



**wise**

# **MONEY WITHOUT BORDERS**

2024 Annual Report and Accounts



Our vision is

# MONEY WITHOUT BORDERS

Our mission is to build the best way to move and manage the world's money. Min fees. Max ease. Full speed.

3 products. 40+ currencies. 160+ countries.



## Strategic Report

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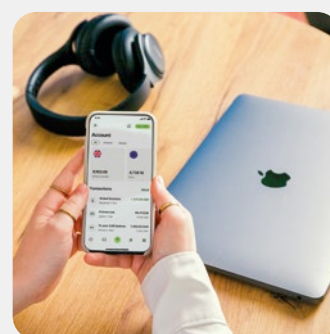
**Why our customers love the Wise Account.**

Read more on page 21



**Wise Business is delivering value to SMBs.**

Read more on page 25



**Forging strong partnerships through Wise Platform.**

Read more on page 29



# GROWING FAST AND PROFITABLE



**C.12.8M**

Active customers  
↑ up 29%

**£1.17B\***

Underlying Income  
↑ up 31%

**C.£118.5B**

Cross-border  
volume  
↑ up 13%

**£241.8M\***

Underlying profit  
before tax  
↑ up 225%

**£13.3B**

Customer balances  
↑ up 24%

**£481.4M**

Profit before tax  
↑ up 229%

**£1.05B**

Revenue  
↑ up 24%

**34.20P**

EPS  
↑ up 197%

\* 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 from page 165.





**“Our vision is Money Without Borders, we are building the best way to move and manage the world’s money. Min fees. Max ease. Full speed. In the last 12 months we secured new licenses and direct connections, while improving the Wise Account for 12.8m people and businesses around the world, an increase of 29% from the previous year. Transfers got faster with 62% arriving instantly, we laid the ground for the fee reductions we made in this financial year, and we expanded Wise Assets to be available in 11 EU countries in FY2024 to allow customers make their money work harder. And as we expand and improve our network we have opened it up for banks to provide our level of experience to their customers through Wise Platform. All of this tells us that our investments we make and experiences we are build are progressing us towards our mission, and making Money Without Borders a reality.”**

Kristo Käärmann, Co-founder and CEO



### The Wise Account got even better with new features and services

- 48% of active personal customers and 60% of active business customers have adopted the Wise Account
- We expanded the Wise Assets Interest and Stocks products to be live in 11 European markets



### Loyal customers have driven customer growth

- Our customer base has grown by 29% YoY in a market where our share is still small
- Great products, smart marketing and evangelical customers combine to drive this growth, helping to keep marketing costs low



### Our business has strong fundamentals and is profitable

- Underlying income increased 31% to £1.17 billion
- Underlying profit before tax was £241.8 million, equivalent to a 20.6% margin
- Reported profit before tax of £481 million, an increase of 229%, which includes an additional £240 million of net interest income



### We invested to make our network even quicker and easier

- 62% of payments were instant<sup>1</sup>
- 83% of payments were within an hour<sup>1</sup>
- 95% of payments were within 24 hours<sup>1</sup>

1. Q4 FY2024.



### We continue to build our infrastructure

- We launched Correspondent Services in collaboration with Swift
- We completed the integration into Australia’s domestic payment system
- We were granted a Type 1 Funds Transfer Service Provider licence in Japan, removing our 1 million JPY single transaction limit

# We are Wise. The network for the world's money.



Coverage across  
**160+ COUNTRIES**  
and over 40 currencies

More than

**12.8M ACTIVE CUSTOMERS**

with almost half of these having adopted the Wise Account



Over  
**£118B**  
in cross-border transactions

More than  
**£13.3B**  
in balances



**5,500+**  
Wisers globally

See page 40

## OUR THREE PRODUCTS

### Wise Account

See page 18



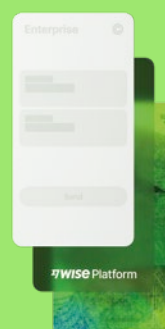
### Wise Business

See page 22



### Wise Platform

See page 26





Our vision is

# Money without borders

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Our mission drives us

**We're building the best way to move and manage the world's money. Minimum fees. Maximum ease. Full speed.**

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Our mission pillars guide us so we're building things that our customers need

See page 12



## **Instant.**

Moving money overseas as fast as you send an email. Let's race.



## **Convenient.**

Best-in-class service that lets you do what you need to, whenever you want.



## **Transparent.**

No hidden fees. Everything we do, you can see. Clear T&Cs.



## **Lower costs.**

All this shouldn't cost the earth. Fair prices, sustainable growth.

---

Delivered by Wisers living our unique culture and values

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

**We get it done.**

**Customers > team > ego.**

**No drama. Good karma.**

See page 40

# Making our customers' lives simpler through innovation



**It's satisfying to know that not only do our customers love what we are building, but our business is also going from strength to strength in its third year as a publicly traded company.**

Wise has established itself as a global business by achieving sustained, balanced and multi-faceted growth. We are scaling to meet increasing demand for our products and to serve a vast addressable market of people and businesses that want faster, simpler and lower cost ways to manage their money globally.

The growth of the business has had a demonstrable impact on our results as well. Since listing on the London Stock Exchange 3 years ago, volume has increased at a 30% annualised rate (since 2021) with almost half of our customers now using the Wise Account. More customers, volumes and account usage in a higher interest rate environment have driven a 41% increase in underlying income and 127% in reported profit before tax to FY2024. Over this time, from listing to the end of FY2024, the value of Wise was broadly in line with the appreciation of the

FTSE 100 over the same period of time. An initial period of market-related underperformance in the value of Wise shortly after listing has been recovered with two strong years of performance (+71% in FY2024, +86% in FY2023 compared to +4% and +6% for the FTSE 100).

At Wise, everything comes back to our central mission of giving people a better way to move and manage their money internationally. Doing so has required us to build a new network ourselves, including 5 direct connections into domestic payment systems, and to target investments in a way that aids our vision. As you can see by our results for FY2024 and the increases over the past 3 years, this approach is working. This can be seen not only in continued growth in our customer base but also in an increasing share of revenue coming from account-features alongside our core transfer offering.

In an economic environment still defined by high inflation and rising costs, customers value our clear mission and a vision for how we aim to achieve it. They also like that we are open and honest about our costs. As a business, we are committed to delivering value for our customers and shareholders. That will never change.



## Building on our strengths

Our long-term sustainable business model will continue to create significant growth opportunities over the coming years. This year, we delivered a strong performance that is consistent with our long-term mission.

Through the investments in improving our products and delivering excellent service, we've onboarded over a million new customers in each quarter this year. Active customers grew by 29% to 12.8 million, and cross-border volume grew 13% to £118.5 billion. This growth in customers and their use of Wise for cross-border and account services in a higher interest rate environment drove reported profit before tax to rise by 229% to £481.4 million, and our earnings per share (EPS) increased by 197% to 34.2p.

By the end of FY2024, 48% of active personal customers were using the Wise account along with 60% of businesses. This growth is fuelled by our ongoing investment in product development to enhance the user experience around the core customer need of moving and managing money internationally.

## Demonstrating effective governance

An important measure of good governance is the ability to maintain stability and oversight while adapting to changes in the external environment or alterations in leadership. With regards to the Board, we did this successfully this year. You will find more detail on our Board and governance arrangements in the Governance Report on pages 82 to 119.

## Maintaining effective leadership

Firstly, we welcomed our co-founder and CEO Kristo Käärmann back following his sabbatical in 2023. I would like to thank Chief Technology Officer, Harsh Sinha for the fantastic job he did filling in for Kristo. I would also like to welcome to the company our prospective new CFO, Emmanuel Thomassin, who is set to join us in October 2024. Emmanuel has had a proven career working with fast-growing companies to help them scale globally. He guided his last employer, Delivery Hero, to an IPO while building teams and an organization capable of fulfilling all obligations of a listed company. Also at Delivery Hero, he was the main management sponsor for shaping and deploying fintech products across geographies. Emmanuel serves in the Supervisory Board of several companies across industries where he provides strategic guidance, oversight, and governance. Emmanuel is excited to bring this experience of leading companies on the path of sustainable, profitable growth to Wise and to contribute to the journey to build the network for the world's money. In the meantime, I'd like to thank our Finance Director Kingsley Kemish for standing in as CFO following Matthew Brier's departure and Matt for his dedicated work over the past 8 years, helping Wise scale profitably and at speed.

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

## Maximising our impact

Another area of rapid change we are adapting to is evolving regulation – particularly with regard to Environmental, Social and Governance (ESG) matters. We aim to comply fully with these changing regulations and leverage them as guiding principles for our approach moving forward.

For a fast growing company with people based around the globe, this isn't always a straightforward task. For example, as a result of our rapid growth, our carbon emissions for FY2024 are 80% higher than our prior year's disclosure. This increase is due to the

significant expansion of our business, as well as the mix of suppliers that we partner with in our day to day operations. We want to improve this by operating as consciously as possible with respect to our carbon footprint especially in relation to travel and the suppliers we engage with. Along with considering our own business activities, we are also investing in carbon removal projects around the world.

We have been committed to helping to achieve the UN's SDG 10.c around reducing remittance fees since it was introduced. Now, we are looking for ways to broaden the scope of our support by working with a group that is often incredibly vulnerable and often has a significant need for cross-border payments: displaced people.

In the coming year we will be further refining our governance structures to provide better oversight and support to our diverse range of ESG efforts, from increasing climate competency at the Board and management level to expanding our Social Impact Committee to be more geographically representative and also climate competent. We continue to build our ESG approach to be transparent, principled and robust.

## A culture of innovation and responsibility

Our ability to deliver products that our customers love and find indispensable is built around a culture that empowers our teams. By supporting and nurturing the expertise, diversity and ambitions of our Wisers, we not only help them to build rewarding long-term careers but provide more value for our customers and stakeholders.

Solving customers' problems in new ways can also involve entering new waters. We are often breaking new ground in an effort to help customers in new ways and create value. With such innovation comes a responsibility to ensure that while thinking creatively and executing at speed, Wisers are doing so in a control environment that is well-governed from the Board downward. The culture of Wise is purpose-driven with Wisers understanding the need to balance the management of risk with the value of speed and innovation in pursuit of the mission of the business.

## Delivering our long-term vision

We have made a lot of progress over the past few years, and there is much more to do. We will continue to focus on investing in our products and infrastructure to help even more people and businesses.

It is important that we do this in a sustainable way. We are committed to financial discipline and profitability so that both our customers and our shareholders continue to benefit from our growth.

As we close the book on another exceptional year for Wise, I want to say a huge thank you from the Board to all of the Wisers who have contributed to our progress this year. We also want to express our gratitude to all customers and shareholders for their continued support of our mission.

On behalf of the Board of Directors,



**David Wells**  
Chair

13 June 2024

# Why Wise?

## A vision for the future.



### We are solving a massive problem

In an increasingly global world, more and more people and businesses need to send and receive money internationally. But cross-border payments are still expensive, slow and inefficient, with little transparency around fees. As a result, there is strong demand for a better and more honest way to move and manage money.

The market for cross-border transfers is £11 trillion per year across people and SMBs, and growing quickly. We have <1% of this large and continuously expanding addressable market and continue to increase our share every year.

Read more on page 11

## £2T+

moved cross currency annually by people<sup>1</sup>

## £9T+

moved cross currency annually by SMBs<sup>1</sup>

1. Based off data from an Edgar, Dunn & Company (EDC) report issued in 2022.



### Customers love what we are building

Our growth has been built on a relentless focus on our customers and specifically their needs and the challenges they encounter when moving and managing their money around the world. Solving their problems one by one is winning the trust of our increasingly evangelical customers.

With more than two-thirds of our customers coming via word-of-mouth in FY2024, we believe that our products are having a real impact on people's lives.

Read more on pages 18 to 29

## >65

Net Promoter Score





## Delivering the network the world needs

The world currently relies on a network that is outdated, unreliable and heavily intermediated. International banks that cater to customers' and businesses' increasingly global requirements don't really exist or fail to deliver the fast, low-cost and transparent service global customers need.

Over the past 13 years, we have been working to build an alternative to the traditional correspondent banking. We're delighted to have made significant progress in making moving money across borders faster, cheaper, easier and more transparent. And the more progress we make, the more difficult it becomes for competitors to replicate our infrastructure.

Read more on page 14

- ✓ 62% of payments made instantly in Q4 FY2024
- ✓ >£1.8B fees saved for our customers in FY2024



## Growing fast and profitably

The total number of customers using us each year has grown significantly in the past 3 years, along with our total volume of transfers. The combination of great products, smart marketing and evangelical customers has also helped to keep this growth in new customers hyper-efficient. We have maintained our financial discipline so the Group continues to be profitable as it grows.

Alongside our growing volumes over the past 3 years, our active customer base has also seen a significant rise as people use our products in more ways. We will continue to add more features and improve our infrastructure to keep making it easier for our customers to live, work and play anywhere.

Read more on page 36

# 12.8M

active customers  
↑ 29%

# £118.5B

volume  
↑ 13%

# £13.3B

customers' balances  
↑ 24%

# £1.17B\*

underlying income  
↑ 31%

# A BETTER WAY TO MOVE AND MANAGE MONEY GLOBALLY





# Moving and managing money around the world has been slow and expensive for too long. We are fixing that.

## Building a new network for the world's money

With people and businesses becoming more international, the need to move and manage money across locations and currencies is growing. Driven by long-term trends, including globalisation, increased international migration and technological advances, the market for cross-border payments is only expected to expand.

Banks continue to dominate the market, providing an expensive, slow and inefficient service via outdated infrastructure and networks of intermediaries. And with low transparency on fees, there has been little pressure on them to improve their service or infrastructure – until now.

We have spent the past 13 years building a replacement infrastructure for correspondent banking to make moving money across borders faster, cheaper, easier and more transparent. We have made great progress towards our goal, but there is still a long way to go until we achieve our vision. We processed just 5% of consumer money transfers across borders and just <1% of those made by businesses.<sup>1</sup> Still, we are gaining momentum as our business grows and we are excited about what the future holds.

### More people are global

Total number of people living outside of their country of birth

**280M+**  
and growing

International movement promotes cross-border payments and can remain robust regardless of the economic cycle.

Source: Global Migration Data Portal.

## Competitive landscape

Over the past year, more digital banking platforms have arrived across our markets, yet we believe the competitive landscape stays much the same. Traditional banks remain our primary competitors, with most of the cross-border transactions originating from them.

Customers are looking for a higher level of service, faster transactions and fairer prices. Digital-first money transfer operators and remittance providers are putting pressure on banks' digital service models, but not all truly meet customer expectations. As the competitive landscape is large, there are opportunities for a range of traditional and challenger operators to carve out niches.

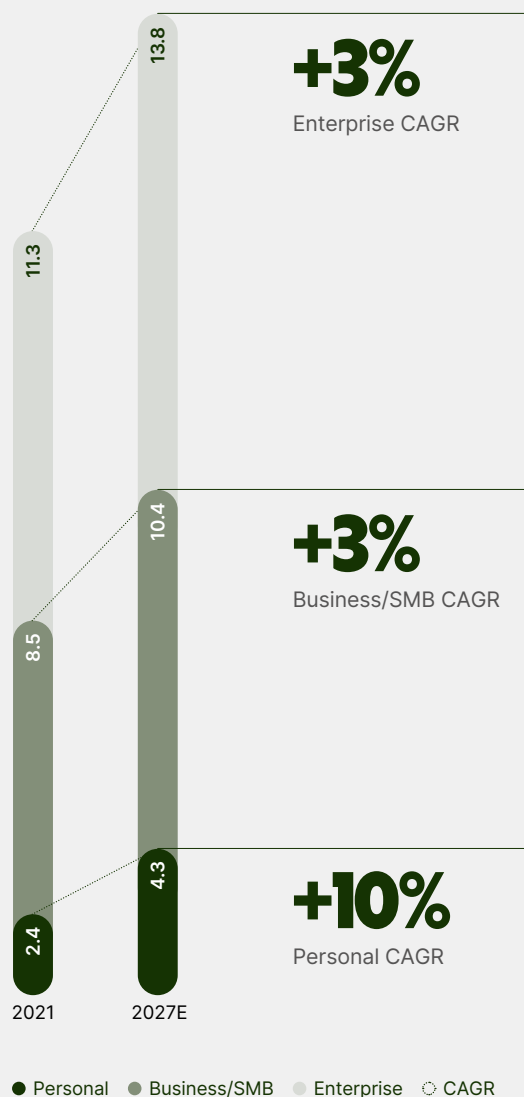
The wider payments and banking market is also facing pressure to provide more transparency for customers and fairer rates. As a pioneer of this approach we welcome this industry-wide evolution as it aligns with our mission of helping everyone move and manage their money more easily.

## THE MARKET IS HUGE AND GROWING

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

Wise is well-positioned to capture an increasing share of this market as we build our customer base in existing markets and expand into new ones.

### Global cross-border payments market volume (GBP in trillions)<sup>1</sup>



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

1. Based off data from an Edgar, Dunn & Company (EDC) report issued in 2022.

# On a mission

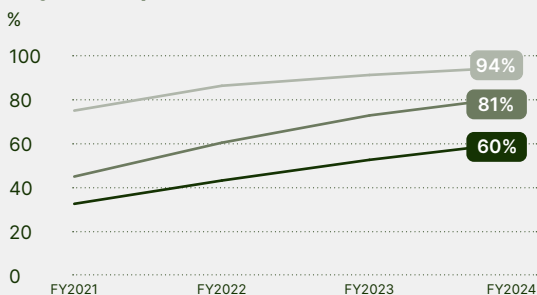
We're building the best way to move and manage the world's money. Making it faster, cheaper, easier and more transparent for people and businesses.

## Instant

The world becomes a richer place when money moves quickly, whether it's heading to a business down the street or across the globe. It should be as easy and quick as sending an email. Our super-fast network means 62% of all our transfers arrive instantly as at Q4 FY2024 (i.e. in less than 20 seconds) and we strive to make that number 100%.



### Payment speeds (%)<sup>1</sup>



● Instant % ● <1hr % ● <24hr %

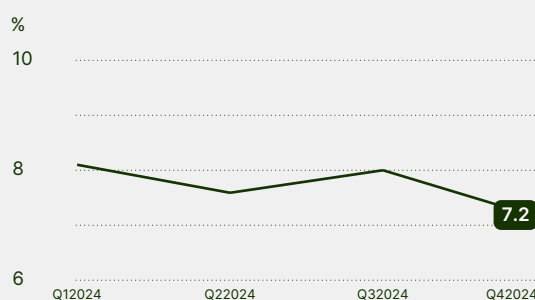
1. Average of the 4 quarters in FY2024.

## Convenient

Money should work however and wherever people need it. And with Wise, it's easy to do business, shop or stay financially connected in over 160 countries and 40+ currencies.



### Customer contact rate (%)



● % of customers that contact us



## Transparent

We're upfront about what our customers pay. No asterisks, small print or hidden fees. It isn't just about our customers either. We are working to set a better standard that pushes financial institutions to be honest, creating true transparency for everyone.



Fee comparison table on Wise.com

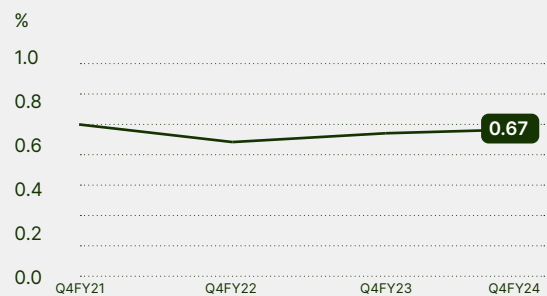
| Provider | Exchange rate<br>(1 GBP to EUR) | Transfer fee | Recipient gets<br>(Sending 1,000 GBP) |
|----------|---------------------------------|--------------|---------------------------------------|
| Revolut  | 118.391                         | 0.00 GBP     | 1,183.91 EUR                          |
| Remitly  | 118.269                         | 0.00 GBP     | 1,182.69 EUR                          |
| Wise     | 118.585                         | 4.08 GBP     | 1,181.01 EUR                          |

## Lower costs

The money our customers move and keep with us is theirs. We'll never forget that. It's why we keep our fees small and clear and always look for ways to reduce them.



