

## Continued growth in active users and volumes supported strong revenue growth

In the first quarter of the financial year we **continued to disrupt a massive and underserved market**, with 5 million active customers moving more than £24 billion across borders; a 49% increase on the same period last year. We continued to save our customers money by providing cross-border transfers at a highly competitive average price of 0.61%.

We do this through our **superior products: Wise Account, Wise Business and Wise Platform**. Our team has rolled out further product enhancements designed to make the product more convenient to use and to enhance security features for businesses.

These **products are powered by our infrastructure**. In Q1 we saw more than half of our payments delivered instantly. We see this as truly game changing versus the alternatives that customers have today. And our customers love it.

So we continue to invest heavily in products and infrastructure, and take the lead in driving down the cost of cross-border transfers whilst at the same time **maintaining a profitable business model**.

*Kristo Käärman, CEO and co-founder said:*

*"In the three months to 30 June 2022 we helped 5 million active customers move more than £24 billion across borders, a 49% increase on last year. We also reached a key milestone in our mission, more than 50% of all cross-border transfers are now completed instantly.*

*Our Wise Account and Wise Business products got even better as we launched 2-step payment approvals and employee spending controls on mobile for our business customers. The average price that our customers paid for cross-border transactions reduced from 0.67% to 0.61% in Q1 FY23 compared with the same period last year and was unchanged compared with Q4 FY22."*

### Mission highlights for Q1 FY23

	Q1 FY23	Q1 FY22	YoY Movement	Q4 FY22	QoQ Movement
Customer price <sup>1</sup>	0.61%	0.67%	-6 bps	0.61%	+0 bps
Instant transfers	52%	36%	+16 pps	49%	+3 pps

1. Customer price is based on a fixed basket of representative currencies which reduces the effect from route mix and other factors, making it a more accurate representation of our progress in reducing the cost of international transfers over time.

We have four pillars that drive our mission: price, speed, convenience and transparency.

We aim to sustainably lower prices for customers over time. In the short-term changes in the average customer price reflect the changes in what it costs to deliver cross-border transactions. Through engineering away costs by becoming more efficient and deepening our integration into local payment systems we have been able to reduce the average price our customers pay. This was 0.61% in Q1 FY23 compared with 0.67% in Q1 FY22. The average price was flat compared with Q4 FY22 — whilst we were able to reduce fees for customers sending money to Mexico, Singapore, UAE and Kenya, this was offset by additional servicing costs and costs of managing risks and uncertainty associated with the current macroeconomic environment.

For the first time, we completed more than 50% of all cross-border transfers instantly. This is a big milestone as it means that the majority of all payments are now completed in less than 20 seconds, which has improved from 36% in Q1 FY22. This includes the roll-out of instant transfers to Brazil, where we also launched the Wise Account in February 2022. Currently, 90% of all transfers are completed within 24 hours, up from 88% last quarter. Instant transfers are important for the overall customer experience and are a key driver of our high net promoter score. Instant transfers also reduce the need for customers to contact us asking for status updates on their transfer, which in turn helps keep servicing costs lower for those transfers.

In the last three months we have made our products more convenient to use. Our personal customers can now link their Wise Account to over 6,000 finance apps like Venmo, Truebill and Chime. In Brazil, personal customers are now verified much more quickly, with 97% of verifications completed within 24 hours. We have also enhanced transparency of our customers' transaction history, by introducing category icons and making the name of the shop or business clearer.

Our business customers now have the ability to manage employee spending controls through the mobile app and we have enabled 2-step payment approvals, providing additional security to business owners. In the U.S. we have widened the roll-out of digital cards, so now more business customers can offer digital cards to their employees, removing the need for plastic cards.

We've built a new SWIFT Receive feature for Wise Platform partners. This allows financial institutions not connected to the SWIFT network to now receive payments from all over the world via SWIFT using their existing customer account details. The feature also enables financial institutions with an existing SWIFT setup to process these incoming SWIFT transfers more quickly, cheaply and conveniently. We also went live with new partners including Monzo Business, Firstbase and Onfolk.

Our mission roadmap, which is publicly available through the Wise website, sets out the improvements we have planned for each of our products.

## Growth and Financial highlights

	Q1 FY23	Q1 FY22	YoY Movement	Q4 FY22	QoQ Movement
Volume (£ billion) <sup>1</sup>	24.4	16.4	49%	21.4	14%
Revenue (£ million)	185.9	123.5	51%	153.8	21%
Take rate (%) <sup>2</sup>	0.76%	0.75%	+1 bps	0.72%	+4 bps

1. Cross-border volume only
2. Revenue as a % of volume

5 million customers transacted on Wise in Q1 FY23. The number of active personal customers grew by 37% YoY to 4.7 million. We onboarded a million new customers, supported by continued strong progress in the US and excellent product-market fit in Brazil. The growth was also driven by increased adoption of the Wise Account and Wise Business products, where customers tend to transact more frequently.

Total volume grew by 49% YoY and 14% QoQ to £24.4 billion. Volume growth was driven by a higher number of active customers that are increasingly using the Wise Account and Wise Business products, which in turn also leads to a higher average volume per customer (VPC). The growth also reflects to a lesser extent, more variable drivers which include people and businesses responding to increased levels of FX volatility and the translation impact from FX movements which was a tailwind in the quarter, compared with a headwind in FY22. On a constant currency basis volume grew 45% YoY.

