital, G-Block Bandra, Kurla Complex, Bandra (East) Mumbai, Mumbai City, MH, 400051
Wise Payments India Private Limited

Indonesia

GoWork, Plaza Indonesia Mall, Lantai 5, Jl. M. H. Thamrin Kav 28-30 RT. 009 RW. 005, Gondangdia, Menteng, Menteng, Kota Adm., Jakarta Pusat, DKI Jakarta, 10350
PT Wise Payments Indonesia

Israel

POINT BY AZRIELI, Azrieli Sarona Tower, 121 Menachem Begin Street, Floor 59, Office 72. Tel Aviv, 6701203
Wise ILS Ltd

Japan

FINOLAB, 4th Level 1-6-1, Otemachi, Chiyoda-ku, Tokyo, 100-0004
Wise Payments Japan K.K.

Korea, Republic of

WeWork Yeouido Station, 22F, 83 Uisadang-daero,
Yeouidodong, Seoul

Wise Payments Korea Limited

Malaysia

Level 13A-6, Menara Milenium, Jalan Damanlela, Pusat Bandar
Damansara, 50490 Kuala Lumpur

Wise Payments Malaysia Sdn. Bhd.

Mexico

WeWork Reforma Latino Montecito 38, piso 37 oficina 30,
Colonia Narvarte, WTC México, Ciudad de México,
Campeche, 03810

Wise Pagos México, S.A. de C.V.

Philippines

WeWork, 30th Floor, Yuchengco Tower, RCBC Plaza, 6819
Ayala Avenue, Bel-Air, Makati City, 1226

Wise Pilipinas Inc.

Singapore

1 Paya Lebar Link, #13-06 - #13-08, PLQ 2, Paya Lebar
Quarter, 408533

Wise Asia-Pacific Pte. Ltd.

South Africa

WeWork, 155 West Street, Sandown, Sandton, Gauteng,
South Africa, 2031

Wise Payments South Africa (Pty) Ltd

Switzerland

Oberneuhofstrasse 6, 6340, Baar

Wise Switzerland AG

Thailand

999/9, The Offices at Central World, Common ground zone,
G Floor, Unit C08, Rama I Road, Pathumwan Sub-district,
Pathumwan District, Bangkok

No. 87/1 Capital Tower All Seasons Place, 16th Floor, Unit 1
1604- 6, Witthayu Road, Lumpini, Pathumwan, Bangkok,
Thailand

Wise Payments Holdings (Thailand) Limited

United Arab Emirates

WeWork @ Hub71, 15-141, level 15, Al Khatem Tower, Adgm
Square, Al Maryah Island, Abu Dhabi

Wise Nuqud Ltd

United States

30 W. 26th St, Sixth Floor, New York NY, NY 10010

Wise US Inc

* Held directly by Wise plc

The Company has guaranteed the liabilities of Wise Financial Holdings Ltd (company number 13214905) and Wise Investments Holdings Ltd (company number 13222470), in order that they qualify for the exemption from audit under section 479A -479C of the Companies Act 2006, in respect of the year ended 31 March 2023.

Alternative performance measures

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

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

Income	Income is defined as revenue plus interest income on customer balances, less interest expense on customer balances and benefits paid relating to customer balances	See definition for calculation method
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 takes into account the net cash flows from operating activities less the change in working capital (excluding timing differences for receipts of interest income, income tax payments, change in collateral and pass-through items), the costs of purchasing property, plant and equipment, intangible assets capitalisation and payments for leases. It is a non-statutory measure used by the Board and the senior management team to measure the ability of the Group to support future business expansion, distributions or financing	See definition for calculation method
Adjusted EBITDA margin	Adjusted EBITDA as a percentage of total income	See definition for calculation method
FCF conversion	Free cash flow as a percentage of Adjusted EBITDA	See definition for calculation method
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 section below for further information
Cross border fees saved	Fees saved by our personal customers when using Wise for cross-currency transfers versus other providers. This measure is used by the Group to demonstrate the value proposition to stakeholders.	See definition for calculation method

Income

	2023 £m	2022 £m
Revenue	846.1	559.9
Interest income on customer balances	140.2	3.9
Interest expense on customer balances	(3.7)	(6.7)
Benefits paid relating to customer balances	(18.4)	–
Income	964.2	557.1

Adjusted EBITDA and FCF reconciles to profit for the year as follows:

	2023 £m	2022 £m
Profit for the period	114.0	32.9
Adjusted for:		
Income tax expense	32.5	11.0
Finance expense	10.7	4.8
Depreciation and amortisation	23.2	22.9
Share-based payment compensation expense	58.2	42.2
Exceptional items*	–	7.6
Adjusted EBITDA	238.6	121.4
Income	964.2	557.1
Adjusted EBITDA margin	24.7%	21.8%
Corporate cash working capital change excluding collaterals	(7.9)	9.0
Adjustment for exceptional and pass-through items in the working capital	(2.0)	(0.5)
Payments for lease liabilities	(6.6)	(4.7)
Capitalised expenditure – Property, plant and equipment	(3.6)	(4.6)
Capitalised expenditure – Intangible assets	(5.2)	(7.3)
Free cash flow (FCF)	213.3	113.3
FCF conversion (FCF as % of Adjusted EBITDA)	89.4%	93.3%

* Exceptional items are the 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 in the comparative year included costs associated with the changes in the Group's organisational structure and direct listing, that did not re-occur in the current financial year.