### Average customer price (%)

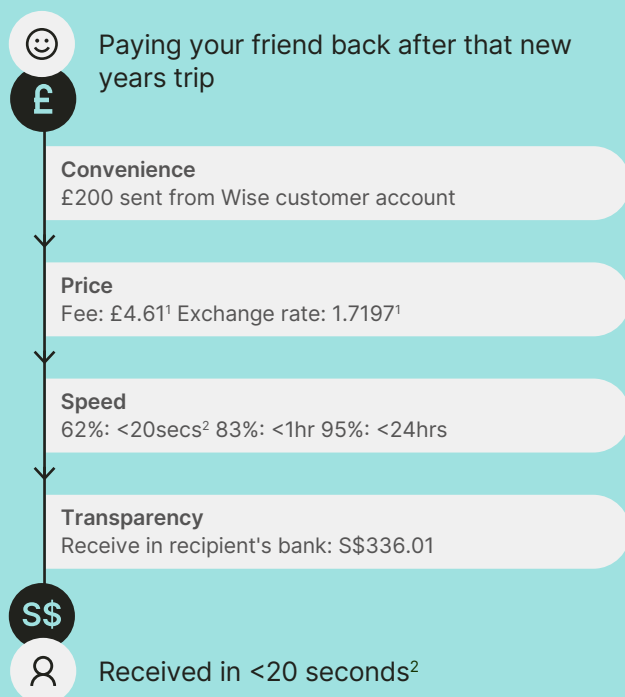


# Our infrastructure powers everything

## Wise

### 62% of payments delivered instantly

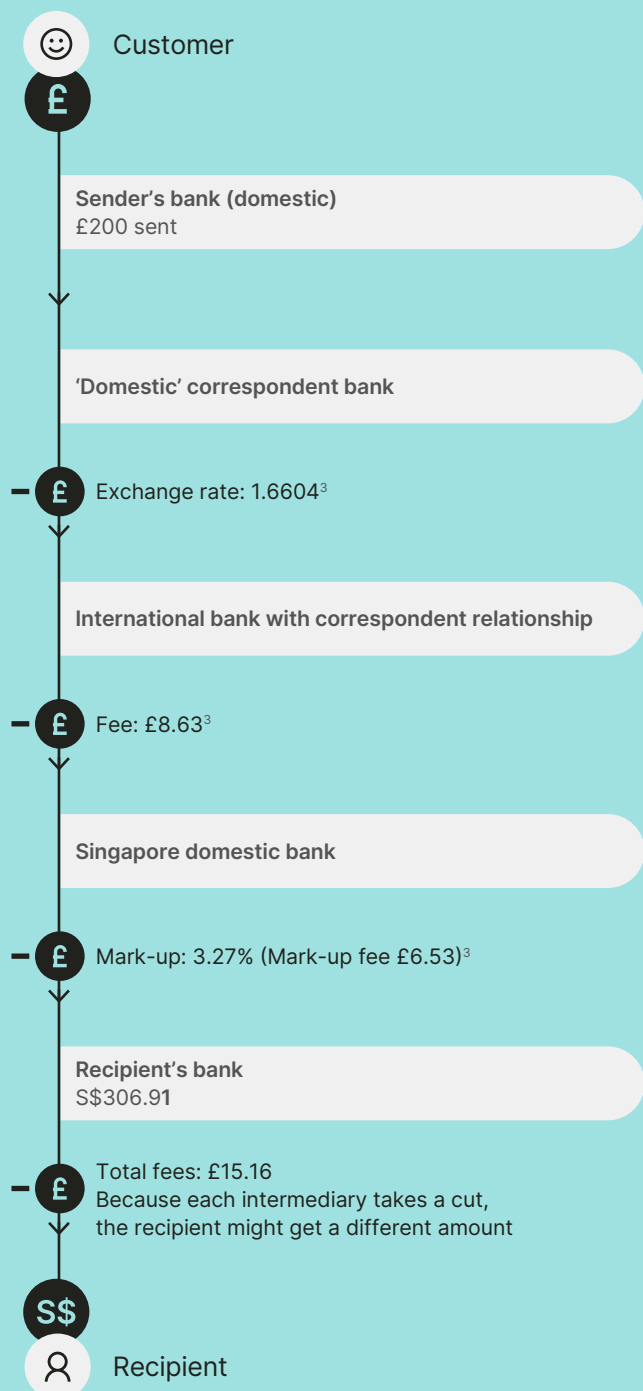
An infrastructure which outperforms traditional banks on convenience, price, speed and transparency.



## TRADITIONAL BANK

### Transfers take up to 5 business days

Opaque process and fees. Limited communication at each node. Recipient receives a lower amount with added fees and mark-ups. Recipient has limited visibility of the final amount.



1. As at 31/05/2024 for the specified currency pair GBP to SGD.

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

3. Rates and fees are an average of 4 traditional banks taken in May 2024.



## WISE EXPLAINED

### How our infrastructure works.

It's our infrastructure that enables us to make the world's money faster, cheaper, easier and more transparent. To achieve our mission, we have to solve some big structural issues in the market:

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

We looked at this problem and decided we would build a new, better network for the world's money. We're replacing the legacy correspondent banking system with a scalable alternative that directly connects local payment systems around the world without the need for intermediaries. There are a few things that allow us to do this:

#### Direct connections and partnerships

We partner with over 90 local banks and payment providers to get access to payment rails. We also connect directly to 5 domestic payment systems after we added Australia's New Payments Platform (NPP) to the list in FY2024. This allows us to process transfers end-to-end using our own infrastructure for faster, safer and more reliable transactions.

#### Licences

Regulatory licences provide us with legal authorisation to operate in different countries and markets. Securing licences for things like multi-currency accounts and cards allows us to expand our service offerings beyond just money transfers and meet the needs of a broader range of customer needs globally. We currently have more than 65 licences and are always working to get more. This year, we became one of the first international financial services companies to be granted a Type 1 Funds Transfer Service Provider licence in Japan. This allows us to process transfers of up to 150 million JPY, better facilitating business transactions in a country where cross-border transactions are notoriously expensive.

#### Card issuance

Through our partnerships with Visa and Mastercard, we have issued over 11 million cards to our Wise Account and Wise Business customers around the world. As a result of our world-first global cloud-based integration with Visa, we are also able to issue cards in new countries faster with some simple changes to our systems. This is instead of the traditional way of doing completely new integrations in each launch region.

These partnerships and technical set up also allow our Wise Platform partners to be able to issue cards to their own customers, using Wise's infrastructure. This in turn further expands the reach of our cards to more people around the world.

#### Sophisticated use of machine learning and AI models

We have invested in machine learning and artificial intelligence (AI) in various parts of our infrastructure over the last decade, including in fighting financial crime, currency flow prediction, risk management to name a few. We process over a million documents a month with this technology and our single global view of all transactions helps us continue to leverage this technology to reduce handling time and costs. With the evolving AI landscape we continue to invest more in this space to automate manual processes and provide a better end-to-end customer experience.

#### Global treasury management system

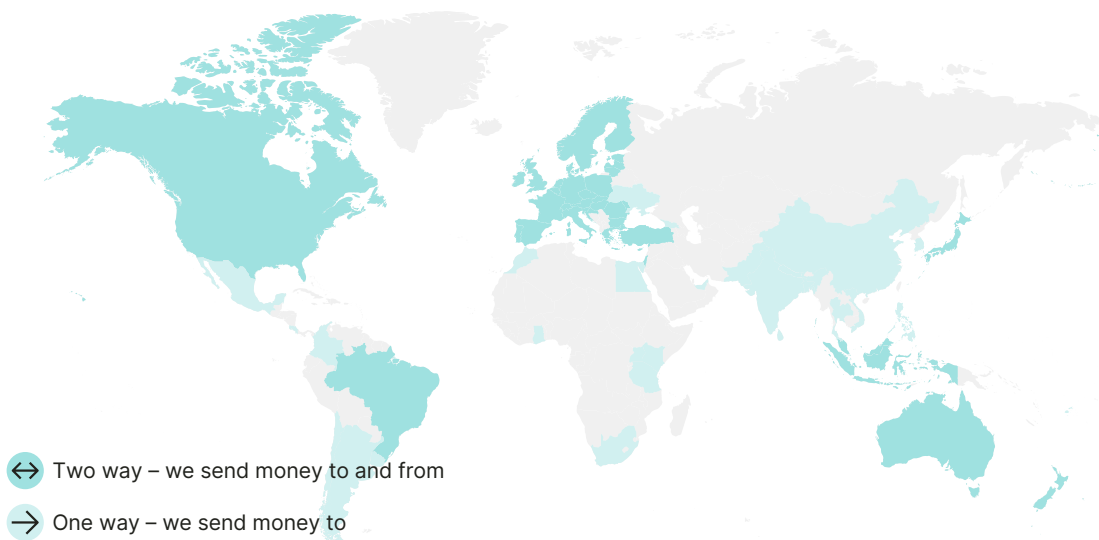
Our proprietary system provides real-time foreign exchange and liquidity positions, smart fund routing and financial risk management. We have a global view of all cash flows and requirements throughout our entire network, allowing us to make efficient liquidity decisions and cycle our funds around the world to meet different local payment system cut-off times and improve speed across the network. We've also built our own machine learning algorithms to forecast our customers' needs for various currencies.

#### There's always more to do

Our work to date means that we don't need to rely on the inefficient and outdated banking system which leaves people and businesses facing higher fees and slower service. We can deliver faster transactions for lower costs and keep developing products that our customers love, while ensuring scalability too. Our infrastructure is one of our key assets and we are continually building new partnerships, engaging with regulators, gaining new licences and using our data to make it even better.



## A TRULY GLOBAL INFRASTRUCTURE



### What makes us unique

In Q4 FY2024, our infrastructure enabled over 62% of all Wise transactions across the world to take place instantly (in under 20 seconds), and more than 90% within 24 hours. It also means we are saving our customers >£1.8 billion in FY2024 alone.

#### Global

# 65+

licences across the world

Proactive engagement with regulators globally



#### Deeply integrated

# OVER 90

partnerships with banks and payment partners

- Direct connection to 5 domestic payment rails
- Local payment processing in 160+ countries
- Mastercard and Visa card issuance partnerships
- Cloud-based connection with Visa

#### Sophisticated and scalable

# 800+

skilled engineers across over 122 teams shipping >120 releases per day

# OVER 2.5 MILLION

transactions per day

- Horizontally scalable system build with over 750 cloud-based services
- Proprietary machine learning approach to fighting financial crime

#### 24/7 support

Over

# 2,200

customer support agents split by product and language

More than

# 280

payments operators with local expertise



## Responding and adapting to new challenges

We're committed to ensuring the best for our customers and this also extends to keeping them and their data safe online. We continue to invest in all aspects of data protection and privacy, as well as ensuring we have the infrastructure and processes to be able to comply with all of our regulatory obligations around the world. That's because threats in this area can cause immense harm to our customers and our own reputation. See page 62 in the Strategic Report for more detail on our approach to risk and how we look to keep our customers safe.

As this is so important to both Wise and our customers, we're constantly monitoring the rapidly evolving regulatory landscape – alongside emerging threats – to ensure we're always up to date across all the jurisdictions where we operate.

We recognise though that there can be challenges along the way, and an example of this was the Office of Financial Sanctions Implementation (OFSI) breach that was made public in August 2023. We identified and self-reported a £250 ATM withdrawal in June 2022 that had been made by an employee of a business owned by a sanctions-designated individual. Our system caught the transaction early, and we took immediate steps to implement changes needed to avoid this type of transaction moving forward.

This event might have involved a comparatively small amount of money, but we took it very seriously – it was a matter of trust, and we're utterly committed to ensuring that all our day-to-day operations comply with all regulatory requirements.

## Incremental development

We also continued to level up our infrastructure during the year as we focused on improving what is already a very strong global offering.

One new relationships we forged in FY2024 was with Swift, which is supporting an innovative new correspondent services solution.

We talk more about the development of our products further in the report.



## Q&A WITH HARSH SINHA, CHIEF TECHNICAL OFFICER

### Q. What's the key difference that sets Wise's infrastructure apart from the competition?

The key difference and our competitive advantage is the infrastructure we are building by connecting directly to local payment systems across the world. Where we don't have the direct connections yet, we have built a heavily redundant partner network of over 90 partners that give us the ability to push for lower prices and optimise payment routing based on partner performance and speeds across the world. The final bit is our global scale, where we operate this network over 160 countries and service customers 24/7. This includes also having regionally focused compliance and operations teams that understand local customers' behaviours and regulatory requirements.

### Q. What do you see as the biggest steps forward you made over the past year?

- Our direct connection into the Australian New Payments Platform. This allows Wise to improve our pricing and speed in and out of Australia
- The obtaining of our Type 1 Funds Transfer Licence in Japan which means our customer's single transaction limits were increased to 150 million JPY
- We also launched our Correspondent Services product which allows Wise Platform partners, like large banks, to integrate easily with the Wise network with a few configuration changes to add Wise as a correspondent using Swift

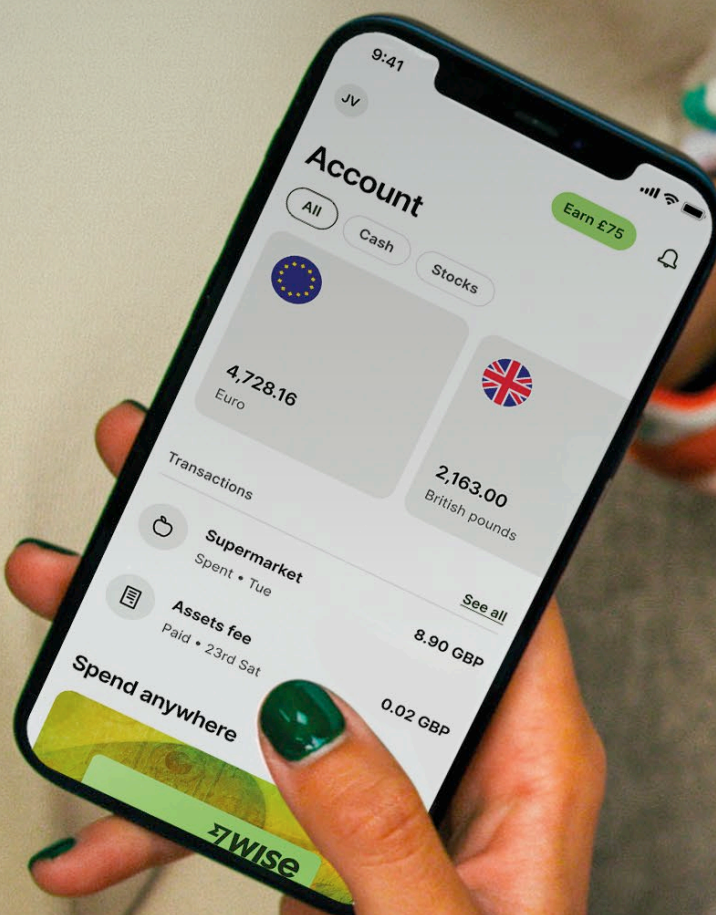
### Q. What do you think is the most important focus area for the year ahead?

Continuing our progress to integrate directly with more local payment systems. When we do this, we are able to offer faster and cheaper transfers for our customers which is core to the success of our mission.



# THE WISE ACCOUNT

Why our customers love the account





## The Wise Account is our product for people.

Our global solution for managing cross-border financial needs, the Wise Account, is increasingly popular with people who want to send, spend and get paid with more speed, transparency and convenience. With over 12 million active customers across the world, the Wise Account makes up around half of cross-border volume. Nearly half of our customers also use multiple features, while a fast-growing proportion see it as their primary account. Today, we hold over £7.9 billion in customer deposits in the Wise Account.



# 62%

of transfers made are instant

# +13%

Cross-border volume

# +29%

Active customer growth



# 66

Net Promoter Score (NPS)



## NEW FEATURES

### More streamlined process

Adding money to Wise accounts has been streamlined, cutting the number of steps required in half. Payment methods are saved for quicker transactions in the future.

### We launched Wisetag

A quick and easy way for personal customers to send, request and receive money to and from other Wise users.

### Direct sending of funds 'jar'

Funds set aside in a 'jar' can now be sent directly without needing to withdraw them first to your balance, and the amount on repeat transfers can be edited easily.

### In-app card order amendments

Customers can now amend card orders within the app, including changing the delivery address or opting for express delivery, even after the card has been shipped.

### Boosting USD balances

Customers in Germany, Norway, Sweden and Hungary can now boost their USD, EUR and GBP balances through our Wise Assets Interest product. Returns are generated through investments in low-risk funds comprising government-backed assets.

### Improved accessibility

The Wise Account interface now supports Simplified Chinese, making it more accessible to Chinese-speaking users.



## Q&A

with Nilan Peiris,  
Chief Product Officer

### What is it about the Wise Account that customers love the most?

Customers love the transparency, low cost, speed and ease of our Wise Account. It is the one account for customers to hold, grow, send, spend and receive like a local while leading international lives.

Our customers in the UK and Europe value being able to hold their funds in safe, government-backed assets through Wise Assets 'Interest' and earn transparent, industry-leading returns in EUR, GBP and USD – all with instant access on their funds at any time.

**What developments during the year have done most to increase value for customers?** Over the past year, we have made it easier for new customers to onboard to the Wise Account and add money in a single step. For example, with Wisetag, customers now have a quick and simple way to send, request and receive money from other Wise customers.

**How big a role is Wise's interest income playing in attracting new customers to the Wise Account?** We always think about how we use customers' money to make a better product for them. With interest rates going up, we launched products so our customers could earn a return on the money they hold with us. To date, we have over £13 billion of customer balances at Wise – and that earned £485 million in interest for which we returned around £125 million through our cash back and US interest products to our customers. We don't view interest as a standalone product and we want to return as much as possible to customers in line with our framework, especially in the current high interest rate environment.

### How many new Wise Account customers did you acquire during the year?

In FY2024, over 3 million customers joined us to send, spend, get paid and save money with Wise.







## Bridging borders

Since moving abroad in 2016, Daniel has regularly transferred money between Brazil, Italy and the UK to support himself and his family.

Traditional money transfer services left him frustrated with delays, hidden fees and limited accessibility.

Before Daniel discovered Wise, weekends were often spent waiting for transfers to clear. "I used Western Union and MoneyGram," Daniel explains, "but waiting 24 hours to access funds from accredited outlets was so stressful. And during holidays, it was impossible to transfer money." He also struggled with the high fees when withdrawing directly from his account.

### Building a lifeline

Discovering Wise changed everything. It marked a significant turning point, allowing Daniel to instantly transfer money from his parents in Brazil to the UK whenever he needed extra funds to help with living expenses and, more recently, medical treatment.

The Wise mobile app adds another layer of convenience and security. "It is not just a tool – it's a lifeline," says Daniel. "It goes beyond saving me time and money. Wise gives me much-needed peace of mind, knowing that my transfers are safe and secure."

**"I use Apple Pay with the app, and the transactions are so quick. Sometimes the app says the transfer will take a couple of hours, but then I get a notification that the money's already available – Wise even surprises itself!"**

Wise has become essential to Daniel's life, allowing him to stay connected to his family financially and reducing the hassle of international money transfers. As a loyal customer, he recommends it to everyone in his network, and he's excited about the future. "Wise continues to evolve, and I can't wait to see what will benefit customers like me next."



**Daniel**  
Customer for >7 years

# WHAT OUR CUSTOMERS THINK



# WISE BUSINESS

Delivering value to businesses







## Q&A

with Surendra Chaplot,  
Product Lead

### Q. How does Wise Business help companies?

We help businesses grow internationally by offering a cost-effective, secure and simple way to manage money globally, as well as hold and grow their money in our international account.

In the past year, we made it easier to receive money in 9+ currencies with Wise Invoicing. This simple tool allows businesses to generate and track invoices, and get paid via local bank transfers, Swift and cards.

Businesses in the UK and Europe can now also hold their money in GBP, EUR and USD in government-backed assets. Our Wise account helps customers keep their money safe and earn transparent industry-leading returns while having complete access over their funds to send and spend anytime.

Finally, businesses can now batch approve all transfers in one go – allowing them to pay their employees or suppliers at high speed with high security. All of these changes continue to help businesses operate like locals, no matter which country they are in.

## Our Wise Business account helps small and medium-sized businesses across the world focus on what matters most to them: growth.

An increasing share of our 625,000+ business customers – and the 20,000 businesses that join them every month – trust Wise with their day-to-day finances. Over £5.4 billion of business deposits are held at Wise, with our customers using our app to manage their funds, receive payments and make payments to employees and suppliers. Our business customers sent or spent a total of £2.6 billion every month in FY2024, growing our business cross-border volumes by 12%.

We were pleased to reopen Wise Business onboarding for new customers in 13 European countries after pausing our services in 2023 until we could scale customer support to the right level. Now, customers can open a Wise Business account with auto-verification for new businesses, cutting account set-up times.

### Number of active customers in FY2024

# 625K



UP  
20%  
YOY

# £9T+

moved cross currency annually by SMBs<sup>1</sup>

# <1%

SMB market share<sup>1</sup>

1. Based off data from an Edgar, Dunn & Company (EDC) issued in 2022.

# 30K+

businesses trust Wise to pay out Amazon earnings



## IMPROVING WISE BUSINESS

### Launchpad

A new service designed to help more customers use additional product features and get the most out of our products.

### Batch payments

Batch payments now make it easy to fix any errors when creating and sending multiple payments in one go to customers, employees, freelancers, suppliers and investors across the world.

### Wise Business card

The ability for business owners and managers to assign team members the role of employee, so they can spend with the Wise Business card.

### Business account overview

Easier ways for authorised administrators to see, find and manage all cards linked to the business in a single overview.







## How a pet project is going global with Wise Business

Danish entrepreneur Simon Treulle was in his early 20s when he saw the opportunity to express his love for animals while building a highly successful and profitable global e-commerce business for pet-owners.

Today, Singapore-based Pangolia operates various sub-brands including cat-furniture business Hepper, and the Excited Cats and PangoVet information hubs.

Each of Simon's businesses use Wise Business for their payments.

As Simon says,

**"I chose Wise because it's very easy to use, we save money and it's perfect for paying a remote team."**

### A better option than the 'traditional' approach

Going with Wise Business was an easy decision for him, having initially experienced the high fees and slow, bulky user experience of a traditional bank's approach to personal finance shortly after his move abroad. After shifting his personal banking to Wise, it was a natural step to choose Wise Business too.

And it's proven to be the right move. "We work closely with suppliers to ensure our products meet our high standards," he says. "Wise plays a significant role in facilitating these transactions."

He highlights a particular feature that he loves – the batch payments tool – which enables him to pay all 110 remote team members in a mix of currencies, including USD, Philippines Pesos and Mexican Pesos, by uploading just one spreadsheet.

Thanks to this, Pangolia has saved an estimated \$70,000 on sending money abroad in just one year. And that's even before considering the company's use of Wise debit cards, where pre-set approvals and spending limits are saving the team valuable time – and therefore money too.



**Simon**  
Customer for >4 years

# WHAT BUSINESSES THINK



# WISE PLATFORM

Forging strong partnerships





## Empowering partners to build global payment solutions

Wise Platform is our market-leading global payment infrastructure for banks, financial institutions and enterprises around the world. Wise Platform provides these organisations with the capabilities, technology and network to enable fast, secure and cost-effective international payments for their customers directly within their own platforms.

Our network is supported by 5 direct connections, 65+ licences and 90+ banking partners with customers being able to access 40+ currencies across 160+ countries.