Revenue grew by 51% YoY and 21% QoQ to £185.9 million, in line with our growth in volume. Total take rate increased 4bps QoQ to 0.76%, reflecting the impact of price rises announced in March, alongside a pick-up in other revenues. Other revenues benefited from higher debit card spend and interchange fees as customers use the Wise Account.

Financial guidance for FY23 and the medium-term remains unchanged from the FY22 full year results update. This includes:

- Revenue growth of between 30-35% in FY23 and greater than 20% (CAGR) over the medium-term
- Adjusted EBITDA margin at or above 20% over the medium-term.

Please see the appendix for further historical financial information.

## **Analyst & Investor call**

A call hosted by Matthew Briers (CFO) will be available for analysts and investors at 9:00am (UK) this morning. Pre-registration and joining details can be found here: [https://transferwise.zoom.us/webinar/register/WN\\_MglVXm3uSkyE1SZY\\_xeZig](https://transferwise.zoom.us/webinar/register/WN_MglVXm3uSkyE1SZY_xeZig)

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## **About Wise**

Wise is a global technology company, building the best way to move money around the world. With the Wise account people and businesses can hold over 50 currencies, move money between countries and spend money abroad. Large companies and banks use Wise technology too; an entirely new cross-border payments network that will one day power money without borders for everyone, everywhere. However you use the platform, Wise is on a mission to make your life easier and save you money.

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

Over 13 million people and businesses use Wise. Today we process on average over £8 billion in cross-border transactions every month, saving customers over £1 billion a year.

## **FORWARD LOOKING DISCLOSURE DISCLAIMER**

This report may include forward-looking statements, which are based on current expectations and projections about future events. These statements may include, without limitation, any statements preceded by, followed by or including words such as "target", "believe", "expect", "aim", "intend", "may", "anticipate", "estimate", "forecast", "plan", "project", "will", "can have", "likely", "should", "would", "could" and any other words and terms of similar meaning or the negative thereof. These forward-looking statements are subject to risks, uncertainties and assumptions about Wise and its subsidiaries. In light of these risks, uncertainties and assumptions, the events in the forward-looking statements may not occur. Also, Past performance cannot be relied upon as a guide to future performance and should not be taken as a representation that trends or activities underlying past performance will continue in the future, and the statements in this report speak only as at the date of this report. No representation or warranty is made or will be made that any forward-looking statement will come to pass and there can be no assurance that actual results will not differ materially from those expressed in the forward-looking statements.

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.

## Appendix - Historical Financials

Quarterly	Q1 FY2021	Q2 FY2021	Q3 FY2021	Q4 FY2021	Q1 FY2022	Q2 FY2022	Q3 FY2022	Q4 FY2022	Q1 FY2023	QoQ Movements %	YoY Movements %
<b>Customers (million)</b>	<b>2.8</b>	<b>3.2</b>	<b>3.4</b>	<b>3.5</b>	<b>3.7</b>	<b>3.9</b>	<b>4.3</b>	<b>4.6</b>	<b>5.0</b>	<b>9%</b>	<b>36%</b>
Personal (million)	2.7	3.0	3.2	3.3	3.4	3.7	4.1	4.3	4.7	9%	37%
Business (million)	0.14	0.16	0.18	0.20	0.22	0.23	0.25	0.27	0.29	6%	33%
<b>Volume Per Customer (£ thousand)</b>	<b>3.8</b>	<b>4.2</b>	<b>4.4</b>	<b>4.4</b>	<b>4.5</b>	<b>4.6</b>	<b>4.7</b>	<b>4.7</b>	<b>4.9</b>	<b>4%</b>	<b>9%</b>
Personal (£ thousand)	3.0	3.4	3.5	3.6	3.6	3.7	3.7	3.7	3.8	4%	7%
Business (£ thousand)	17.5	17.7	19.1	18.1	18.6	19.4	21.6	20.8	22.2	6%	19%
<b>Volume (£ billion)<sup>1</sup></b>	<b>10.7</b>	<b>13.2</b>	<b>15.0</b>	<b>15.6</b>	<b>16.4</b>	<b>18.0</b>	<b>20.6</b>	<b>21.4</b>	<b>24.4</b>	<b>14%</b>	<b>49%</b>
Personal (£ billion)	8.2	10.4	11.5	12.0	12.4	13.5	15.1	15.9	18.0	14%	46%
Business (£ billion)	2.4	2.8	3.5	3.6	4.0	4.5	5.5	5.5	6.3	13%	58%
<b>Revenue (£ million)</b>	<b>86.3</b>	<b>105.9</b>	<b>111.9</b>	<b>116.9</b>	<b>123.5</b>	<b>132.8</b>	<b>149.8</b>	<b>153.8</b>	<b>185.9</b>	<b>21%</b>	<b>51%</b>
Personal (£ million)	70.8	87.0	89.8	93.7	96.9	103.4	114.7	118.3	144.4	22%	49%
Business (£ million)	15.5	18.9	22.1	23.2	26.6	29.4	35.1	35.5	41.5	17%	56%
<b>Take rate (%)<sup>2</sup></b>	<b>0.81%</b>	<b>0.80%</b>	<b>0.75%</b>	<b>0.75%</b>	<b>0.75%</b>	<b>0.74%</b>	<b>0.73%</b>	<b>0.72%</b>	<b>0.76%</b>	<b>+4 bps</b>	<b>+1 bps</b>

1. Cross-border volume only
2. Revenue as a % of Volume

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