Corporate cash

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

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

	2023 £m	2022 £m
Cash flows from operating activities		
Profit for the year	114.0	32.9
Adjustments for non-cash transactions	(5.8)	53.4
Change in corporate working capital	(20.4)	2.2
Receipt of interest	103.9	0.7
Payment of income tax and interest charges	(31.0)	(17.1)
Net cash generated from operating activities	160.7	72.1
Net cash used in investing activities	(8.6)	(11.6)
Net cash generated from/(used in) financing activities	153.9	(1.3)
Total increase in corporate cash	306.0	59.2
Corporate cash at beginning of year	357.8	286.1
Effect of exchange rate differences on corporate cash	7.3	12.5
Corporate cash at end of the year	671.1	357.8

	2023 £m	2022 £m
Breakdown of corporate and customer cash		
Cash and cash equivalents and short-term financial investments	11,483.9	7,248.7
Receivables from customers and payment processors	129.7	85.2
Adjustments for:		
Outstanding money transmission liabilities and other customer payables	(266.1)	(192.9)
Wise accounts	(10,676.4)	(6,783.2)
Corporate cash at end of the year	671.1	357.8

Corporate cash includes the 'Receivables from payments processors' as disclosed in note 15, as well as receivables from customers and partners. Those balances are reported under 'Other receivables' in note 15, 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 18, which are not considered customer related balances.

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
COVID-19	Coronavirus disease 2019
Cross border fees saved	Calculated using market research and quotes we have collected from other banks and payment providers. Using this research, we then estimate the amount saved for each of our personal customers by comparing the cost of their transaction with Wise against what we would estimate a different payment provider would charge them. The amount is then an accumulation of all transactions undertaken during the financial year, with a margin of error included for reasonableness.
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 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 chose 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 TransferWise Limited and Equiniti Trust (Jersey) Limited
Executive Chair	David Wells
Executive Directors	the executive Directors of the Company
Executive Founder	Kristo Käärmann

FCA	the UK Financial Conduct Authority
FRC	the UK Financial Reporting Council
FTSE	Financial Times Stock Exchange
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
Income	revenue plus interest income on customer balances, less interest expense on customer balances and benefits paid relating to customer balances
KYC	know your customer
Lead	a Wiser with at least 1 direct report
Leadership Team (LT)	as shown in the "Our leaders at Wise." section on Wise website https://wise.com/owners
Listing Rules	UK FCA Handbook Listing Rules
Long-term Incentive Plan	the discretionary share plan called the Wise Long-term Incentive Plan
LTIP Awards	awards granted under the Long-term Incentive Plan
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 communications 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 Stock Units granted under the 2021 EIP
Senior Managers and 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 since Admission consist of Class A Shares and Class B Shares
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
UK Corporate Governance Code	the UK Corporate Governance Code published by the Financial Reporting Council, as amended from time to time
United Kingdom or UK	the United Kingdom of Great Britain and Northern Ireland
United States or US 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 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

Company information

Directors

David Wells

Chair

Kristo Käärmann

Co-founder and CEO

Matthew Briers

CFO

Clare Gilmartin

Senior Independent Director

Alastair Rampell

Non-Executive Director

Hooi Ling Tan

Independent Non-Executive Director

Ingo Uytdehaage

Independent Non-Executive Director

Terri Duhon

Independent Non-Executive Director

Elizabeth Chambers

Independent Non-Executive Director
(appointed 19 April 2023)

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
Aspect House
Spencer Road
Lancing
West Sussex
BN99 6DA

0371 384 2030

Independent Auditors

PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
1 Embankment Place,
London, WC2N 6RH

Annual General Meeting

Wise's Annual General Meeting will be held on 7 September 2023.

Company Secretary

Jane Fahey

Registered Company Number

Registered in England and Wales
Company number 13211214

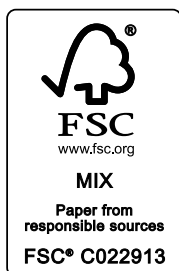
Registered Office

Wise plc
6th floor,
Tea Building 56 Shoreditch High Street
London E1 6JJ

Forward-Looking Disclosure Disclaimer

This Annual Report may include forward-looking statements, which are based on current expectations and projections about future events, such as statements regarding our ESG activity and commitments, including goals, targets, metrics and related strategies. These statements may include, without limitation, any statements preceded by, followed by or including words such as 'target', 'believe', 'expect', 'aim', 'intend', 'may', 'anticipate', 'estimate', 'plan', 'project', 'will', 'can have', 'likely', 'should', 'would', 'could' and any other words and terms of similar meaning or the negative thereof. These forward-looking statements are subject to risks, uncertainties and assumptions about Wise and its subsidiaries. In light of these risks, uncertainties and assumptions, the events in the forward-looking statements may not occur. Past performance cannot be relied upon as a guide to future performance and should not be taken as a representation that trends or activities underlying past performance will continue in the future. No representation or warranty is made or will be made that any forward-looking statement will come to pass. The forward-looking statements in this report speak only as at the date of this report.

Wise expressly disclaims any obligation or undertaking to update, review or revise any forward-looking statements contained in this report and disclaims any obligation to update its view of any risks or uncertainties described herein or to publicly announce the results of any revisions to the forward-looking statements made in this report, whether as a result of new information, future developments or otherwise, except as required by law.



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