That's why some of the world's most recognised brands, including Google Pay, Monzo, Nubank, Bank Mandiri, Brex and Ramp are choosing us to power their international payments.

With one simple integration, these organisations can leverage our unique infrastructure to offer their customers the speed, efficiency and transparency of Wise without the need to rebuild their own systems. An integration with Wise Platform can be up and running quickly and seamlessly, with many of our partnerships ready to launch within weeks.

This year, we continued our progress towards becoming the chosen FX partner for banks and enterprises everywhere. In addition to launching our Correspondent Services solution (more on that in the Q&A), we expanded our footprint around the globe, with the launch of our partnerships with Bank Mandiri in Indonesia and Nubank in Brazil, as well as an expansion of our integration with N26 in Europe.



## Q&A

with Steve Naudé,  
Managing Director of Wise  
Platform

**Q. How is Wise Platform's collaboration with Swift making a difference to customers?** We announced our collaboration with Swift in September 2023 to increase the options banks and financial institutions have when making cross-border payments. We help these organisations leverage the fast, secure and reliable global infrastructure Wise Platform provides, without needing to undertake a large technical project.

We do this by streamlining how these financial institutions connect to Wise Platform – using the Swift-based rails and messaging they're already connected to. This is helping banks all over the world meet increasing customer demand for faster, lower-cost and more transparent international payments.

Correspondent Services was launched at Sibos 2023, with Kristo Käärmann, Wise CEO, appearing on stage with Javier Pérez-Tasso, CEO of Swift, to discuss leadership in international payments.

Wise and Swift also share mutual goals that are directly aligned with both G20 and UN Sustainable Development Goals on the speed, transparency, cost and access of cross-border transactions.

**Q. What sets Wise Platform apart?** The quality of our infrastructure. It's fast, reliable, proven and operating at scale. We have a team of over 5,500 people building it, and today more than £118 billion moves through it annually.

And now we're able to leverage our payments expertise, strength and speed of our network to offer banks, fintechs and global enterprises the opportunity to embed a world-class payments experience within their own apps and platforms. Not only does an integration with Wise Platform significantly cut the capital expenditure and time required to modernise cross-border payments infrastructure but it also drives customer loyalty and retention in a world of growing consumer choice.



**32**  
new partners  
this year



**85+**  
Platform  
partners

Partners from

**13**

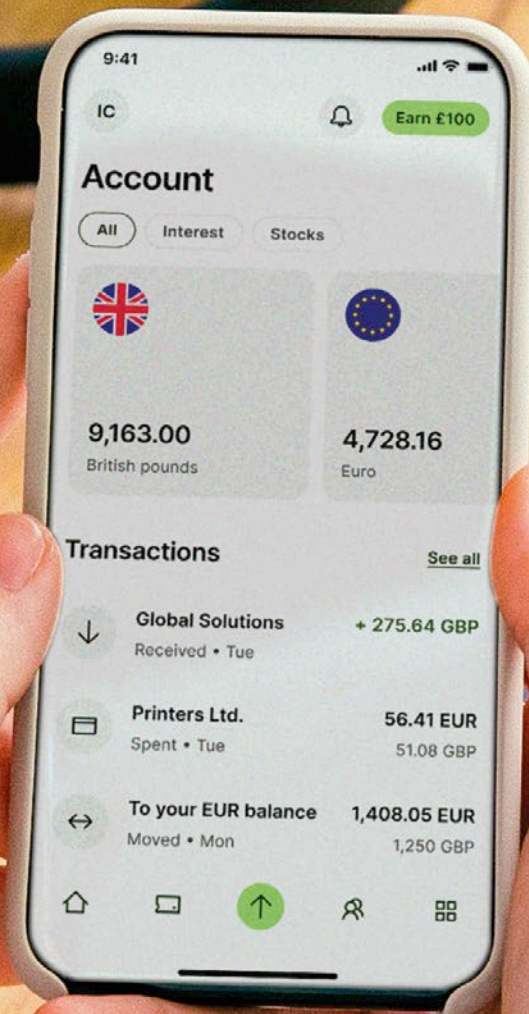
different countries  
added in FY2024

We help our partners  
send to and receive  
from over

**160**

**COUNTRIES**







## Connecting people across borders with Bank Mandiri, the largest bank in Indonesia with 35 million customers

In early 2023, Wise Platform partnered with Bank Mandiri, Indonesia's largest bank by assets with 35 million corporate and retail customers, to offer Indonesians access to quick, low-cost and transparent international transfers.

Through its Livin' mobile app that is used by 23 million customers, Bank Mandiri offers customers a fast and easy way to save and spend money. But with growing competition, the Indonesian bank realised it had to find a smarter and faster way to help its users transfer money around the world.

"We found that customers were looking for us to provide remittance services", explained Rolland Setiawan, VP of Micro Funding & Remittance Services at Bank Mandiri. "But we also found they didn't just want a remittance service – they wanted quick, secure, easy and affordable transfers too".

Bank Mandiri found the answer in Wise Platform: a solution that could be easily integrated into its existing app and infrastructure.

### **Saving time. And money.**

Wise Platform's easy-to-integrate API has helped Bank Mandiri put a seamless cross-border remittance service in place for their customers quickly. And the results speak volumes.

Backed by Wise's industry-leading currency transfer service, since the start of our partnership the Livin' app has seen a 20% increase in monthly transaction frequencies and 24% growth in registered users.

Transaction speeds are also up, with 66.4% of all remittance transactions through the Transfer Valas feature in the Livin' app being completed within seconds.

"But it's not just the speed of the currency transfers we offer that has proven to be popular with the bank's customers", Rolland explained. "Price and convenience are also top-of-mind values among our customers. As more customers continue to transact and manage money internationally, it's critical for banks like us to unlock informed choices for customers and be upfront about how much customers are paying with no small print. Now, thanks to the Wise Platform integration, when our customers use the Livin' mobile app to make overseas payments, they take advantage of Wise's competitive mid-market rates and transparent fees. They can see exactly how much will be sent to the beneficiary and what they're paying for the transfer."



**Bank Mandiri**  
Partner for >1 year

# WHAT OUR PARTNERS THINK



# Scaling up to deliver our vision



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

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

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

In 2011, we started by building the infrastructure needed to send money from one country to another. Guided by our customers' feedback, we've built more products they need and love. Today, with their Wise accounts, people and businesses can send, spend and hold money in over

40 currencies, receive money using domestic account details, and use a debit card to spend like a local. And via Wise Platform, we're also able to offer people and businesses this same Wise experience through their local bank.

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

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

### Infrastructure that sets us apart

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

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



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

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

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

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

## Delivering products and features our customers love

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

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

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

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

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

## Championing price transparency

Recent regulatory changes in the EU and warnings from the US consumer protection body, the Consumer Financial Protection Bureau (CFPB) to operators in the US are a big step forward towards bringing price transparency to life for consumers and businesses around the world. These changes are recognition of the value that clear and honest communication has for customers.

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

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

## Investment in growth is paying off

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

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

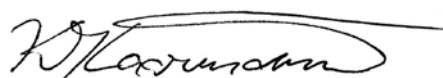
After spending what is required to provide our services, we reinvest back into the growth of the business through marketing, better service, more products and infrastructure, and lower prices. All of which contributes to customer growth over time.

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

Read Kingsley's CFO review on page 36 for more details of our financial performance.

## Onwards

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



**Kristo Käärmann**  
Co-founder and CEO

1. Based off data from an Edgar, Dunn & Company (EDC) report issued in 2022.

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

## Our resources power our growth



## How we invest to create value

### Our products

- Make it easier for international people and businesses to move and manage money
- Serve individuals and small- and medium-sized businesses (SMBs) through our Wise Account and Wise Business products, and also through our Wise Platform partnerships

### Our infrastructure

- A sophisticated, scalable system
- An extensive 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 5,500 Wisers all over the world are motivated by our mission
- Diversity, equity and inclusion is central to our people strategy

**TO BUILD  
MONEY  
WITHOUT  
BORDERS**



**Offer better  
products  
that  
customers  
love and  
recommend**



## Value created for stakeholders



More customers



Invest in product and engineering  
Invest in marketing  
Invest in our teams and operations



Increased income and gross profit



Value for owners



Customers

# 12.8M

people and businesses actively using Wise during the year

# C.£1.8B

saved by customers using Wise compared with traditional banks



Owners

# 34.20P

earnings per share, a 197% increase on FY2023



Wisers

# TOP 25%

of the tech company benchmark<sup>1</sup>, when Wisers asked if they would recommend Wise as a place to work

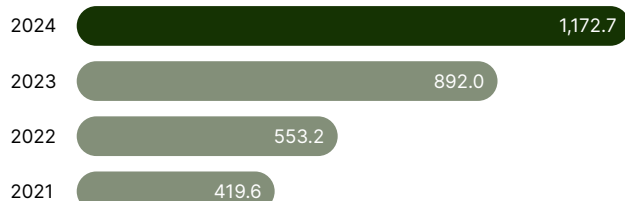
1. Based on a survey undertaken in Q4 FY2024 that is benchmarked against technology companies that use Peakon.



# Another year of outstanding performance

## Underlying income\*

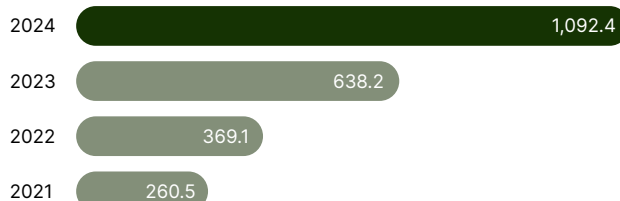
### £1,172.7M



Underlying income increased by 31% to £1,1172.7 million in FY2024, driven by the growth in multi-feature customers and overall volumes.

## Gross profit

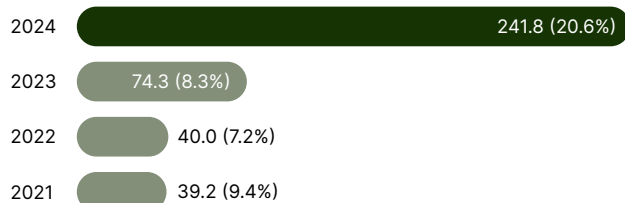
### £1,092.4M



Gross profit increased 71% YoY to £1,092.4 million in FY2024 from £638.2 million in FY2023. This was a result of both our increased revenues as well as control over our cost of sales through improved processes and controls around areas such as FX and customer chargebacks.

## Underlying profit before tax (and margin %)\*

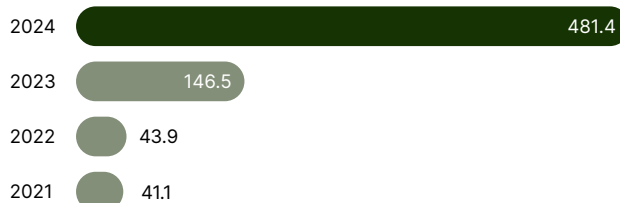
### £241.8M (20.6%)



Our underlying profit before tax has increased 225%, with the margin increasing from 8.3% to 20.6%. This is due to the combination of both increased revenue and interest, as well as efficient cost management.

## Profit before tax

### £481.4M



Profit before tax increased significantly to £481.4 million, an increase of 229%, as we maintained our disciplined approach to expense management while the business grew strongly.

## Cross take rate

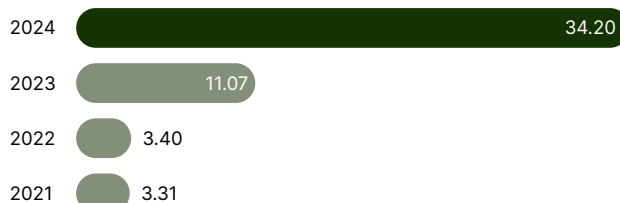
### 0.67%



We saw revenue increase to £1,052.0 million, a rise of 24%, supported by a 2 basis points increase in the 'cross take rate' driven by the growth in customers and volume.

## Earnings per share

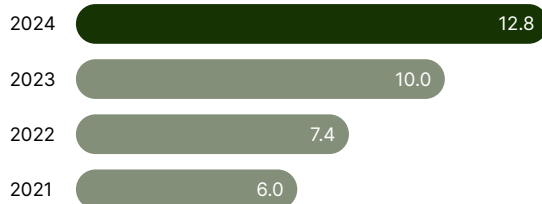
### 34.20P



Our earnings per share increased by 197% to 34.20 pence.

### Active customers

# C.12.8M



Our number of active customers grew 29%, from c.10.0 million to 12.8 million, with 5.4 million new customers joining during the year. Active personal customers grew 29% to 12.2 million, while active business customers increased by 20% to 0.63 million.

### Volume per customer

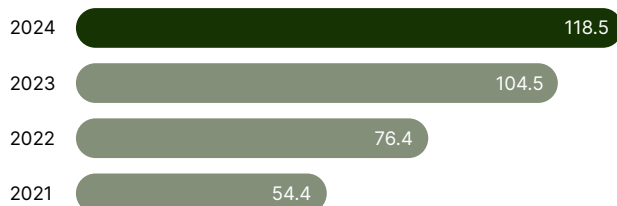
# £9.2K



While overall volumes grew by 13%, the average volume per customer reduced by 12% to £9,232 over the year. The success of the Wise Account has led to many customers using the card-only for their cross border needs and this typically has a lower level of volume per customer, reducing the average year on year. See the CFO report on page 36 for further detail on what is driving this change.

### Cross-border volume

# £118.5B



Cross-border volume increased by 13% to £118.5 billion, with personal volumes growing by 14% to £87.2 billion and business volumes increasing by 12% to £31.3 billion.



# Customer-led investment and growth



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

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

## Basis of presentation

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

This change of reporting consists of:

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

## Underlying profit before tax

As disclosed in our RNS in May, we have made a change in the presentation of our financial information to provide a clearer presentation of Wise's core business performance and longer-term growth trajectory. The condensed table below summarises this change for FY2024 and for a detailed description and reconciliation you can refer to our Alternative Performance Measures (APMs) on page 165.

|   | 2024           | 2023         |
|---|----------------|--------------|
| <b>Revenue</b>                              | <b>1,052.0</b> | <b>846.1</b> |
| Interest expense on customer balances       | –              | (3.7)        |
| Underlying interest income (first 1% yield) | 120.7          | 49.6         |
| <b>Underlying income</b>                    | <b>1,172.7</b> | <b>892.0</b> |
| Cost of sales                               | (307.4)        | (308.2)      |
| Net credit losses on financial assets       | (12.5)         | (17.8)       |
| <b>Underlying gross profit</b>              | <b>852.8</b>   | <b>566.0</b> |
| Net expenses and other income               | (590.5)        | (481.0)      |
| <b>Underlying operating profit</b>          | <b>262.3</b>   | <b>85.0</b>  |
| Finance expense                             | (20.6)         | (10.7)       |
| <b>Underlying profit before tax</b>         | <b>241.7</b>   | <b>74.3</b>  |
| Interest income above the first 1% yield    | 364.5          | 90.6         |
| Benefits paid relating to customer balances | (124.9)        | (18.4)       |
| <b>Profit before tax</b>                    | <b>481.3</b>   | <b>146.5</b> |

## More customers, more growth

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

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

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

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

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

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

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

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

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

The appeal of the Wise Account has driven customer growth and the value of these customers is noticeable. Within a quarter, Personal Wise account customers generate on average c.25% more underlying income than Personal customers who only complete cross-border transfers. For Wise Business account customers it's even higher at c.100%. Account customers tend to be more active over time with longer lives too.

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

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

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

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



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

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

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

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

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

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

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

## We remain highly profitable and well capitalised

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

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

As per our interest income framework, of this £364.5 million of interest income, it is intended for 20% (£72.9 million) to be retained while aiming to return the remaining 80% (£291.6 million in FY2024) to customers. We partly achieved this with £124.9 million being paid to customers in the year, leaving £166.7 million being incidentally retained, the majority of which relates to the UK where we are currently unable to pay interest to Wise Account holders under the terms of our licence.

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

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

We are well capitalised for the future and as at 31 March 2024, our Group eligible capital was £870.4 million, including the now audited FY2024 profits, significantly above our minimum regulatory capital requirements.

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

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

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

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

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

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

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

The other 80% will be returned to customers where possible. In FY2024, 35 percentage points (ppts) of the 80ppts were paid to customers. We were unable to return the other 45ppts for several reasons including where the deposits are in jurisdictions where we're unable to pay interest for regulatory reasons (eg the UK, c.30ppts), where we do not yet pay interest on all currencies, and in some geographies such as the US where customers are required to 'opt-in' to receiving interest but have not yet done so. Where customers do not currently receive interest on their balance, our priority is to launch and promote our Assets Interest product, which provides a market rate of interest, while still providing all of the other benefits of the Wise Account. This option is currently available for UK, EU and Singapore customers.

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

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

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

## Growing fast and increasingly profitable


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



**Kingsley Kemish**  
Chief Financial Officer (Interim)

13 June 2024



A man and a woman are sitting together, looking at a laptop screen. The man is on the left, wearing a blue denim jacket over a white turtleneck. The woman is on the right, wearing a patterned sweater over a white collared shirt and glasses. They are both smiling and looking at the laptop. The background shows a window with a view of a city skyline.

**PEOPLE ARE  
CENTRAL TO  
THE SUCCESS  
OF WISE**





## Q&A WITH ISABEL NAIDOO, HEAD OF PEOPLE

**Q. What makes the Wise culture special?** Global team. Global mindset. We're truly global in who we are, how we work, and how we build. This means our colleagues work in diverse teams with people from all over the world solving global problems.

We are mission driven. Everything we do is centred around creating a world of money that's fast, easy, fair. And open to all. This means our people have purpose in the job they do, they learn at speed, and they see the impact they have.

We are all owners. Everyone owns a piece of Wise: from the work they do to the stock they hold. This means they're empowered to make decisions, and they share and receive meaningful feedback to help get things done.

**Q. As a team, what were some of your highlights in FY2024?** We focus on inclusion, and it shows. Wise consistently scored in the top 5% of the tech company benchmark on inclusion in our engagement surveys this year. It's a fantastic tribute to our culture and our ongoing work on diversity, equity and inclusion.

Wisers also scored us in the top 25% of the tech company benchmark when asked if they feel inspired by our purpose and mission. This is really reflective of our mission-driven culture and demonstrates employees' strong alignment to our purpose.

A key highlight for me this year was bringing people together for our Mission Days event. This is when we share how we're delivering against the mission every 6 months. It is an amazing opportunity for our teams to build connections and an event that I'm hugely proud of.

**Q. How have you continued to optimise how you work and build an irresistible employee experience?** We are building more of a product-like approach in our People team, where we are attuned to customer needs, working cross-functionally, prioritising for impact and building at speed, constantly iterating.

We continue to co-create our plans across our teams using design thinking to ensure we are putting our colleagues front and centre of our solutions. Our Programmes and Experience team has become the epicentre of how we plan for work, how we sequence major programmes, and of course how we measure them and communicate about them internally and externally.

**Q. What is your focus for FY2025 and beyond?** Our focus remains on three key areas: building skills for the future to enable growth; creating an irresistible employee experience to enhance our customer experience; and optimising our ways of working to deliver at speed.





## 4 CORE 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 Wisers help us build a world where money exists without borders. As a global team with a global mindset, we are continually innovating to support our customers.

The diversity, drive and problem-solving capabilities of our Wisers are essential to our mission. Their skills and persistence help us build great products, deliver lightning-fast services and continue to grow our presence across our global markets.

**5,500+** people  
**125+** nationalities  
**11** key global locations

### Our mission is our culture's beating heart

Our culture is driven by our mission and underpinned by our 4 core values. They shape how we communicate and engage with customers, and show Wisers what we expect from them. We're building the best way to move and manage the world's money and fighting for fairer finance transparency. It's important everyone shares our goals and feels genuinely invested in our purpose.

Our employees all share in the responsibility of making Wise a success and every individual is offered stock, as a way to share the value in our growth. Wisers are empowered to solve the most urgent and relevant problems they see for our customers. And it shows. Wise scored above the tech company benchmark in our employee engagement survey on how our work contributes to positive outcomes for our customers.

Regular feedback is also critical to our ways of working. Teams from across the organisation contribute to our quarterly planning process. They take ownership in providing feedback on how we can improve the experience for our customers, from those who are closest to them. Feedback helps us iterate and improve. For our customers and our Wisers.

### Mission Days

Our bi-annual Mission Days give Wisers a chance to reflect on how we are progressing against our mission; what we have achieved so far and where we need to focus in the future. The customer experience is central to our mission. That's why we host customer panels at these events, to have direct, honest conversations to find out how we can better solve real problems for them.

Mission Days are also an opportunity for our Wisers to connect and collaborate across locations, build stronger global teams and embed our culture. That in turn helps us to build a stronger global product.

In June 2023, we brought together over 3,000 Wisers across 9 global locations and hosted local watch parties, extending the sense of community beyond our main event in Tallinn. We were honoured that Wise Mission Days were recognised in the Sustainability category of the Best Event Award at Italy's Bea World Festival 2023.

In January 2024, we hosted simultaneous regional hub conferences in Tallinn, Singapore and Austin. These events deepened regional relationships and gave Wisers a chance to come together to focus on improving our local market product offering.

### Strengthening our employee experience

We're shaping the future of international payments and our people help make this a reality. That's why we are creating an irresistible employee experience that helps us attract, develop, engage and retain top talent. Our work to date means our voluntary attrition level is well below the benchmark of global tech companies – and has earned us a place on lists such as Austin's Built In Best Places to Work and Estonia's Attractive Employer Award.

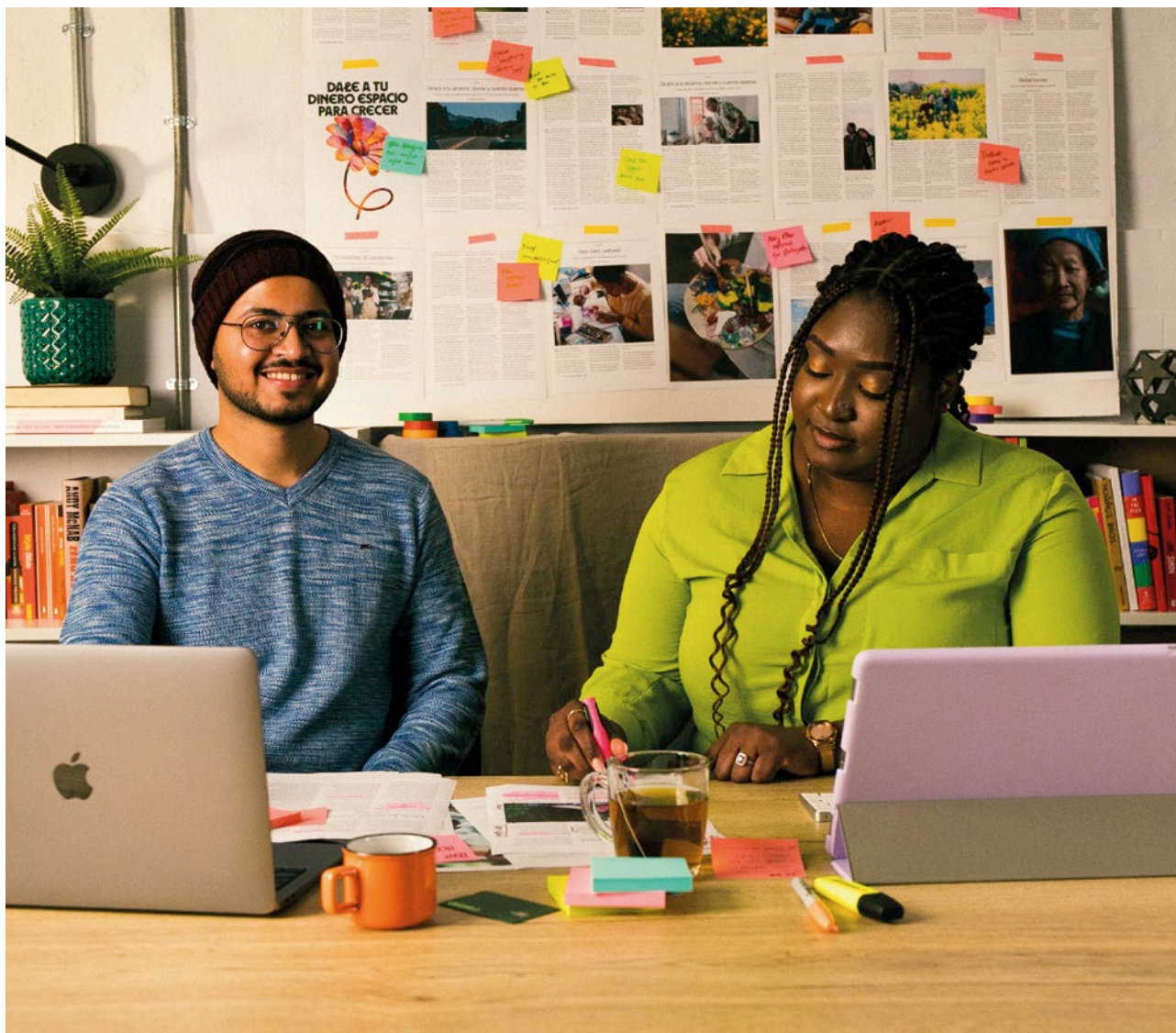
### Improving the candidate experience

We don't only want the best experience for our current employees. We want future Wisers to have an irresistible experience too, starting before they join. That's why this year we invested in improving the candidate experience, introducing a new applicant tracking system in March 2024.

This will mean:

- More efficient recruitment processes, using automation and AI features to make the candidate experience faster and more flexible
- Better visibility of business needs thanks to integration with our HR information system, which offers more connected forecasting and a quicker pre-hire process with less manual data entry
- Access for leaders to robust analytics with relevant, real-time insights and quality data about business needs

This will drive efficiencies to help us recruit at pace and achieve our global growth ambitions.



## Listening to our people

Customer feedback is vital in helping us improve our products and celebrate our strengths. And our employees' voices are just as valuable in helping us make sure we're creating a good experience and understanding how we can make Wise an even better place to work.

In FY2024, we implemented a new engagement tool, Peakon, to host our now bi-annual employee engagement survey, WiserPulse. The platform offers managers real-time responses and auto-generated insights that can inform immediate action, reducing the delay in accessing important data about their teams' engagement.

The rich feedback gathered through Peakon has already helped us take action. Our first survey on the new platform was launched in September 2023 with a 91% participation rate. In the subsequent survey in March 2024, we maintained above benchmark participation and recorded an improved overall engagement score.

Our participation rate is 8 percentage points higher than our benchmark of technology companies, and our overall Employee Net Promoter Score (eNPS) puts us in the top 25% of our benchmarked competitors. Even more encouragingly, our inclusion score puts us in the top 5%.

## Measuring our progress

Our people plan is built on a three-pronged strategy: building skills for the future, creating an irresistible employee experience, and ensuring our ways of working are optimised.

To understand how well we're delivering on these points, we use a People Scorecard to evaluate metrics including training coverage, attrition risk and representation. This scorecard is shared with the Board on a quarterly basis.

In FY2024, Non-Executive Directors of the Board have continued to host engagement sessions with Wisers across a range of locations, teams and tenures. These sessions, alongside the People Scorecard, ensure the Board better understand Wisers' on-the-ground experiences.

### Board engagement sessions with Wisers

**67**  
attendees

**3**  
locations



## Global, flexible and connected

Wisers represent 125+ nationalities, and 46% of our organisation live and work in a country that's different to their nationality. Like our customers, they've been shaped by the places where they live, work and travel.

It's important that we strike the right balance of flexibility and connection for our growing, global team. For coaching, community and collaboration-centred work, such as supporting new joiners, we encourage office-based workdays to keep our connections strong. To support productivity, we invested in new spaces in the US and Japan that have better facilities, strong security and provide a better on-site Wiser experience.

Wisers have a work from home allowance and can access workplace safety checks and collaboration tools wherever they work. Our Mobile Wiser programme also offers employees a chance to work from (almost) anywhere in the world for up to 90 days each year.

# 1,870

**Wisers took advantage of our Mobile Wiser programme in FY2024**

## Protecting Wiser wellbeing and safety

We cannot build a better business, and have a positive impact on the financial sector, without prioritising our people's wellbeing and safety.

We encourage Wisers to take advantage of our wellbeing support on offer, such as:

- Enhanced parental leave and 'me' days
- Employee assistance support from in-house mental wellbeing champions and external providers
- Benefits to support health and financial wellbeing
- Local social and physical wellbeing activities and team get-togethers
- Flexible working times and location

We completed a detailed review of our wellbeing offering in FY2024 to ensure it addresses Wisers' needs. We also introduced wellbeing questions to our engagement survey to better understand where our people need support on an ongoing basis. In FY2025, we will focus on improving utilisation of our wellbeing initiatives and strengthen our offering, particularly around financial wellbeing.

In FY2024, we also completed a global health and safety compliance audit across all our global hubs, with no major findings to report.

## Diversity, Equity and Inclusion (DEI)

Our mission to build a world of money without borders is inherently inclusive. Just like our customers, our Wisers are from every part of the world, so they reflect the diverse communities we serve every day. Transparency is also deeply important to us, so we are honest about our pace of progress, the challenges we face and how we're working to overcome them.

We currently rank in the top 5% of global technology businesses for inclusion, based on the results of our employee engagement survey. We're pleased with our progress to date, as it shows Wisers feel supported to bring their whole selves to work.

## Our DEI priorities

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

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

## Our Progress

To help people continue feeling welcome at Wise, in FY2024 we:

- Reinforced our zero-tolerance stance against all forms of discrimination, as set out in our Code of Conduct
- Developed our DEI curriculum, with training available for everyone. Mandatory DEI training for our recruitment team, including sessions on inclusive practices and language, and disability and neurodiversity inclusion. We also offer LinkedIn Learning resources and functional sessions on topics including inclusive ways of working and faith inclusion
- Updated our global inclusive recruitment guidelines and reviewed all job descriptions with the Gender Decoder app to remove unintentionally biased language. Embedded DEI as a discussion point at hiring manager intake meetings and included bias mitigation techniques in hiring manager training

To widen our pool of diverse talent, we have broadened the number of diversity-focused recruitment partners and organisations we work with. Our partners include:

- Black Tech Fest
- Bright Network
- Career Accelerator
- Coding Black Females
- FOLX Health
- myGwork
- She Can Code
- Women in Finance Charter

## Increasing women's representation

### Gender breakdown as at 31 March 2024

|                                      | Women | Men |
|--------------------------------------|-------|-----|
| Wise overall                         | 51%   | 49% |
| Managers (or leads)                  | 45%   | 55% |
| Senior leader positions <sup>1</sup> | 32%   | 68% |
| Leadership Team (LT)                 | 30%   | 70% |

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

See page 97 for a further breakdown of our Board and Leadership Team composition by gender and ethnicity.

See page 118 for the DEI statement from the Board.

Over the past year, we have continued to focus on increasing our representation of women. As a signatory of the UK's Women in Finance Charter, we're particularly focused on increasing women's representation among senior leaders at Wise.

Many teams have already exceeded our goals, and 38% of the people we hired at Director level and above were women in FY2024. Women also represent at least 50% or more of our senior leadership positions for over half of our teams globally.

Where we're currently below some of our goals, teams have set specific objectives for hiring, retention and career development, including:

- More deliberate outreach to diversity-focused recruitment organisations, including women, LGBTQIA+ and ethnic minority networks
- Mitigating biases in our decision-making processes
- Targeted graduate programmes to attract early careers talent who are women and non-binary
- Diversity in our succession planning and leadership pipelines, including women

We also report our gender pay gap in the UK. Information about our FY2024 gender pay gap is available on our website.

### Increasing representation

We're also continuing to build out our support for ethnic minority talent, and improve neurodiversity and disability inclusion, to help increase our representation.

We're developing a detailed race and ethnicity representation dashboard to give us a clearer picture of representation at Wise. This will help us set representation benchmarks and goals for FY2025 and beyond.

### Nurturing our 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. In FY2024, they hosted 30+ events to build stronger connections across Wise and the wider fintech industry.

### Our goals

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

**40% BY 2025**

Currently: 32% women  
(up from 27% in previous year)

**Maintain or exceed minimum representation of women in Leadership Team**

**40%**

Currently: 30% women  
(down from 40% in previous year)

**Maintain or exceed minimum representation of women on the Board**

**40%**

Currently: 50% women  
(up from 44% in previous year)





## Developing the next generation

In FY2024, we expanded our WiseWomenCode programme, which we launched in London in April 2022, to help more women and non-binary people enter the tech industry. Its aim is to strengthen the pipeline of women who have the skills to join our intern and graduate programmes.

60

women and non-binary people participated

4

events across London, Tallinn, Budapest and Singapore

5

individuals hired in graduate roles or offered an internship as a result of the FY2023 sessions

To offer even more women a glimpse into the fintech working world, we're aiming to expand the programme to our Austin office in FY2025. We also host regular networking events that are open to women across the wider fintech industry, including Control-Alt-Connect and Brunch & Learns.

### Inclusive scholarships and support

We continued to develop our scholarship strategy in FY2024 to promote early careers roles to more underrepresented groups.

Through WiseStart, we've created more opportunities, including 4 new tech-focused scholarships in Estonia and 3 in the UK. Each person received financial support along with access to networking and mentoring opportunities throughout the 2023/24 academic year. Our scholarship winners were also matched with a dedicated mentor for the academic year and participated in our WiseWomenCode sessions.

We also launched our Career Accelerator mentoring programme, which saw 15 young people from underrepresented communities, including LGBTQIA+, low-income backgrounds or ethnic minority backgrounds, paired with Wisers from across the UK and Europe.

### In FY2024, Wise employed:

39

interns

70

graduates

7

apprentices

**"I was amazed how well you were able to create such a safe environment on so many different levels: the tasks, the programme, the women selected to participate, and the mentors to guide us."**

Marilyn Ahvenainen – WiseWomenCode participant 2024

## Growing and developing the team

Nurturing our talent, both long-standing and new, is critical to our growth goals. We used feedback to refresh our approach to onboarding, learning and development, and performance management in FY2024.

### Broadening development opportunities

We continue to empower Wisers with tools and resources that put them in control of their career trajectories. We support teams with:

- Advice on coaching, mentoring and working with external partners
- Finding optimal ways of working
- Understanding their unique dynamics
- Developing strategies for delivering sustainable high performance

To broaden our learning opportunities, we offer bespoke learning pathways via LinkedIn Learning. These resources help Wisers develop relevant skills that support both our growth and current operations, and their career aspirations.

To further improve Wisers' learning experience, we launched Absorb, a new learning management system in FY2024. Our instructional designers complete effective learning design and accessibility principles courses to ensure training is always inclusive.

## Our performance philosophy

In FY2024, we hosted co-creation workshops with more than 100 Wisers from across the globe to create a framework on how we define, measure, manage and support performance at Wise. We'll begin rolling out this new approach in FY2025 across all functions through global campaigns, instructor-led training and e-learning modules.

This new guidance offers our Leads an evidence-based framework for making decisions around performance. This will help us continue to attract, grow and retain the best talent and nurture a high-performing, mission-centric culture that's primed for growth.

In FY2025 we're also planning to integrate new performance tools through Workday, including calibration, goal setting, development plans and anytime feedback. This will automate processes and improve data collection and analysis to give us better insights into how we work, strengthening our culture of continuous listening.

### Hitting the ground running

It's important that new faces quickly get on board with our mission and values, and understand our structure and product pillars. That's why during the year we onboarded more than 95% of new Wisers within one week of their start date through a face-to-face, two-day programme in Austin, Tallinn, Budapest or Singapore. It's also a valuable opportunity for newbies to start building productive networks across Wise, which help them quickly begin making a difference.

We're proud to have consistently strong feedback on our onboarding process. After training, 90% of participants say that they feel more confident and informed about our products and organisation, and enthusiastic and driven to execute our mission.

In FY2024, Wise grew

**10%**

to over 5,500 Wisers

We onboarded Wisers across

**82**

sessions in 7 locations

### Quicker, more engaging training

We work with a team of almost 80 content designers, ensuring new learning content is engaging and relevant to our teams' needs. To make our mandatory training faster and more engaging, we switched to a quiz-based learning format. Wisers' retained knowledge from previous training is assessed and they receive tailored learning content that focuses only on areas where they lack knowledge or confidence. This reduces time required for individuals to complete training.

### Leadership training

We continued to run our flagship leadership training programme, Leadership Essentials, in FY2024. Wisers whose Leads have attended this training, report a positive endorsement of their support and attention to growth, compared to Leads who are yet to complete the training.

We're introducing a new Senior Leads training programme in FY2025, which has been developed using global insights from senior Leads across all functions. It will take a strengths-based approach that identifies how each individual can enhance their capabilities through executive coaching and a personalised growth plan.

**273**

first-time and newly-hired Leads completed training





# Environmental, Social and Governance

Our vision is

## Money without borders

### Our ESG focus areas

#### Environment

Our approach focuses on supporting communities vulnerable to climate change. We are taking a more granular approach to understanding our carbon footprint and aligning with changing regulations and stakeholder expectations.

Read more on page 51

#### Social impact

Our products and services support financial inclusion across the world. We are working to empower people and increase the resilience of communities.

Read more on page 54

#### Governance

Treating people fairly and acting transparently anchors everything we do. Our robust controls and processes aim to reduce risk, improve decision-making and protect the financial welfare of our customers.

Read more on page 55

### Alignment with UN SDGs



### Our ESG progress in FY2024

- **Strategy:** We laid the groundwork for a new ESG strategy tailored to our evolving business, with a more mature, holistic approach that focuses on measurable impacts. This involved enhancing oversight on global ESG regulations, factoring payment processing emissions into our carbon footprint for a more precise emission representation, and broadening our social impact scope to better reflect our global presence by expanding our Social Impact Committee.
- **Environment:** We are taking a more rigorous, data-driven and scientific approach to analysing our environmental impact by integrating payment processing emissions. We have expanded our carbon removal investments to support nature-based projects. We continue to use the outputs of removal projects we invest in to offset a portion of our carbon footprint.
- **Social:** We are working with grassroots organisations to make financial inclusion more accessible for vulnerable people globally.
- **Governance:** We continued to refine our long-term social impact and climate plans.

### Our approach going forward

- **Strategy:** We will continue to review our ESG approach to reflect business growth, the evolving regulatory landscape and a more sophisticated means of measuring our carbon footprint. This will help us set the right targets, remain compliant and deliver positive, cross-border social and environmental impacts.
- **Environment:** We aim to measure our carbon footprint bi-annually to improve accuracy and reveal opportunities for decarbonisation and help our target setting. Additionally, we are continuing to invest in nature-based and technology-based carbon removal projects around the world with a focus on the regions where we operate in to also offset a portion of our carbon footprint.
- **Social:** Our products and services can make a difference in some of the world's most financially vulnerable communities. That's why we continuously evolve and adapt our products to meet the needs of our customers in the different regions we operate in.
- **Governance:** We are focusing on supporting our ESG strategy with Board-level oversight and competence to ensure effective and transparent decision-making and risk management.



## ESG framework

**Our products support many communities around the world. Migrants sending money back to their families play a huge role in supporting communities and continue to have an important role in developing economies. It is essential that fast, cheap, transparent and trustworthy cross-border payment products like ours exist to help empower people and create a more connected world.**

We recognise that communities where remittances play an important role also tend to be those most at risk from climate-related displacement. We are actively investing in nature-based reforestation and sustainable land use projects, such as the Pratigi Grouped Reforestation Project which aims at recovering degraded areas in the southern region of Bahia State in Brazil.

We aim to be transparent about our progress – celebrating our successes, focusing on how to overcome challenges and setting achievable, data-informed targets for the future.

The business has expanded significantly since we started measuring our carbon footprint in 2019, and the regulatory landscape we operate in has also evolved, and continues to do so.

A sustainable approach requires an ESG framework that reflects our business's growth and is aligned with our regulatory obligations and our aspirations.

Therefore, our ESG framework is evolving. At its core, our approach will continue to support Wise's aim of delivering positive impact for the communities across the world.



## Alignment with changing regulations

We are continuously monitoring global ESG regulations to ensure our reporting is aligned. In February 2024, we started work to ensure compliance with the European Corporate Sustainability Reporting Directive (CSRD). Additionally, we're continuing our work to align our reporting with the Taskforce on Climate-related Financial Disclosures (TCFD), which you can read more about on page 56. Our continued focus throughout FY2025 will be setting up the infrastructure for the TCFD and CSRD through actions like double materiality assessment.

## Extending our alignment with the SDGs

We have always prioritised aligning with the United Nations Sustainable Development Goals (SDGs). SDG10.c sets the goal to reduce transaction costs to less than 3% for migrant remittances and entirely eliminate remittance corridors where fees are higher than 5%. This is a core part of our mission and is a Goal that Wise is contributing to achieve.

We reflect the SDGs in our commitment to delivering measurable and transparent impacts, including:

- Inclusive social impact for all communities facing vulnerabilities, discrimination and other barriers
- Reduced inequalities, not only via lower cross-currency transfer costs but also through education and improved financial literacy
- Financial inclusion, providing access to valuable and affordable financial products and financial literacy for all
- Positive local grassroots impact through working with community-based organisations
- An action to combat climate change and its impacts through education, investment in efficient buildings, carbon removal projects, restricting emissions and, wherever possible, using renewable energy

The need for lower-cost, more accessible international money transfers is growing. We are scaling our business to meet that demand and help reach targets such as SDG10.c.

Extending the alignment of our ESG strategy with the internationally-recognised SDGs gives us clear objectives and a global blueprint for action which we can adapt for our business.

As part of the ongoing evolution of our approach, we have extended our strategic alignment with the United Nations Sustainable Development Goals (SDGs) as our business has grown. We have long aligned with:



**SDG4:**  
Education



**SDG5:**  
Gender Equality



**SDG8:**  
Economic Growth



**SDG10:**  
Reduced Inequality

In FY2024, we began aligning with SDGs 13 (Climate Action) and 17 (Financial Inclusion) as well.



**SDG13:**  
Climate Action



**SDG17:**  
Financial Inclusion

# Environment

## Our climate commitments

Since setting our net zero 2030 target in 2019, our business has expanded significantly. At the same time, the composition of our carbon footprint has also changed, whilst the regulatory landscape has evolved – and continues to do so. It's essential that we are always transparent about our climate commitments and take a data-based approach that prioritises meaningful progress.

Our primary focus in FY2025 is to reassess the net zero target in relation to our carbon footprint data and the changing regulatory requirements.

As we refine our climate strategy, we're also shifting our approach away from carbon neutrality and offsetting to one of investing in carbon reductions through removals. We define carbon removals as methods that remove and sequester carbon, including technology-based approaches like Direct Air Capture and nature-based methods like afforestation and soil sequestration. We believe high-quality carbon removals will drive lasting climate impact.

This shift reflects our commitment to investing in climate resilience, no longer seeing offsets as the most viable instrument to drive long-lasting impact. Instead, in FY2024, we invested £500,000 in carbon removal projects that we believe will have a greater measurable impact on the planet. We will still use the removals to offset a portion of our carbon footprint, and we aim to invest in projects that align with our mission.

In FY2023, we joined Frontier, an advance market-commitment aiming to accelerate the development of carbon removal technologies, founded by Stripe, Alphabet, Shopify and Meta. In FY2023, we pre-purchased permanent carbon removals from companies like Heirloom, a US-based direct air capture company, and Vaulted Deep, which injects carbon-rich organic waste deep underground for permanent storage.

In FY2024, we aimed to diversify our portfolio by focusing on nature-based carbon removal solutions. We've purchased carbon removals in three projects focusing on afforestation and reforestation in Brazil and Uganda. In Uganda, we secured removals from TIST, a forestation program, and Trees for Global Benefits, which mobilise farmers for sustainable land use. In Brazil, we purchased carbon removal credits from the Pratigi APA (Environmental Protection Area) Grouped Reforestation project, aimed at recovering degraded areas in the southern region of Bahia State.

In FY2025, we look to continue investing in projects in key markets that align with our product operations, such as Brazil and others in the APAC or MEA regions.

## Measuring our carbon footprint

Since FY2023, the primary metric we have been tracking in measuring our carbon footprint is revenue intensity. It measures how much CO<sub>2</sub>e Wise emits per unit of revenue earned, helping to better distinguish between business growth and emission growth. As a business that continues to expand substantially, we believe revenue intensity is a more accurate representation of our emissions. We also look at headcount intensity that measures how much CO<sub>2</sub>e Wise emits for each person it employs.

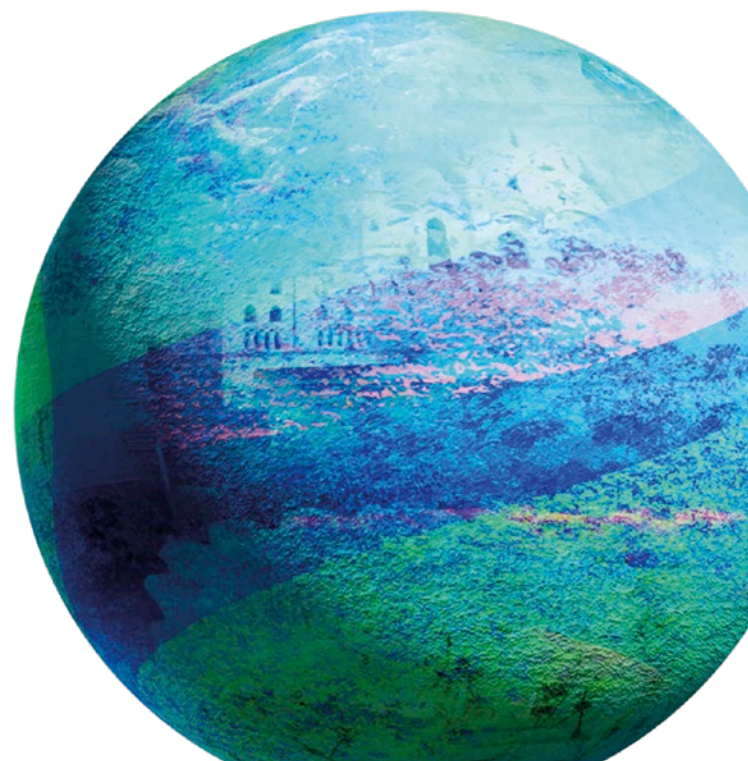
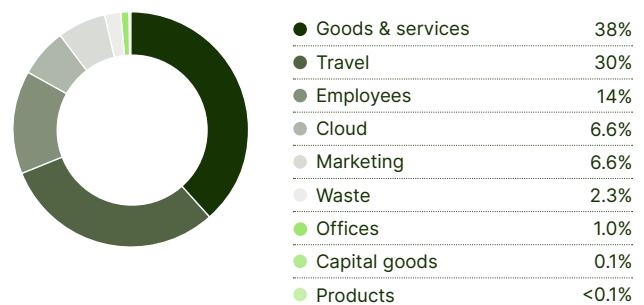
Net corporate emissions between April 2023 and March 2024 were 60,680 metric tonnes of CO<sub>2</sub>e, representing a 78.7% increase from the previous 12-month period, primarily driven by the increase in purchased goods and services and the inclusion of payment procession emissions. By comparison, our revenue intensity grew by 39% from 33 tCO<sub>2</sub>e/\$1m for FY2023, to 46 tCO<sub>2</sub>e/\$1m for FY2024, and remains lower than in FY2020 at 48 tCO<sub>2</sub>e/\$1m. In FY2024, our headcount intensity was at 6.4 tCO<sub>2</sub>e/employee while in FY2023 it was at 7.7 tCO<sub>2</sub>e/employee, and in FY2020 at 10 tCO<sub>2</sub>e/employee.

We continued to use the Watershed software platform to help us model our carbon impact across all areas of our operations, including Scope 1, 2 and 3 emissions, and report accurately to third-party standards bodies, investors, governments and other stakeholders.

## Emissions breakdown by category

The top Greenhouse Gas (GHG) categories driving our emissions are purchased goods and services (38.5%), business travel (30.3%) and employees (14.4%).

Goods and services emissions have increased in line with our growing need for professional services, including equipment and hardware, as an expanding business. For the first time, in FY2024 we have also included our payment processing emissions in this category to ensure our footprint is truly representative of our operations.





## Methodology

Emissions were calculated in accordance with the GHG Reporting Protocol (Corporate Standard) using the Watershed platform, following the environmentally-extended input-output (EEIO) model. EEIO models track the flow of goods, services and resources throughout the economy, accounting for their associated environmental impacts at each stage of production and consumption. By incorporating this detail range of information on resource use, EEIO offers a comprehensive view of how a company's economic activity affects overall environmental quality. Watershed employs this model to calculate our emissions.

Energy usage data was collected from utility reports or estimated using building square-footage and building type, and other location/occupancy data. Consumption quantities are then multiplied by relevant CO<sub>2</sub>e emissions factor for electricity, with renewable electricity purchases considered in the calculation. For buildings without utility data or any missing data, the data is estimated based on building square-footage for all facilities, and was combined with emissions factors from the US Environmental Protection Agency, ecoinvent, and other data sources to calculate greenhouse gas emissions (GHG) emissions. Electricity emissions factors were selected based on each facility's local grid.

Wise's reported Scope 3 emissions include those from purchased goods and services, capital goods, business travel, employee commuting, fuel and energy-related activities, and waste generated in operations. Scope 3 emissions are indirect

GHGs from our value chain, including upstream activities (production and transportation) and downstream activities (customer use and product end-of-life).

## Continuously improving our approach

Over the next year, we will continue to review and seek to enhance our approach to emissions reporting. We intend to procure bi-annual carbon measurements, so we have clearer visibility on our carbon footprint, enabling us to take faster, targeted action on our key carbon levers.

We will also continue to map our supply chain, with the inclusion of payment processing emissions, to help guide our climate commitments.

Similarly to last year, we obtained clean energy certificates for all our offices and intend to continue doing so in the following years. We aim to prioritise sustainability in our new offices, with our new London office targeting a BREEAM Outstanding certificate and being Net Zero Carbon in Construction and Operation. We are also seeking a BREEAM Excellent certification for our new Tallinn office. Additionally, we continue to champion our internal recycling programme – Reduce, Reuse and Recycling Right – across all our global offices, and prioritise low carbon materials and sustainable procurement when expanding.

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. It also highlights existing energy efficiency efforts.

## SECR April 2023 – March 2024

### Energy usage and greenhouse gas emissions

|  | Reporting period<br>April 2023 – March 2024 |                                    | Reporting period<br>April 2022–March 2023 |                                    |
|--|---|------------------------------------|---|------------------------------------|
|  | UK and offshore                             | Global (excluding UK and offshore) | UK and offshore                           | Global (excluding UK and offshore) |
| Emissions from sources which are owned or controlled by the company including combustion of fuel for transport & operation of facilities (Scope 1, market-based) | 45.4 tCO <sub>2</sub> e                     | 169.4 tCO <sub>2</sub> e           | 42.4 tCO <sub>2</sub> e                   | 116 tCO <sub>2</sub> e             |
| Emissions from purchased electricity, heat, steam, and cooling (Scope 2, location-based)   | 93.6 tCO <sub>2</sub> e                     | 610.3 tCO <sub>2</sub> e           | 90.7 tCO <sub>2</sub> e                   | 753.5 tCO <sub>2</sub> e           |
| Total gross tCO <sub>2</sub> e based on above fields   | 139.1 tCO <sub>2</sub> e                    | 779.6 tCO <sub>2</sub> e           | 133.2 tCO <sub>2</sub> e                  | 869.5 tCO <sub>2</sub> e           |
| Energy consumption used to calculate Scope 1 & 2 emissions above. Some emissions could not be converted to kWh. See the table below.                             | 605,679 kWh                                 | 2,250,117 kWh                      | 622,984 kWh                               | 2,867,383 kWh                      |
| Intensity ratio: Worldwide gross tCO <sub>2</sub> e per £ million of worldwide revenue (based on Scope 1 & 2 above)  | 0.87  | –                                  | 1.19                                      | –                                  |
| Intensity ratio: Worldwide gross tCO <sub>2</sub> e per employee (based on Scope 1 & 2 above)  | 0.1   | –                                  | 0.23                                      | –                                  |
| Intensity ratio: Worldwide gross tCO <sub>2</sub> e per £ million of worldwide revenue (including market-based Scope 3) (optional)                               | 58.33                                       | –                                  | 41.26                                     | –                                  |
| Intensity ratio: Worldwide gross tCO <sub>2</sub> e per £ million of worldwide revenue (including location-based Scope 3) (optional)                             | 58.76                                       | –                                  | 41.26                                     | –                                  |
| Intensity ratio: Worldwide gross tCO <sub>2</sub> e per employee (including market-based Scope 3) (optional)   | 6.45  | –                                  | 7.94                                      | –                                  |
| Intensity ratio: Worldwide gross tCO <sub>2</sub> e per employee (including location-based Scope 3) (optional)   | 6.5   | –                                  | 7.94                                      | –                                  |

## Methodology

We use Watershed as our carbon calculation and management provider. This year we've followed USEIO/CEDA for our calculations.



## Supporting information

### Scope 1 emissions that could not be converted to energy usage

| Description               | Unit | UK and offshore | Global (excluding UK and offshore) |
|---------------------------|------|-----------------|------------------------------------|
| R-134a fugitive emissions | kg   | 0.04            | 0.2                                |
| R-410a fugitive emissions | kg   | 7.9             | 37                                 |

See the UK Department for Environment, Food and Rural Affairs (DEFRA) conversion factors for assistance in converting these emissions sources to quantities of energy consumption.

### Scope 1 emissions breakdown by activity

| Activity   | Reporting year:<br>UK and offshore | Reporting year: Global<br>(excluding UK and offshore) |
|--|------------------------------------|---|
| Emissions from combustion of gas tCO <sub>2</sub> e (Scope 1)      | 20                                 | 84  |
| Emissions from combustion of fuel for transport purposes (Scope 1) | 0                                  | 0   |
| Fugitive emissions (Scope 1)                                       | 15                                 | 72  |

## Carbon-conscious travel

In our travel guide, we encourage Wisers to choose airlines with climate goals and opt for a Green Key certified hotel. This is an evolving deliverable, as we try and uncover better ways of travelling sustainably while staying globally connected, driving productivity and preserving our company culture.

## Making sustainable connections

In June 2023, our cultural cornerstone event, Mission Days, was recognised in the Sustainability category of the Best Event Award at the Bea World Festival 2023, as we:

- Offered free public transport in Tallinn and buses powered by green HVO100 fuel
- Only used venues that were powered by green energy

- Served 50% plant-based food and as much organic produce as was locally available, with leftovers donated to local food banks
- Reused tableware, dishes and event signage alongside rented décor

We also moved to regional 'follow-the-sun' Mission Days in January 2024, which brought Wisers together to encourage them to forge local connections in Singapore, Tallinn and Austin.

We will continue to seek to reduce the environmental impact of these events that are so important to our culture. We evaluate the overall CO<sub>2</sub> footprint of our Mission Days based on the life-cycle assessment (LCA) methodology – providing insight that will help us drive continuous improvement from event to event.



# Social impact

Another core part of our refreshed ESG strategy is building on our long-term commitment to corporate social responsibility. This means better understanding how we can meet the complex, changing needs of people and deliver broader positive social impacts by increasing our geographical scope and improving our impact measurement methodology.

## Focusing on financial inclusion

Our social impact strategy recognises that our products and services are an important opportunity to improve financial inclusion for vulnerable global communities. We have been committed to helping to achieve the UN's SDG 10.c around reducing remittance fees since it was introduced.

Displaced populations use remittances to support dependants back home who often live under the poverty threshold.

Alongside our work to solve the important problem of global cross-currency transfers, we're aiming to build financially empowered populations by providing tools to increase their financial literacy and enhance employability.

## Our grassroots community approach

We tailor our support to match the needs of local communities, so it's essential we understand how to make a real difference. We choose to partner with grassroots organisations that understand the people around them and can provide valuable insights to help us deliver impactful support. In FY2024, we donated to each of these organisations and worked with them to provide volunteering opportunities to Wisers across our major hubs.

From Singapore to Austin, the grassroots organisations we partner with work with and support vulnerable communities. In FY2024, the number of hours that Wisers spent volunteering increased by 212%, outpacing headcount growth. We are currently in the early stages of building and mobilising these partnerships. They will each be evaluated annually on their sustainable impact by our Social Impact Committee (see page 56 for details). This will enable us to monitor progress as well as identify and share best practices that can be applied to other partnerships.

Our partners are:

- Breaking Barriers, UK: gives refugees in the UK access to advice, experience and education to help them find meaningful employment.
- Eesti Pagulasabi (the Estonian Refugee Council), Tallinn: provides a wide range of support services to help refugees find protection and integrate in Estonia.
- ItsRainingRaincoats, Singapore: helps to improve the welfare and integration of migrant workers in Singapore.
- I Live Here, I Give Here, Austin: helps connect Central Texans with local causes by partnering businesses with local NGOs.

## Establishing our measurement methodology

In FY2024, we implemented our internal impact methodology based on the B4SI Community Investment Framework. This helps us better understand the impact of our contributions, including how organisations use our donations and the effect on internal volunteering. We use this framework when onboarding new partners or re-evaluating existing ones. As our partnership program grows, this methodology will ensure our partnerships are effective. Next year, we aim to expand our partnerships geographically, focusing on LATAM and APAC.

## Supporting global humanitarian causes

Across our footprint, we make humanitarian donations to support communities in need. These donations are evaluated according to the Wise impact methodology and are made in an unbiased, transparent and consistent way. We prioritise cases where there's an immediate need for medical support or reconstruction, and we ensure that there's no possibility for military gain from our assistance. Our Social Impact Committee reviews the causes we support.

During the year, we supported rescue and reconstruction efforts following major earthquakes in Morocco and Japan. We also contributed to restoring infrastructure in Turkey following the 2023 earthquake. And for the third year running, we donated to support the education of children in Ukraine, which helped to rebuild a school in the Dnipropetrovsk region.

We also donated to Mexico-based PSYDEH, a female-led NGO that invests in developing leadership capabilities for rural and indigenous women. It recognises their role as a force for positive change in the social and economic development of their communities.

By supporting these projects, our impact becomes more than a cash injection. We're helping to build long-term economic resilience, designed to improve financial inclusion and prosperity across wider communities.

# Governance

Our business puts treating people fairly and transparently right at the heart of how we work. And this attitude extends to our approach to governance.

It's our responsibility to look after the financial welfare of our customers. We're committed to maintaining robust controls and processes that reduce risk and protect everyone's financial wellbeing.

## Ensuring ethical operations

Our governance structures are designed to provide oversight across the business, ensuring we meet our obligations and operate ethically.

This includes ensuring the Board has adequate oversight of all our ESG practices and related areas. The Board receives a detailed annual update on all aspects of ESG, outlining progress on our climate agendas and ongoing social impact initiatives.

As part of our work to make our reporting hierarchy more streamlined and transparent, we disbanded our old ESG Advisory Committee during the year. We have now replaced it with the Social Impact Committee, which has a specialist remit to focus on social issues.

The committee is a cross-team consortium of 9 people – to be increased to 15 by mid-2024 to include more APAC and North America-based voices – representing key areas of the business. To ensure it always operates in an unbiased, transparent and principled manner, every Committee member has completed training and follows the Committee's Governance code.





# Task Force on Climate-related Financial Disclosures (TCFD)

During the year, the Group has made some progress in providing disclosures which reflect the Task Force on Climate-related Financial Disclosures (TCFD) Recommendations. We will continue to develop our disclosures and we aim to achieve further alignment with the TCFD Recommendations in our next Annual Report. In line with the Financial Conduct Authority's Listing Rule 14.3.27R., our disclosure consistent with the TCFD's Recommended Disclosure on Metrics (b) and our explanation of what we intend to do to align with the rest of the TCFD's Recommendations and Recommended Disclosures is set out in this section.

## 1. Governance

### 1a. Board oversight of climate-related risks and opportunities.

The Board of Directors (Board) of Wise plc is responsible for the oversight of environmental, social and governance (ESG) matters, including climate management. The Board reviews progress in developing and implementing strategies for managing relevant environmental topics. Once we have identified our climate-related risks and opportunities, the Board will review the management of said risks and opportunities.

The Board supported and approved the decision to reassess our 2030 net zero target due to our material growth and the substantial changes in the regulatory framework in the UK, EU and elsewhere. Additionally, they supported our transition away from purchasing carbon offset instruments towards a greater focus on carbon removal investments. In doing so, we no longer are claiming '100% carbon neutrality.' Our transition to carbon removal projects reflects our climate strategy and commitment to mitigating climate change, seeing carbon removal as crucial for meeting Paris Agreement targets. In FY2024, we invested £500,000 in ARR (afforestation, reforestation and revegetation) projects in Brazil and Uganda and have used this investment to offset 21% of our scope 3 carbon footprint and 100% of our scope 1 and 2.

In FY2025, a non-Executive Director of the Board will be taking a climate risk course to enhance Board-level climate competency and oversight in preparation to integrate climate risks and opportunities in the Enterprise Risk Management Framework (ERMF) in FY2025.

### 1b. Management's role in assessing and managing climate-related risks and opportunities.

In FY2025, we aim to expand the remit of the Social Impact Committee. The Social Impact Committee is formed of key business stakeholders, with members from the Public Relations, People, Banking, FinCrime and Compliance, and Product teams. Formed in FY2024 and meeting monthly, the role of the committee is to steer Wise's social impact strategy and vote on corporate humanitarian donations. In FY2025, we aim to evolve this committee to a new cross-functional ESG and Climate Committee that will provide feedback and updates across Wise and the LT on climate development. The Committee will act on an advisory basis when it comes to climate-related developments, while still retaining voting power on social impact matters.

The climate strategy is managed by an ESG Manager, who reports to the Global Head of Government Relations. Together, they update the Leadership Team (LT) regularly, as the Global Head of Government Relations reports directly to the Head of Banking and Expansion. Additionally, the ESG Manager and the Global Head of Government Relations provide an annual update on climate development and strategy to the Board.

## 2. Strategy

### 2a. Identifying climate-related risks and opportunities.

While our risk assessment is yet to be finalised, we understand the importance of identifying climate risks and opportunities in developing our climate strategy. We have made this the focus of our climate strategy for FY2025. An internal multidisciplinary group of senior team members is currently being formed and will be consulted in the evaluation of key risks and opportunities and their respective impact and applicability to the business in the short, medium and long term.

Throughout our identification process, we'll examine transition and physical risks. Physical risks encompass acute events like extreme weather and chronic factors such as rising temperatures and sea levels, flooding and other extreme weather events. We'll be evaluating how these affect our global operational sites like offices, especially vulnerable offices, and data centres, considering potential impacts on productivity, costs, and people attrition.

As part of this process of identification, Wise will be identifying short, medium, and long-term climate-related opportunities with potential financial or strategic impacts. We will be consulting with our partner, Watershed, an industry specialist in carbon footprint measurement, management and reporting, to help assist in this process and may bring in further external assistance if necessary.

### 2b. Impact of climate-related risks and opportunities on Wise's business, strategy and financial planning.

Climate change and its associated impacts continue to evolve.

The potential short, medium and long-term risks and opportunities that we are identifying will help inform our strategy and transition plan, including our re-assessment of our climate commitments and investments into global carbon removal projects.

Our analysis of risks and opportunities and subsequent scenario analysis, targeted for completion during FY2025, will enhance our understanding of their impact on Wise's business, strategy and financial planning alongside our climate risk management practices.

In our office leases and construction, we are exploring energy efficiency measures, having identified an early risk in the rise in energy costs. As a result, we have prioritised sustainability certifications for our forthcoming London office, which scored a BREEAM Outstanding certification, and our forthcoming Tallinn office, which is pursuing a BREEAM 'Excellent' certification to mitigate future energy cost increases risks. In addition, last year we identified Amazon Web Services (AWS) as one of our primary sources of third-party Scope 3 emissions. We began working with them to become more energy-efficient by migrating to Graviton chips in our servers, which provides higher energy efficiency. We will undertake further analysis and exploration as our assessment is finalised throughout the year.

We recognise there will be opportunities for our digital payments technology to enhance climate resilience and economic opportunities for the financially vulnerable.

### 2c. Resilience of Wise's strategy, taking into consideration different climate-related scenarios, including a 2 degree or lower scenario.

We seek to develop a detailed understanding of how business risks and opportunities are shaped by various climate scenarios. Once we have identified our climate risks and opportunities, we will conduct our climate-related scenario analysis to help better understand the resilience of Wise's strategy to different scenarios.

We will aim to have this completed during FY2025 to be integrated into our ERMF.



### 3. Risk Management

#### 3a. Wise's processes for identifying and assessing climate-related risks.

As described above, we are establishing a working group with key stakeholders to identify climate-related risks and opportunities across short, medium, and long-term timelines. During FY2025, this working group will help to carry out risk analysis that considers the impact of the climate on varying areas of the business.

#### 3b. Wise's processes for managing climate-related risks.

Managing our climate risks will be an integrated process in how we manage our risks at Wise. Once our key risks and vulnerabilities have been identified, they will be appropriately reflected in our risk taxonomy and integrated into our ERMF. This would include us having a clear definition of risk appetite, roles and responsibilities, and action plan aligned with our climate objectives, following the same approach to how we manage our other risks. Where required we will supplement our expertise with external experts on the subject especially around exposure measurement and industry best practices. Once the scenarios are implemented this would give us clear and targeted action plans to ensure we can sustainably reach our climate risk goals. As part of our usual risk governance process, progress and issues will be transparently shared with the Board.

#### 3c. How processes for identifying, assessing and managing climate-related risks are integrated into Wise's overall risk management.

Wise applies an integrated approach to risk management using the three lines of defence (3LOD) model and we aim for climate-related risks to be integrated within this risk management framework, which is approved by the Audit and Risk Committee and the Board. The use of the Risk and Control Self Assessment (RCSA) is a way for us to identify and manage the risks we face (which will include the assessment and disclosure of vulnerability to climate-related risks). It involves Wisers across both first and second lines working together to identify potential risks and assess whether the controls we have developed are effective. The RCSA supports the team in identifying outstanding issues or controls gaps, and to create roadmaps to close those gaps.

## 4. Metrics and targets

### 4a. Metrics used by Wise to assess climate-related risks and opportunities in line with its strategy and risk management process.

Currently, Wise tracks climate-related metrics related to total energy consumed, percentage renewable energy and Scope 1, 2 and 3 GHG emissions. This will inform our assessment of climate-related risks and opportunities, alongside metrics based on risk appetite levels.

### 4b. Scope 1, Scope 2 and Scope 3 greenhouse gas (GHG) emissions.

The table below sets out further detail on our Scope 1, 2 and 3 carbon emissions. These have been measured by Watershed. 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.

### 4c. Targets used by Wise to manage climate-related risks and opportunities and performance against targets.

Targets and measurement performance will be informed by our assessment of our climate-related risks and opportunities which we will be conducting throughout FY2025.

| Scope  | Emissions (tCO <sub>2</sub> e) |        |
|--|--------------------------------|--------|
|  | FY2024                         | FY2023 |
| Scope 1 (market-based)   | 215                            | 221    |
| Scope 2 (location-based)   | 704                            | 647    |
| Scope 2 (market-based)   | 19                             | 801    |
| Scope 3 (market-based)   | 60,445                         | 30,669 |
| Scope 3 category 1: Purchased goods and services (market-based)                                      | 30,036                         | 16,358 |
| Scope 3 category 2: Capital goods (market-based)   | 1,445                          | 1,066  |
| Scope 3 category 3: Fuel-and-energy-related activities (not included in Scope 1 or 2) (market-based) | 398                            | 351    |
| Scope 3 category 5: Waste generated in operations (market-based)                                     | 1,423                          | 227    |
| Scope 3 category 6: Business travel (market-based)   | 18,377                         | 9,775  |
| Scope 3 category 7: Employee commuting (market-based)  | 8,767                          | 2,777  |
| Scope 3 category 8: Upstream leased assets (market-based)  | 0                              | 135    |
| Gross emissions (market-based)   | 60,680                         | 31,692 |
| Gross emissions (location-based)   | 61,817                         | 31,568 |
| Net emissions (market-based)   | 60,680                         | 31,692 |
| Net emissions (location-based)   | 61,817                         | 31,568 |






# Our stakeholders and Section 172 (1) statement

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 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 table comprises 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 84-95.

|   |  <b>Wisers<sup>1</sup></b>   |  <b>Communities<sup>2</sup></b>   |  <b>Suppliers</b>   |
|---|---|--|--|
| <b>Why this stakeholder matters to us</b>                 | Our people and teams sit at the centre 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.  | Wise has a customer community of millions and a Wiser community of thousands in countries all over the world. We hope to be an integral part of these communities wherever we operate.   | Our suppliers support us in a wide range of activities including recruitment, card production, marketing, facilities management, compliance and banking. Our relationships are built on trust and we place huge importance on ensuring they are efficient, robust and rewarding for all.                                 |
| <b>What matters to our stakeholders</b>                   | <ul style="list-style-type: none"> <li>• The mission</li> <li>• Growth and development</li> <li>• Benefits and reward</li> <li>• Diversity and inclusion</li> <li>• Ownership and voice</li> </ul>  | <ul style="list-style-type: none"> <li>• Fairness</li> <li>• Access</li> <li>• Social responsibility</li> <li>• Environmental sustainability</li> </ul>  | <ul style="list-style-type: none"> <li>• Health and safety</li> <li>• Climate change initiatives</li> <li>• High standards</li> <li>• Transparency</li> <li>• Business conduct</li> </ul>  |
| <b>How has Wise considered our stakeholders interests</b> | <ul style="list-style-type: none"> <li>• The Board received regular People and DEI updates</li> <li>• The Board approved a revised Code of Conduct in June 2023</li> </ul>  | <ul style="list-style-type: none"> <li>• The Board receives an annual update on our ESG initiatives</li> <li>• Our Social Impact Committee continues to build Wise's global social impact strategy</li> <li>• The Board is kept up to date on market expansion</li> </ul>  | <ul style="list-style-type: none"> <li>• The Third-Party Risk Management team reviews our outsourcing arrangements</li> <li>• Our Modern Slavery statement is approved and published annually</li> </ul>   |
| <b>How has Wise directly engaged</b>                      | <ul style="list-style-type: none"> <li>• As part of our global workforce engagement, a number of our Non-Executive Directors held roundtable sessions with different cohorts of Wisers in five sessions across three locations</li> <li>• The Board held meetings at the Wise offices in Tallinn and in Singapore during the year, providing a further opportunity to engage with Wisers in these locations</li> <li>• Twice-yearly 'WiserPulse' employee engagement surveys</li> <li>• Twice-yearly Mission Days</li> <li>• A bi-weekly Team Call</li> </ul> | <ul style="list-style-type: none"> <li>• Volunteer opportunities for Wisers</li> <li>• Donations to causes including youth tech education and humanitarian assistance</li> <li>• Launching global partnerships to create economic opportunities and enable financial inclusion for immigrants and/or refugees</li> <li>• Investing in carbon removal projects in climate vulnerable areas</li> <li>• Continued partnership with Watershed, an industry specialist in carbon footprint measurement, management and reporting</li> </ul> | <ul style="list-style-type: none"> <li>• Wise has a dedicated team to handle onboarding of new suppliers</li> <li>• Improved support network for our suppliers</li> <li>• Full and transparent engagement with due diligence processes for suppliers</li> <li>• Strategic business reviews with key suppliers</li> </ul> |

1. Further details on how we engage with Wisers can be found in the Our people section on page 40.

2. Further details on how we engage with our communities can be found in the ESG at Wise section on page 48.



### Customers



### Owners



### Governments & Regulators

| Why this stakeholder is important to us           | <p>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 building products and features that they need.</p>  | <p>The trust and support of Wise Owners is key to 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.</p>  | <p>Wise engages in regular and open dialogue with our governmental and regulatory partners around the world. We also share our industry perspective with these partners as and when relevant.</p>  |
|---|--|--|--|
| What matters to our stakeholders                  | <ul style="list-style-type: none"> <li>• Convenience</li> <li>• Price</li> <li>• Speed</li> <li>• Transparency</li> </ul>  | <ul style="list-style-type: none"> <li>• Progress on the mission</li> <li>• Sustainable growth</li> <li>• Strong financial performance</li> <li>• Strong corporate governance</li> </ul>   | <ul style="list-style-type: none"> <li>• Customer protection</li> <li>• Strength and resilience of financial markets and payment infrastructures</li> <li>• Honest competition</li> <li>• Fair marketing</li> </ul>  |
| How has Wise considered our stakeholder interests | <ul style="list-style-type: none"> <li>• We continued building the products and features that make moving and managing money across borders easier, faster, more transparent and cost-effective for everyone, everywhere</li> <li>• The Board reviewed key customer and operational metrics including the status of customer service queues</li> <li>• The Board, via the Audit and Risk Committee, reviewed customer complaint data to identify and address any ongoing issues</li> <li>• 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</li> </ul> | <ul style="list-style-type: none"> <li>• Our Board received regular updates from the Owner Relations team, including on market trends and activity</li> <li>• Our Board and Committee Chairs are available for engagement with Owners</li> <li>• The Board approved the continued purchase of shares through Wise's Employee Benefit Trust with the intention of reducing the effect of future dilution on existing shareholders arising from the stock-based compensation offered to employees</li> </ul>   | <ul style="list-style-type: none"> <li>• The Board, alongside the CEO and LT, engages constructively with our regulators and relevant policymakers and will continue this engagement across upcoming changes to the regulatory landscape</li> <li>• The Board, via the Audit and Risk Committee, received regular updates on key regulatory matters and the global regulatory environment</li> <li>• The Board, and the boards of our subsidiaries, received regular updates on engagement with governments, policymakers and regulators in the markets in which we operate</li> </ul> |
| How has Wise directly engaged                     | <ul style="list-style-type: none"> <li>• We increased investment in servicing</li> <li>• We held regular customer surveys, customer interviews and social media updates</li> <li>• An online complaint form was rolled out</li> <li>• We implemented the UK Consumer Duty Act requirements</li> <li>• App review nudges on iOS were launched to allow customer feedback on our app</li> </ul>  | <ul style="list-style-type: none"> <li>• We provided comprehensive market updates at half and full year, along with quarterly trading updates. These results presentations and accompanying Q&amp;A opportunities with management provide our investors with clear guidance on our capital planning priorities alongside strategic updates and financial results</li> <li>• Our Owner Relations team, alongside the Chair and LT, maintain regular dialogue with investors, both existing and prospective</li> <li>• Investor roadshows throughout the year</li> </ul> | <ul style="list-style-type: none"> <li>• Regular engagement with regulators, governments and policymakers on key matters</li> <li>• Consultation with regulators, governments and policymakers on incoming laws and regulations</li> <li>• A dedicated Government Relations team that works closely with governments, regulators and policymakers globally</li> <li>• Wise is an active participant in government advisory bodies, trade associations and other relevant forums</li> </ul>   |



# Risk management



## Q&A WITH CHANDNI BHAN, GLOBAL HEAD OF RISK

### Q. What is Wise's approach to risk management?

Wise takes a proactive and strategic approach to risk management. We recognise that effective risk management is crucial to achieving our strategic objectives and mission, and are significantly investing in people, technology and processes to enhance risk foresight, empower proactive risk mitigation and strengthen our risk culture. Our robust three lines of defence model ensures a comprehensive view of risks and control effectiveness, and strengthens our risk identification and mitigation process. Our Enterprise Risk Management Framework (ERMF) supports decision-making, planning and prioritisation by providing a greater understanding of risks. It establishes clear roles and responsibilities, insightful reporting and appropriate oversight, ensuring a consistent approach to risk management across the Group. Approved annually by the Board and subject to ongoing review, the ERMF remains integral to our risk management strategy.

**Q. How has the Risk Management function responded to the changing environment?** Our Risk Management function is rapidly evolving to support the growing complexity of our business. We are adding domain specialists with the relevant subject-matter expertise to enhance risk identification, control effectiveness, threat detection and stress testing. By embedding risk awareness and fostering effective engagement across the organisation, we are building deeper risk expertise across the business. We've invested in tools for global visibility of risks and controls, improved incident management tooling and systems, and strengthened our risk assessment processes. We are focused on advancing risk analytics and integrating AI to enable better insights to scenarios, incidents and emerging threats to continue to advance our proactive approach to navigate an increasingly complex risk landscape.

### Q. What is Wise's risk focus over the next year?

Rapidly evolving regulatory demands – marked by such factors as rising fraud, financial crime, stringent regulatory demands, geopolitical uncertainty, and cyber threats – requires a proactive approach. To stay resilient against rapidly changing risks, we are focused on continued investments in strengthening our defences for principal risks. We've significantly improved our risk and controls assessment programmes, enabling effective and efficient remediation plans, and are focused on continuing to deliver on this front. Strengthening regulatory engagement across markets remains a priority along with ongoing enhancements in consumer duty, ESG and operational resilience programmes. We are focused on strengthening our stress testing and risk analytics capabilities, as well as bolstering our risk domain expertise and frameworks to support our business and risk strategy.

## Investing in risk management

We operate in a fast-moving industry with a constantly evolving risk landscape, making risk management a critical factor for our success. To support our ambitious business strategy, we need to successfully navigate not only the risks we face today but pre-empt the emerging and strategic risks of tomorrow, ensuring we are ready to adapt as needed.

Risk is one of the core pillars of our business strategy, and as we scale, we will continue to invest in and enhance our risk and control environment in a way that is appropriate and consummate to our ambitions and size.

During FY2024, we strengthened our global Risk Management function. We appointed a new Global Head of Risk Management and increased the headcount of our Risk Management function. We began our shift to a risk domain specialist model, adding subject matter expertise and enhancing skills within the team to ensure we are appropriately structured to best support, advise and challenge the business on our risks and controls across markets and products.

To focus our enhancement efforts, we also revised our top-priority risks (classifying these as Tier-1). As we scale, we are ensuring our resilience to these risks remains strong, by strengthening our control environment, refining Key Risk Indicators and focusing on assurances and testing.

## Our risk management strategy

### Strengthening our global risk function

Our Global Head of Risk, Chandni Bhan, was appointed in June 2023. Following a review of the global risk function, we revised our risk strategy and adjusted the strategic direction of the team through the implementation of a domain specialist model. With an expanding team and new specialist knowledge, these additional skills will broaden and deepen our coverage of each core area of risk (domain) and enable a more embedded risk management model across the business.

### Good progress during FY2024

We continued to invest in the systems and tools that support and enable risk management at Wise. This included the roll out of our in-house incident management tooling system across the organisation. This incident tool has significantly improved feedback loops between risk controls and risk assessments and enabled better data analytics to extract deeper insights on incident root causes and monitoring of trends and indicators across the Wise Group.

Another core area of investment, is our new governance, risk and control (GRC) tool, currently being implemented and rolled out across Wise. The full roll out of the system is expected to be complete by the end of 2024. The new system will help us to ensure our risk frameworks and processes are aligned across markets, and better support controls assurance work across Tier-1 risks.

### Building on our risk culture at Wise

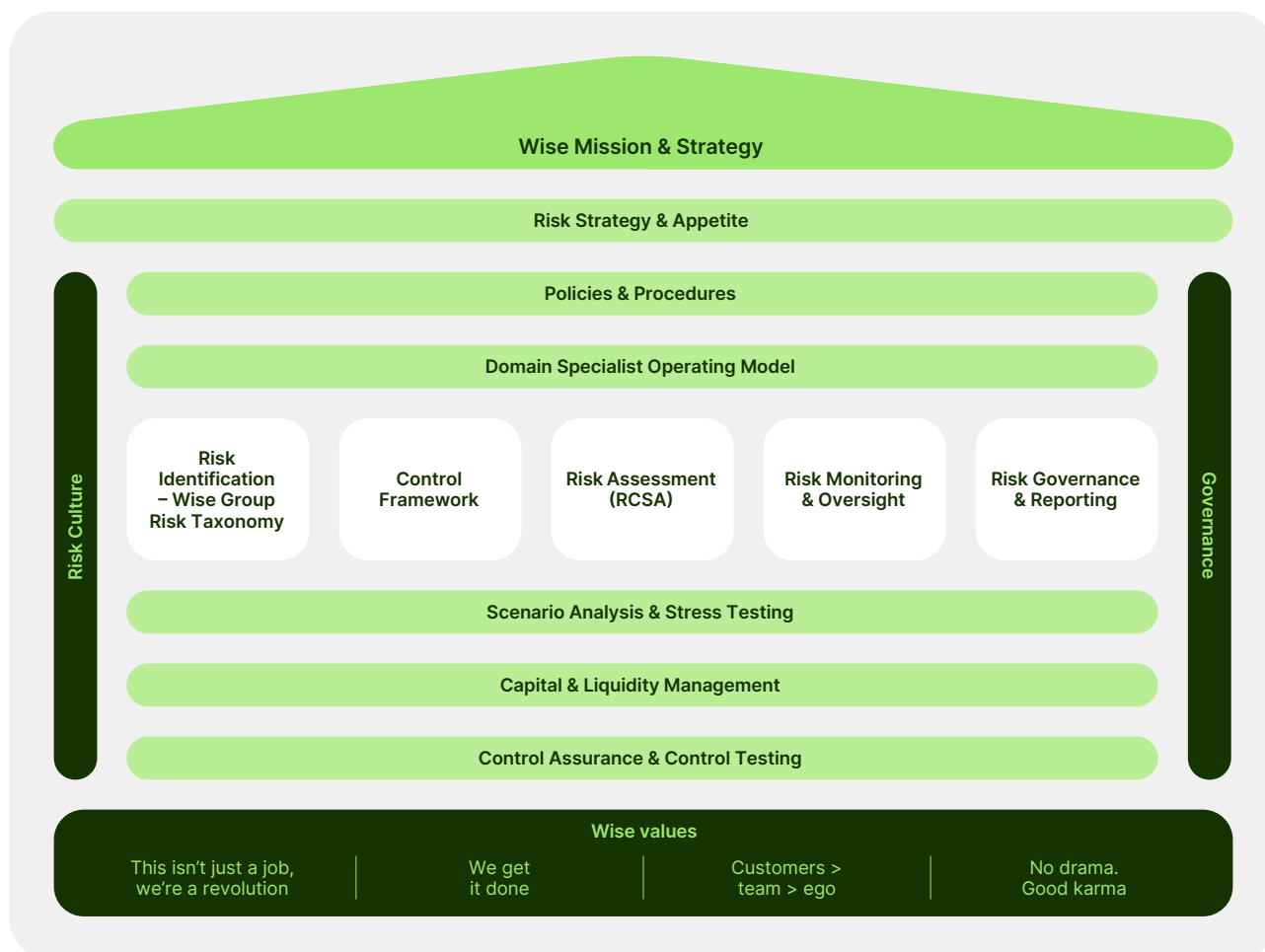
Alongside enhancements to our team and our systems, we continue to see the benefits of a strong risk culture throughout the organisation. Knowledge and understanding of our risks within the first line of defence continues to grow, while (through the continued implementation of our risk strategy) the second line of defence is better equipped to provide deeper partnership, insights and appropriate challenge to the first line.

The changes we are making to enhance how we manage, monitor and mitigate risk are bearing fruit throughout Wise. At all levels and across all departments, teams are making risk a priority part of all conversations and engaging more constructively with our risk management activities.

## Enterprise Risk Management Framework

The Wise Global Enterprise Risk Management Framework (ERMF) defines how we identify, manage, report and govern the risks the business faces. It enables oversight of risk through a clearly defined governance framework and a three lines of defence model. It sets out the roles and responsibilities we all play in the management of risks at Wise, providing clear accountability across all areas of the business.

How risk supports our strategy is a key enabler for our mission, so we are refreshing our ERMF to align with this new direction and ensure it remains appropriate for current and future business needs.



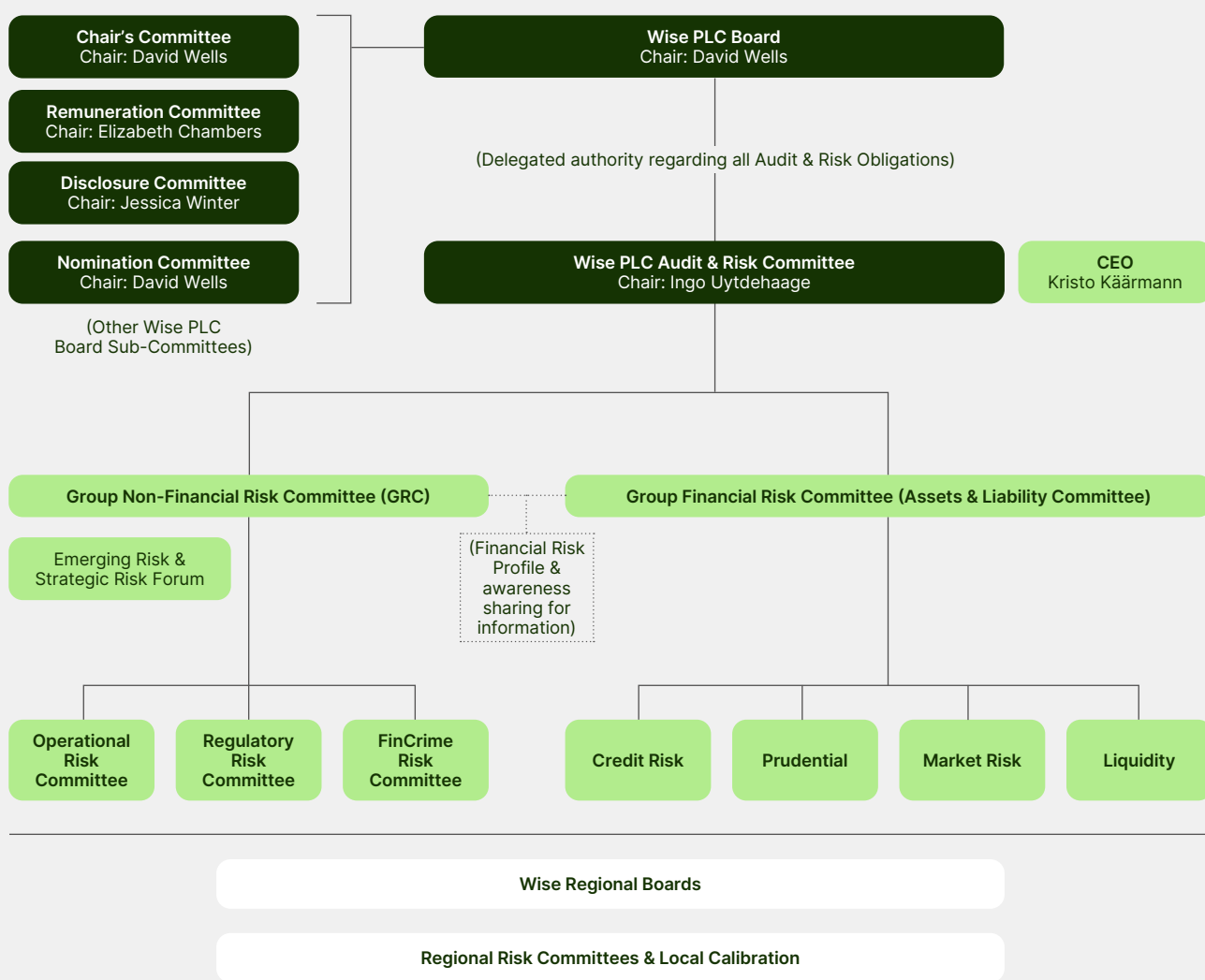


## Governance of risk

We have robust risk governance in place to oversee risk management at Wise. The Wise Group Board is responsible for monitoring the effectiveness of our risk management and internal control systems and oversight of this has been formally delegated to the Wise Group Audit and Risk Committee (ARC).

The ARC reviews key trends and metrics relating to all principal financial and non-financial risks, and also considers key emerging risks that have the potential to impact our mission. This oversight includes challenging management on key actions to manage and mitigate risk and the embedding of a positive risk culture across Wise. For more information on the role of the ARC within our wider governance structure, see page 99.

In addition to the work of the ARC, the CEO has an established Leadership Team (LT) and appropriate risk governance structure, including a Group Risk Committee and a Group Financial Risk Committee, with a number of sub-committees established to focus on specific risks across the Wise Risk Taxonomy. These risk committees support the CEO and LT in monitoring key risk indicators, incident management responses and risk appetite measures to determine the appropriate points of intervention or Board escalation.



● Wise Board + NEDs    ● Group Risk Committees    ● Regional Boards (NEDs for Au; EU)

As the material risk takers for Wise, all members of the LT are part of the Group Risk Committee and the Emerging Risk Forum. LT members also take key membership and governance chair roles across the Assets & Liabilities Committee, Operational Risk committee, Regulatory Risk Committee and Financial Crime Risk Committees. Our risk governance structure is also supported by regional risk committees (and regional Boards in our major markets) that consider our risk position in each location and support the overall Group Risk Governance Framework in managing risk across Wise through oversight and escalation.

We also have dedicated safeguarding and horizon scanning forums that oversee and ensure we are protecting customers' money appropriately and remain aware of upcoming regulatory changes.

If high risks, or the need for management intervention, need to be escalated, this takes place via the relevant risk committee to ensure the LT and the ARC (as appropriate) are informed of all key risks and mitigation activities.

## Three lines of defence

Our three lines of defence (3LOD) model continues to serve us well in managing risks by establishing clear accountability for risk owners.

### First Line of Defence

The first line of defence consists of the business units that generate the risks for Wise, and are responsible for identifying the key mitigating controls and actions to manage these risks. Whilst all Wisers have a responsibility to manage the risks we take, our first line teams are more specifically defined as those individual tribes and squads directly responsible for performing day-to-day business activities and delivering our products or services to customers. First line's primary role is to identify, assess, and manage risks that may arise as a result of the work they do. This line is also responsible for designing and implementing controls; adhering to policies and procedures; and monitoring risks at the operational level. In the risk process the first line also has to articulate the effectiveness of the control environment. These Wisers are our frontline. They have the most detailed knowledge of the risks and controls specific to their day-to-day work, and the actions to manage them.

### Second Line of Defence

Global Risk Management and Compliance oversight teams. This function enables the identification of emerging risks in daily operation of the business by providing frameworks, policies, tools, and techniques to support risk and compliance management. They have the ability to view risks at aggregate as well as granular level to help improve the visibility to interconnected risks as well as advise proactively on patterns and themes requiring attention. They are independent to the first line, with the ability to provide adequate challenge, oversight and support to ensure risks are well understood, assessed and managed in line with the risk appetites set by the Board. They are responsible for establishing and maintaining a risk management framework, developing policies and advising on procedures, supporting risk assessments, and advising and monitoring compliance with applicable laws, regulations, and internal policies. The second line also monitors and reports on risk exposures and the effectiveness of our controls.

### Third Line of Defence

Internal Audit. This team operates independently from second line risk and compliance teams, and our first line teams. Our internal auditors objectively evaluate the effectiveness of our risk management processes and provide assurance to leaders and the Wise Group Board as to whether these are operating as they should. They assess the overall control environment, identify control gaps or weaknesses, areas of non-compliance and issue findings for required improvements. Internal audit also reviews the implementation of risk management practices and compliance with policies and regulations.



## Risk appetite

We take a structured approach to setting our risk appetite against our principal risks to help Wisers understand the boundaries of the risks we are willing to take in pursuing our mission.

In line with our efforts to ensure our approach to risk management evolves and adapts with business needs, we have improved our approach to risk appetite statements. Firstly, we are ensuring we have risk appetite statements for all our significant risks, reflecting how our business currently operates and evolves over time. Secondly, we have enhanced our risk assessments by using both measurable risk indicators and open control issues and incidents to evaluate how well our controls work. Our statements are supported by specific key risk indicators and metrics and are to be approved at least annually by the Audit and Risk Committee.

We have also commenced a review of our risk appetite thresholds across material risks. This will involve refining the guardrails that we set to align with business growth and our strategy, so we can support Wise to scale appropriately.

## Scenario analysis and stress testing

Detailed scenario analysis and stress testing is conducted to support the assessment of our capital and liquidity adequacy. Any potential harms identified are categorised according to potential stakeholder impact and materiality and then assessed to determine the residual exposure after controls are implemented. This work is supported by the efforts we have undertaken to assess material harms and K-factors relevant to our business and its operations.

This year, we have advanced our stress testing and scenario analysis to further enhance the areas that could cause harm to the business and use this insight to inform our prudential requirements as well as control enhancements.

## Emerging and strategic risks

Our vigilance around our risk environment includes monitoring potential risks that could emerge and cause harm or present challenges to our business, our employees and our customers. Emerging risks are defined as material, highly uncertain risks that do not meaningfully impact Wise today but are unpredictable in nature and could evolve rapidly and unexpectedly to become principal risks.

These are some of the emerging risks we are currently monitoring.

| Risk  | Description  |
|---|--|
| <b>Increased geopolitical uncertainty drives existing markets to become more volatile</b> | Wise's mission means we are exposed to potential risks arising from global geopolitical events or political developments. These matters could have an adverse impact on the Group through economic and financial risks, increased risk of financial crime and sanctions, security risks as well as business continuity risks and if these were to eventuate, it could impair or restrict our ability to operate in certain markets. To mitigate this risk, we closely monitor global events on an ongoing basis and take actions to proactively manage our business and serve our customers as effectively as possible.  |
| <b>Artificial intelligence</b>  | <p>Artificial intelligence (including the use of large language models) is a fast evolving and potential transformational technology. It's too early to predict the full impact and potential risks that will emerge with the evolution of this technology. There may be areas such as cybersecurity and fraud where this technology may be misused to create more sophisticated and harder to detect risks and we will continue to monitor developments in this area.</p> <p>With greater adoption of AI across the financial services industry, in terms of both improving controls as well as operations, there are additional risks that may arise as a result. The changing regulatory perception of AI, operational risks, model failure risks as well as transparency and governance are potential areas we see this could have an impact. As a result we are taking a measured and thoughtful approach to the use of this technology in order to strengthen our controls and improve the customer experience and are developing appropriate measures as needed to manage any associated risks.</p> |

## Looking ahead

Having mapped our risks according to our risk taxonomy, we are focused on prioritising principal risks and uplifting them. To that end, we are continuing our extensive work on strengthening mapping controls and control assurance to ensure we can provide continuing assurance to our Board and stakeholders on the management of our risk environment.

To ensure we can adapt to the ever-changing risk environment, we will look to take the refreshed considerations within our ERMF across the business as part of a strategic programme of work to manage risks appropriately and consistently wherever

we operate. With the support of new tools enabling greater visibility of global risks across the Wise Group, we will be able to streamline risk management processes to ensure consistency.

Our focus on risk management is an essential part of enabling the business to achieve its growth ambitions and strategy. By enhancing product governance and new market launch controls, we can ensure any risks are well understood and that any controls are adequate to support our growth plans.

Looking ahead, the risk management function will continue to evolve to enable Wise to scale better, sooner and safer.

# Principal risks

**FY2024 was another year of increasing our global risk maturity across our key regions. We focused on several core initiatives across our Risk Management Framework and continued elevating the level of reporting to our Leadership Team (LT) and Boards across the business.**

We are improving our understanding of the key areas that should be a priority for management through:

- core initiatives in key areas like risk appetite frameworks and risk and control self-assessment considerations across our Enterprise Risk Management Framework (ERMF)
- revising our ERMF, which governs our approach to risk, is overseen by our Board and positions Wise for further scale and growth
- uplifting our broader control environment across our Principal Risks within our ERMF
- enhancing our current operations and support as we continue to grow and regulatory complexity increases

Our main focus across the Group has been making sure that risk management activities associated with the Principal Risks (representing the material risks for Wise according to exposure and control effectiveness) remain a priority for all three lines of defence. Throughout the year, our Risk Programme has remained a focal point and priority area of management oversight. As part of this, we have looked more broadly across our Principal Risk environment and made significant improvements across our control environments. Despite our progress, we will always seek to enhance our risk management processes throughout the year.

Principal Risk Description + Mitigation Strategy

Key Actions in FY2024 and FY2025

## Compliance Risk – Regulatory Risk

Link to mission pillars:

Price

Speed

Convenience

Transparency

Regulatory compliance risk involves the risks we face if we fail to comply with the laws and regulations applicable to Wise, as a group of regulated entities with licences to provide our products and services globally.

With over 65 licences across the world, we are required to comply with laws, regulations, licence conditions, regulatory guidelines and statements of policy applicable to our business activities across several functional areas and jurisdictions.

These cover a wide range of topics, including how we govern our business, safeguard our customers' funds, and capitalise and provide liquidity for our business to protect against shocks or impacts from the materialisation of certain risks. We also review how we embed consumer protection laws, practices and procedures into our products.

We continued to invest substantially in our Risk Management Framework to help us manage our regulatory compliance risk more effectively.

In particular, we have:

- Increased monitoring and testing, as well as controls assurance of our regulatory compliance risks. We have expanded our first line and second line teams to enable greater management and oversight, ensuring we have good local regulatory knowledge across all markets we operate in
- Fostered greater ownership by management and mitigation of regulatory risks within the first line
- Invested in regulatory change initiatives and enhanced our horizon scanning processes
- Strengthened 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
- Improved processes, controls and our technology infrastructure

## Compliance Risk – Regulatory Risk continued

Globally, the range of regulatory requirements Wise must meet is dynamic, with regulators and policymakers in different jurisdictions introducing new or modified requirements over time. We need to identify those changes early on and implement them. Regulatory risks could result in regulatory penalties and impede our ability to grow operations, maintain licences and/or expand market offerings. We strive to abide by all regulatory obligations at all times. In the event that gaps are identified, we aim to remediate these promptly and (where appropriate) informing key regulators. We have a global view towards compliance, and continue to invest in global and regional teams, processes and infrastructure to meet these demands.

Overall, the complexity of the regulatory risk landscape we operate within continues to increase because of:

- **Expansion into new markets and products.** We anticipate further challenges with new markets and their local regulation yet to be exposed to the products that we offer at scale. In some jurisdictions, the regulatory environment that governs our products is still evolving and our product offering may be unique.
- **Increasing regulatory scrutiny for our existing markets.** As our volumes, customer base and number of transactions grow, we face an increased volume of regulatory engagements and requests for information. We satisfy these by providing information and materials in a timely manner, as well as by giving clarifications promptly as required.
- **Ongoing regulatory change.** We deploy horizon scanning globally to ensure that we are aware of developments in regulation, making changes to adhere to the new regulatory requirements. During FY2024 (and ongoing) we observed an increase in Operational Resilience requirements in the EEA, Australia and the UK, which is becoming a focus area for regulators globally. We anticipate that further investment is needed in this area.

## Compliance Risk – Conduct Risk

Link to mission pillars:

Price Speed Convenience Transparency

At Wise, conduct risk considers that our actions and/or behaviours (either as individual Wisers or as a company) could lead to poor customer outcomes and/or impact market stability.

Conduct risks relevant to Wise include (but are not limited to):

- providing inadequate information to our customers leading to mis-selling of Wise products
- providing services that are not well designed for our target market, causing bad customer outcomes
- having inappropriate procedures and controls that may lead to manipulating or distorting market prices by insider trading or market abuse

Conduct risk is managed through a combination of policies, procedures, controls and training for employees aimed at promoting ethical behaviour, compliance with regulations, good governance, the fair treatment of customers and fair dealing in the market.

In 2023, we rolled out consumer duty across our UK markets in line with the consumer duty regulations set out by the Consumer Principle. This provides a high-level expectation of conduct and associated outcomes. We continue to enhance our controls and oversight of customer outcomes. We have improved our marketing controls and significantly invested in complaints handling processes globally. Additionally, we have embedded further enhancements to our global conflicts of interest management to identify, mitigate and manage conflicts of interest effectively.

We are improving our marketing controls to ensure Wise products are marketed accurately and transparently so that customers can make informed choices. Significant investments were made to the complaints handling procedures globally to make it easier for customers to complain and ensure timely root cause analysis and rectification of issues.



## Financial Crime Risk

### Link to mission pillars:

Price

Speed

Convenience

Transparency

Financial crime risk covers any failure on the part of the business to detect and prevent customers using our services for financial crimes, such as money laundering, bribery and corruption and other fraudulent activity. When considering the associated risks of financial crime, we must comply with anti-money laundering (AML) and counter-terrorism financing (CTF) regulations and sanctions.

The financial crime risk landscape is constantly developing. Increasingly sophisticated criminal activity paired with a broader scope of regulatory requirements make it challenging to identify, escalate and mitigate risks.

Financial crime risk is particularly significant to us due to the speed, convenience and nature of the payment services we provide customers.

As the scope and complexity of our products increase, we may attract criminals attempting to exploit our services. If this risk materialises, it could also impact our regulatory compliance and damage our reputation within the industry and with our customers or regulators. It could also result in financial loss to our customers and the business.

We deploy a multifaceted approach to identify and mitigate financial crime risk:

- **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 the Wise platform are not subject to a government sanction
- **Transaction monitoring** monitors the transactions entering and exiting the Wise platform
- Additional risk-based controls and heightened measures that may be automatically enacted based on a customer's unique risk profile
- Training programmes for all Wise employees

We actively engage with multiple national financial crime intelligence units and regulatory partners to make sure our overall control environment is in line with best practices and emerging trends.

The risk of financial crime has and will continue to increase as our product offering and geographical footprint continue to expand, during a time when geopolitical developments are volatile and the world continues to experience the impact of rising global conflicts. During this time we have continued to invest in improving our controls that mitigate the risk of financial crime and help prevent a material impact on our business model. These measures included:

- Continuing to invest in our machine learning capabilities to identify and flag potential evidence of financial crime within our environment and implementing a machine learning based AML risk scoring solution globally for all of our customers
- Implementing additional measures to protect our customers from all scams, including Authorised Push Payment scams and ensuring readiness for future regulatory change in this area
- Continuing oversight by Internal Audit and compliance monitoring teams of our overall control framework as well as focused external audits performed at our request. This independent oversight over systems and controls improved their quality and effectiveness
- Further refining our onboarding controls, specifically leveraging liveness and machine learning technology to enhance our processes
- Continuously and proactively working to identify vulnerabilities within our sanctions control environment to mitigate the risk of Wise being used to evade global sanctions, taking into consideration the rapidly and dynamically evolving global environment driving substantial change to global sanctions programmes
- Taking best practices from our global approach to combating financial crime and applying these to new regions and markets

We will continue to enhance our financial crime risk management capabilities throughout FY2025. Our plans include further investment in machine learning for transaction monitoring, fraud detection and customer risk scoring and continued investment in our Financial Crime operational teams.

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

### Link to mission pillars:

Price

Speed

Convenience

Transparency

Systems infrastructure risk pertains to the design, development and availability of our systems or data that can impact our ability to process transactions and reliably serve customers. This could occur through our approach to recovery and backup, capacity constraints, the failure or corruption of critical technology and data feeds, or compromise of physical hardware. ITGCs (IT general controls) risk relates to the potential misappropriation of assets or misstatement of financial statements as a result of inadequate controls over our internal systems. Specifically, it highlights the risk that we may not prevent or detect the unauthorised access, use, or change to data or systems. It also considers the risk of failing to appropriately back up our systems and the subsequent impact that this will have.

We are committed to improving the reliability and resilience of our IT systems and infrastructure. We want to ensure that we can continue successfully delivering our products and protect our customers from disruption.

We manage our systems through a shared accountability model between our product engineering, platform infrastructure and security teams. Our key mitigation strategy focuses on:

- Improving our system resilience and examining how products are developed, delivered, and maintained to provide stable and secure services
- Applying a change management process that enforces accountability when using secure coding standards, and for testing and approval of changes before we launch new features or products
- Ensuring access to our systems is granted in a controlled manner and only to users who require it through a tailored identity and access management programme
- Utilising automated controls to enforce segregation of duties across select higher risk processes, and detective monitoring mechanisms to identify unauthorised activities

We have made further progress with our ITGC control framework throughout FY2024. We implemented additional security measures across our product change lifecycle and have further improved testing and approval controls. We also enhanced processes around the identification of unauthorised or potentially suspicious activities within our applications.

As we continue to develop and embed these controls, our efforts will be focused on:

- Improving our redesigned access management process with a focus on assurance and reconciliation in our key systems and infrastructure. In addition, we will extend the controls to lower critical systems to again reduce risk
- 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

In FY2025, we will explore a further reduction of sensitive access privileges. We will also assess our monitoring processes to ensure we remain vigilant in identifying unauthorised or potentially suspicious activities across our systems.

As ever, we will take a proactive approach to maturing our IT control environment, with a focus on mitigating the risk of errors or fraud while driving accountability within our teams to manage a robust control framework.

## Security Risk

### Link to mission pillars:

Price Speed Convenience Transparency

Security risk refers to the effectiveness, availability, integrity and security of IT systems through the risk of either external or internal security compromise. The almost exclusively digital nature of our business means that security risks are particularly acute. They are central to our operational considerations – even where risk appears minimal.

Key mitigation of security risks requires maintaining a robust security maturity assessment, as well as plans for continuous improvements. We carry out regular penetration tests and simulated attacks to ensure our controls can identify weaknesses, and we are continually evaluating and mitigating external threats.

Our detection capabilities monitor and inform when there are system attacks. If this happens, our comprehensive incident response procedures help us respond with speed. We have a robust training programme that ensures our employees can recognise and report evolving threats. We also communicate the evolving security risk landscape – and our mitigation efforts – to our customers.

Our workforce increasingly relies on virtual security infrastructure. It is important that we continue to raise awareness of potential threats and implement secure measures for remote working.

We are always looking to improve our security protocols to further reduce the risk of security breaches. Our Security team engages in regular internal vulnerability simulations to test our staff's handling of various forms of attacks. This means we can be confident that we have measures in place to identify, escalate and prevent material threats to the system infrastructure.

We are also making enhancements to our vulnerability management programme. This will improve the speed at which we can identify and mitigate potential threats.

## Data Privacy Risk

### Link to mission pillars:

Price Speed Convenience Transparency

Data privacy risk involves the rights and freedoms of users through the improper use or disclosure of their personal information. We are subject to data privacy laws and regulations across the jurisdictions we operate in. As the business continues to enter new markets, there will be new regulations to consider.

The EU GDPR (General Data Protection Regulation) is one of the most comprehensive privacy regulations. We apply its standards across our global operations. We also make additional enhancements where required to comply with local privacy regulations.

All employees are trained so that they can identify privacy risks and take appropriate action. Wise has adopted 'privacy by design' principles and our product teams are trained on how to embed transparency and user choice in our products.

Our dedicated Privacy team provides advice and challenge to teams across Wise.

The data privacy regulatory landscape is constantly evolving, with new and updated regulations being enacted across many of our key markets. It is essential that we are adaptable in our approach.

The Privacy team continuously monitors regulation changes and works with industry bodies and our own Government Relations team to protect customers and ensure consistency across jurisdictions.

Artificial intelligence (AI) presents significant opportunities for us to improve the efficiency and quality of our processes. It can also pose privacy risks and we have processes in place for risk assessment of AI use cases and use of third-party generative AI tools. We continue to build out governance to ensure we maintain customer privacy, fairness, transparency and trust in our adoption of AI.

In FY2025 we will strengthen our data privacy governance, monitor emerging and evolving privacy regulations across our markets and enhance our privacy control effectiveness monitoring as we continue to grow.



## Financial Risk – Market Risk (FX)

### Link to mission pillars:

Price

Speed

Convenience

Transparency

Market Risk is the potential losses arising from adverse market movements in variables like exchange rates, interest rates and other asset prices.

Our most material market risk exposure is to FX exposures on non-GBP currency balances. The exposures can arise as a result of Wise's product offerings including (but not limited to) customer remittances, Wise Account balances etc.

Any material losses we incur due to FX exposures can have a significant impact on prices offered to customers across products. We manage the FX risk arising from open FX exposures using financial derivatives to reduce the likelihood of incurring any material losses.

Owing to the structure of Wise's product offerings and the number of currency routes we support on remittances, we need to manage our FX risk proactively. We currently employ various risk management tools that help us act swiftly to manage both exposures and any expected/unexpected market volatilities.

We manage FX risk in line with our board approved FX policy. The risk appetite is set based on Value-at-Risk (VaR) models that estimate max one day losses and absolute Net Open Currency exposure levels. Alerting and monitoring is in place to ensure any breaches to these risk limits and/or thresholds are escalated to relevant contacts and reviewed immediately.

As our product evolves we are adapting and improving our approach to FX risk management. In FY2024 we made improvements across several domains, in particular:

- Hedging capabilities
- Reducing FX trade costs, by onboarding additional counterparties and achieving better terms with existing counterparties
- Deploying third-party trading platforms and improving analytics around FX risk

These have impacted on our KRI metrics and have helped improve pricing for customers.

In FY2025, we aim to build on these efforts by continuing to improve our overall capabilities to better manage our FX risks and the cost to do so. We want to remain on track to reduce FX costs and improve customer offerings, while operating within a robust control framework.

## Financial Risk – Market Risk (Interest Rate)

### Link to mission pillars:

Price

Speed

Convenience

Transparency

Market risk from interest rates is the risk of losses arising from changes in the value of assets and liabilities on the balance sheet due to changes in interest rates.

Our main interest rate exposure arises from the portion of safeguarded assets held in the form of highly rated government bond investments. Bonds are market instruments that have fixed interest rate exposures and hence subject to change in market value with movement in interest rates. Depending on the movement in interest rates and valuation, there is a direct impact on our capital. For example, an increase in valuation leads to a proportional increase in capital and vice versa.

We manage our bond investments in line with our board approved investment policy, which outlines our bond investment mandate in terms of credit rating, tenor and average duration for the bond portfolio.

We also manage our interest rate risk arising from bonds in line with our agreed risk appetite calculated as a stress shock on interest rate risk measure (IR01) arising from the bond holdings as percentage of our Group Eligible Capital.

Bond investments contributed to a significant portion of our overall net interest income in FY2024.

We manage our investment allocation using external asset managers. Through FY2024 our balances across entities have grown. We have been mindfully allocating excess available liquidity to our bond portfolio and will continue to do so in FY2025 while operating within our board approved risk appetite.

## Financial Risk – Credit Risk

### Link to mission pillars:

Price

Speed

Convenience

Transparency

Credit risk involves financial losses caused by a customer or counterparty's failure to meet contractual obligations. The consequences of this risk may encumber customer funds, with Wise covering any losses to avoid customer impact.

Wise does not engage in lending by offering overdrafts, personal loans, corporate loans or mortgages – which are key products open to credit risk.

Our 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 the event of default by one or more of these counterparties, we are at risk of financial losses as these funds might become unrecoverable.

To mitigate credit risk, we aim to only partner with high-quality counterparties, including banks and non-bank institutions. Generally, we use 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, we have an internal credit assessment process performed through analysing the financial and other information of the counterparty or referring to external consensus ratings if available.

Credit risk exposure is monitored at a counterparty level and overall portfolio against our risk appetite. This is then reported as part of our internal risk governance process.

Our growth also means that our exposure to credit risk increases too. Our approach must therefore evolve alongside the growth of our business.

In FY2024, we established a specific Credit Risk Committee and rolled out a credit risk management framework with a set of standard credit limits based on the credit quality and a process for internal credit assessments. We have also updated our approach for the approval of bespoke credit limits, and monitoring has also been enhanced.

## Financial Risk – Liquidity Risk

### RLink to mission pillars:

Price Speed Convenience Transparency

Liquidity risk can arise if we are unable to meet our short-term funding needs or cash obligations due to:

- A lack of available cash reserves
- Limited access to external funding sources
- An unexpected large outflow of cash

We operate in numerous countries and jurisdictions, each with their own regulatory liquidity requirements. To ensure universal compliance, we monitor all regulatory liquidity requirements globally on an ongoing basis.

We also 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 the business always maintains prudent levels of liquid resources.

We continued to strengthen our liquidity stress testing this year, with a focus on preventing customer harm and ensuring that all regulatory (safeguarding) requirements are met. Following the collapse of Silicon Valley Bank (SVB) and other similar events, we undertook additional impact assessments during FY2024. These have helped us further improve our liquidity management already in place. Our primary focus involved enhancing the monitoring, controls and governance over product liquidity requirements to improve overall liquidity risk management, but we also increased our liquidity supply agreeing an increase to our Revolving Credit Facility from £300 million to £400 million.

In FY2025 we have already increased liquidity supply via a new liquidity source and we continue to focus on enhancements to product liquidity management. Specific liquidity controls were built in FY2024 for two of our main liquidity consuming products and these will be enhanced during FY2025, alongside operational changes, to reduce the BAU and stress liquidity requirements of these products. We will also continue to improve our liquidity usage monitoring and resilience of liquidity supply.

## Fraud Risk

### Link to mission pillars:

Price Speed Convenience Transparency

Fraud risk is the possibility of the organisation, its customers, or both, being subject to fraudulent activity. This can come either from within (by Wisers) or externally (by individuals abusing our services) and/or our customers while they use our services.

Both internal and external fraud can have a significant negative impact on the business by creating reputational, operational and regulatory risk. They can also be damaging to individual customers.

Our approach to fraud risk is to detect and prevent. We recognise the risk fraud presents, and while we might not be able to stop it completely, we want to take steps to lessen its impact, while working to prevent bad actors from using Wise for fraudulent activities.

In FY2024, we continued to invest in fraud intelligence and controls. We utilised our partnerships with external fraud prevention firms to enhance our in-house detection and maturing our fraud risk oversight to ensure prevention controls remained effective.

We continued to build on our previous fraud risk-related activity. We focused on the mitigation of the known threat vectors of fraud and ensuring we are guarded against potential threat vectors such as scams and account takeover.

In FY2024, we also maintained focus on our control framework for managing external and internal fraud risk.

We prioritised scam prevention as a key control initiative, by implementing controls, processes and education to detect and prevent scams. This helps to protect stakeholders while demonstrating our trustworthiness in the marketplace.

Investment in public awareness campaigns and in-product warnings to customers of potential scams is a strategic effort to help safeguard our customers from this ever-evolving risk.



## Third-Party Risk

### Link to mission pillars:

Price

Speed

Convenience

Transparency

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 outsourced tasks related to servicing customers.

A risk can arise if we fail to maintain or identify appropriate third-party services and vendors. Should this happen, we are vulnerable to reputational, operational, legal and regulatory risk.

Third-party risk management also aims to address the risk of overreliance on a particular payment provider or vendor, without adequate redundancy. We aim to mitigate the impact to our operations if there is a long-term disruption or reduction in service levels and no exit strategy is in place, or the third party chooses to exit our relationship.

To mitigate third-party risks, we implemented a comprehensive Third Party Management (TPM) programme that includes regular due diligence of the third parties via Prevalent. The TPM team enhances the programme through robust monitoring of the third-parties' services, with clear service level expectations and penalties for non-compliance, and diversified relationships to avoid over-reliance on a single provider. Additionally, we will continue to develop our contingency plan that shows alternative solutions and exit strategies in case of long-term service disruption or termination of the relationship. This plan should be regularly tested and updated to ensure operational resilience. By proactively managing these relationships and preparing for potential disruptions, we can minimise the Principle Risks and deliver uninterrupted services to customers.

In FY2025, we will continue to enhance our team with subject matter experts (SMEs). This is to ensure that due diligence on third parties continues to be conducted both in a timely and accurate manner. This will also enable us to grow our capacity as we continue to expand the number of third parties which we deal with. Our investment will focus on enhancing:

- The capabilities of the tools we launched last year (Prevalent)
- Building robust controls around several Internal Audit/ Regional Compliance Gaps Assessments
- Establishing dedicated team members to oversee these processes

Additionally, we will conduct regional compliance, and Internal Audit gap assessments around upcoming regulations, such as the Digital Operational Resilience Act (DORA), to identify and address any enhancements required to meet the new standard. Further work on the Wise Group third-party risk management policy (currently under review) will help to codify these enhancements and expand the scope of our policies and operations, thereby strengthening our overall risk management framework.

## Operations Risk & Customer Experience

Link to mission pillars:

Price

Speed

Convenience

Transparency

This is the risk that occurs if we ever fail to provide good quality customer service, support and outcomes throughout the customer lifecycle. We must prioritise the right projects to meet market needs impacting growth and make sure that any product changes are made following the correct governance processes.

We primarily mitigate this risk through two main pillars:

### 1. The strength of our product development process

This pillar is designed to ensure that we capture the best outcomes for our customers. By focusing on this area, we are maintaining high standards of product design while deploying new products that meet customer development needs at every stage of the product lifecycle.

To execute this, we focus on a number of key metrics including our NPS score, customer feedback and our regulatory environment during the design stage. We also ensure rigorous challenge and feedback is undertaken on our solutions to customer problems and how these solutions are contributing to our mission.

We stagger the release of new products, starting internally with team members, then to a small number of customers, and eventually expanding to more customers. In doing so, we aim to make the universal implementation of these features as smooth as possible while allowing for quick rollbacks if needed.

Following release, we undertake automated testing and monitoring to ensure updates or changes are effective. We also implement alerts for our on-call teams in case something isn't working as expected.

### 2. Focusing on quality customer service and reducing our contact volumes

We use data to capture the direct and indirect effects on our customers as a result of any changes we make. We have a dedicated team monitoring the rate of customers contacting us, as this helps us to 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 any recurring challenges that our customers are facing.

During FY2024, our Customer Experience team underwent an organisational redesign, moving to a levelled support model. This enables our agents to specialise and improve our resolution rate and 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 have 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.

## Partner Risk

### Link to mission pillars:

Price Speed Convenience Transparency

Wise's payment infrastructure relies significantly on our underlying partnerships with financial institutions who provide payment rails. Partner risk is related to the maintenance of our strategic partnerships and retaining sufficient levels of redundancy to ensure the continuity of services to our customers.

Our biggest priority to mitigate partner risk is to directly connect to local payment systems where feasible. We identified key markets in which it is critical we get direct access and have been executing on the pathways to get access including through submitting relevant licence applications to regulators, and connecting to the payment systems where licences have been granted. Where direct access is not yet feasible, the Banking and Government Relations teams are undertaking constant efforts to discuss pathways for non-bank access with policymakers.

Given that direct access is our medium and long-term strategy to reduce our partner risk, we need to continue our ongoing efforts to reduce partner risk in the shorter term.

In the last 12 months we have seen partner risk materialise due to ours (or our partners) evolving risk appetites or business focus. We have been able to manage this risk without significant impact on our business or customers, but we continue to enhance our partner risk management.

We are developing monitoring frameworks to identify how to manage and reduce our partners' risk perception of Wise. We are also strengthening our relationship management with partners – including regular business reviews to ensure transparency between both parties to address ongoing concerns and opportunities.

In parallel, a key strategic priority for regional teams is to add new partners to have redundancy in place, especially in our largest and growing markets. In FY2025, the regional teams will continue reviewing our current levels of redundancy and identify where additional partners are required. Where this is the case they will identify, contract and integrate with additional partners.



# 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 31 March 2027 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;
- 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 34-39), the Group's product offering and mission pillars (pages 12-29) and the principal risks the Group faces (pages 62-77).

The prospects of the Group are considered as part of its financial 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 forecasted financial performance, cash flows, liquidity and capital position with base, low and high case outputs.

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 plan was approved by the Board in April 2024.

As set out in the Audit and Risk Committee (ARC) report on pages 99-103, 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 62-77. 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.

The table below summarises the scenarios modelled by the Group:

| Scenario  | Description  | Principal risks addressed in the scenario  |
|---|--|--|
| <b>Market-wide stress – Severe recession/ economic slowdown</b> | <ul style="list-style-type: none"> <li>• Assumes that weak global growth leads to volatility in the major currency markets</li> <li>• This is followed by poor economic conditions during FY2025 which leads major central banks, including the Federal Reserve, the European Central Bank and the Bank of England to cut interest rates in an attempt to revive growth</li> <li>• Uncertainty in financial markets and potential failures of competitors results in reduced customer confidence in Wise</li> <li>• Low economic growth, as well as high global unemployment rates also lead to weakened demand for Wise's product offering</li> </ul> | <ul style="list-style-type: none"> <li>• Market risk (FX)</li> <li>• Product risk (product losses)</li> </ul>  |
| <b>Idiosyncratic – Cyber attack</b>                             | <ul style="list-style-type: none"> <li>• Wise is subject to a cyber attack which impacts customers' data</li> <li>• This leads to significant customer withdrawals from Wise accounts as well as a significant increase in customer contacts</li> <li>• Reputational damage and loss of market's confidence in Wise results in lower customer activity and volume throughout FY2025</li> <li>• Additionally, Wise faces increased scrutiny from its regulators and has to pay significant fines from the above incident</li> </ul>   | <ul style="list-style-type: none"> <li>• Security risk</li> <li>• Data privacy risk</li> <li>• Regulatory risk</li> <li>• Credit risk</li> <li>• Third-party risk</li> <li>• Liquidity risk</li> </ul> |

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 2027.

## 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 and sustainability information statement

The non-financial and sustainability 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)  |
|------------------------------|--|---|----------|
| <b>Environmental matters</b> | <b>Environmental &amp; social impact strategy</b> – is a strategy covering our climate and our social impact initiatives in a hybrid of what other companies might call Environmental, Social and Governance (ESG) and Corporate Social Responsibility (CSR).  | ESG at Wise                                   | 48 to 55 |
|                              |  | TCFD  | 56 to 59 |
|                              | <b>Climate-related disclosures</b> – we are currently developing our climate related disclosures, in line with applicable legislation. The ESG section sets out further detail on this progression, including Wise’s statement on compliance with the Task Force on Climate-Related Financial Disclosures.                             | s172 statement                                | 60 to 61 |
| <b>Human rights</b>          | <b>Modern slavery statement</b> – is our commitment to ensuring that slavery and human trafficking are not taking place in any part of our business or supply chain.   | ESG at Wise                                   | 48 to 55 |
|                              | <b>Privacy and data protection</b> – sets out Wise’s approach to protecting the personal data and privacy rights of our customers, employees and other stakeholders.   | s172 statement                                | 60 to 61 |
| <b>Our people</b>            | <b>Code of conduct</b> – sets high standards and principles for how Wisers should behave and treat each other.   | Our people                                    | 40 to 47 |
|                              |  | s172 statement                                | 60 to 61 |
|                              | <b>Health and safety policy</b> – clarifies Wise’s approach to health and safety management.   |   |          |
|                              | <b>Diversity, equity and inclusion</b> – outlines Wise’s commitment to a working environment that is diverse, equitable and inclusive.   |   |          |
|                              | <b>Anti-bribery and corruption (ABC) policy</b> – sets out Wise’s responsibilities, and those of all representatives of the Wise Group of companies in observing and upholding our position on bribery and corruption; and to provide practical guidance to Wisers on how to recognise and deal with bribery and corruption red flags. |   |          |
|                              | <b>Whistleblowing policy</b> – clarifies how Wisers report any suspected instances of wrongdoing.  |   |          |
|                              | <b>Delegation of authority policy</b> – defines the process for assigning authority to employees.  |   |          |
|                              | <b>Conflicts of interest policy</b> – ensures that all Directors adhere to the highest standards of behaviour with regard to conflicts of interest.  |   |          |
|                              | <b>Wiser complaint/grievance process</b> – sets out the formal process for filing a complaint regarding another Wiser.   |   |          |
|                              | <b>Conflict resolution process</b> – sets out the informal process for resolving conflict between Wisers.  |   |          |



| Reporting requirement                   | Policies and standards which govern our approach   | Where to find more information in this report | Page(s)  |
|---|--|---|----------|
| <b>Social matters</b>                   | <b>Group Third Party Management Policy</b> – a global internal policy for all Wise Group entities, adapted to local regulations. It aims to provide strong guidelines and practices for governance and regulatory compliance regarding the risks in onboarding, managing, reviewing, and offboarding third-party arrangements.   | ESG at Wise                                   | 48 to 55 |
|   | <b>Charitable donations process</b> – summarises the ways that Wisers can get involved in disaster relief and charitable donations.  | s172 statement                                | 60 to 61 |
|   | <b>Complaints policy</b> – describes the process for resolving customer complaints efficiently.  |   |          |
|   | <b>Customer Care policy</b> – it is a policy implementing the Consumer Duty and setting out expectations on how customers should be treated.   |   |          |
| <b>Anti-corruption and anti bribery</b> | <b>Anti-bribery and corruption (ABC) policy</b> – sets out Wise’s responsibilities, and those of all representatives of the Wise Group of companies in observing and upholding our position on bribery and corruption; and to provide practical guidance to Wisers on how to recognise and deal with bribery and corruption red flags.   | ESG at Wise                                   | 48 to 55 |
|   | <b>Regional anti-money laundering policy</b> – the purpose of Wise’s AML/CTF policy is to establish measures and procedures within Wise to detect, prevent, and report activities that may involve money laundering, terrorist financing or other financial crimes. The policy helps to ensure compliance with regulations, mitigates risks, and outlines responsibilities and accountability for Wise employees.  | Risk Management                               | 62 to 77 |
|   | <b>Sanctions policy</b> – defines the controls to protect the Wise Group 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.   |   |          |
|   | <b>Enhanced customer due diligence manual</b> – establishes EDD procedures which strengthen Wise’s KYC framework and look to ensure compliance with relevant regulatory requirements for customers who require a higher level of due diligence.  |   |          |
|   | <b>Financial crime oversight escalation and approval policy</b> – this policy outlines the framework for handling escalated issues related to financial crime risks at Wise. It defines the roles, responsibilities, and procedures for oversight and 1 <sup>st</sup> Line, ensuring escalation of significant fincrime issues or control failures, appropriate approvals, and effective oversight to maintain compliance with regulations and mitigate financial crime risks. |   |          |
|   | <b>Politically exposed persons manual</b> – summarises the regulatory requirements and best practices applicable to politically exposed persons (PEPs) and to describe in detail the compliance programme on how PEPs are identified, onboarded and monitored.   |   |          |

| Non-financial information                            | Where to find the information within our Strategic Report |
|--|---|
| <b>Our business model</b>                            | 32 to 33  |
| <b>Principal risks and impact on business policy</b> | 67 to 77  |

# Governance at a glance

## Governance highlights

### Board changes

- Elizabeth Chambers was appointed as an Independent Non-Executive Director on 19 April 2023.
- Clare Gilmartin was appointed as Senior Independent Director on 19 April 2023.
- Following the resignation of Matthew Briers on 25 March 2024, Emmanuel Thomassin will join the Board and take up the position of Chief Financial Officer in October 2024.



Women on the Board

**50%**



Women on the Leadership Team

**30%**

**5**

Workforce engagement sessions

Women in senior leader positions

**32%**



### Committee changes

- Elizabeth Chambers was appointed as Chair of the Remuneration Committee on 18 September 2023.
- Clare Gilmartin stepped down from the Remuneration Committee and joined the Nomination Committee, both with effect from 18 September 2023.

Average tenure of Board members

**2.7**  
years

## Meeting attendance for FY2024

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<br>4 meetings | Nomination Committee<br>4 meetings | Remuneration Committee<br>4 meetings | Audit and Risk Committee<br>6 meetings |
|------------------------------|---------------------|------------------------------------|--------------------------------------|--|
| David Wells                  | ●●●● 4/4            | ●●●● 4/4                           | ●●●● 4/4                             | n/a                                    |
| Kristo Käärmann <sup>1</sup> | ○●●● 2/4            | ○●●● 2/4                           | n/a                                  | n/a                                    |
| Clare Gilmartin <sup>2</sup> | ●●●● 4/4            | ●● 2/2                             | ● 1/1                                | ●●●●●● 6/6                             |
| Terri Duhon                  | ●●●● 4/4            | n/a                                | n/a                                  | ●●●●●● 6/6                             |
| Alastair Rampell             | ●●●● 4/4            | n/a                                | n/a                                  | n/a                                    |
| Hooi Ling Tan                | ●●●● 4/4            | ●●●● 4/4                           | n/a                                  | n/a                                    |
| Ingo Uytdehaage              | ●●●● 4/4            | n/a                                | ●●●● 4/4                             | ●●●●●● 6/6                             |
| Elizabeth Chambers           | ●●●● 4/4            | n/a                                | ●●●● 4/4                             | n/a                                    |
| <b>Former directors</b>      |                     |                                    |                                      |  |
| Matthew Briers <sup>3</sup>  | ○●●● 3/4            | n/a                                | n/a                                  | n/a                                    |

1. As announced on 10 May 2023, Kristo Käärmann took sabbatical leave from September 2023 until December 2023.

2. Clare Gilmartin stepped down from the Remuneration Committee and was appointed as a member of the Nomination Committee on 18 September 2023.

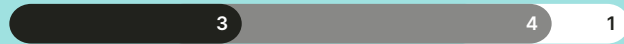
3. Matthew Briers did not attend the Board meeting held on 6 March 2024 as it was held in Singapore and he was unable to travel.

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 96 to 115.

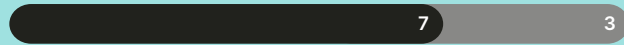
## Board and Leadership Team diversity

### Gender representation

#### Board



#### Leadership Team



● Men ● Women ● Prefer not to say

### Age

#### Board



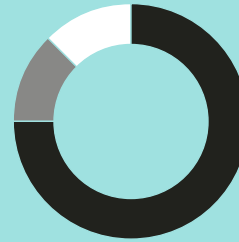
#### Leadership Team



● 30-39 years ● 40-49 years ● 50-59 years ● over 60

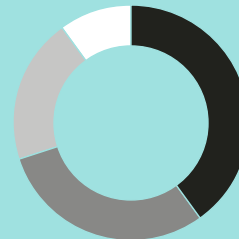
### Ethnic diversity

#### Board



● White British or other White (incl minority-white groups) 6  
● Asian/Asian British 1  
● Not specified/prefer not to say 1

#### Leadership Team



● White British or other White (incl minority-white groups) 4  
● Asian/Asian British 3  
● Mixed/multiple ethnic groups 2  
● Latin American 1

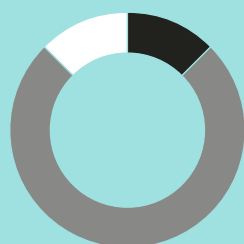
## Board composition, skills and experience

### Composition



● Executive Directors 1  
● Non-Independent Non-Executive Directors 1  
● Chair 1  
● Independent Non-Executive Directors 5

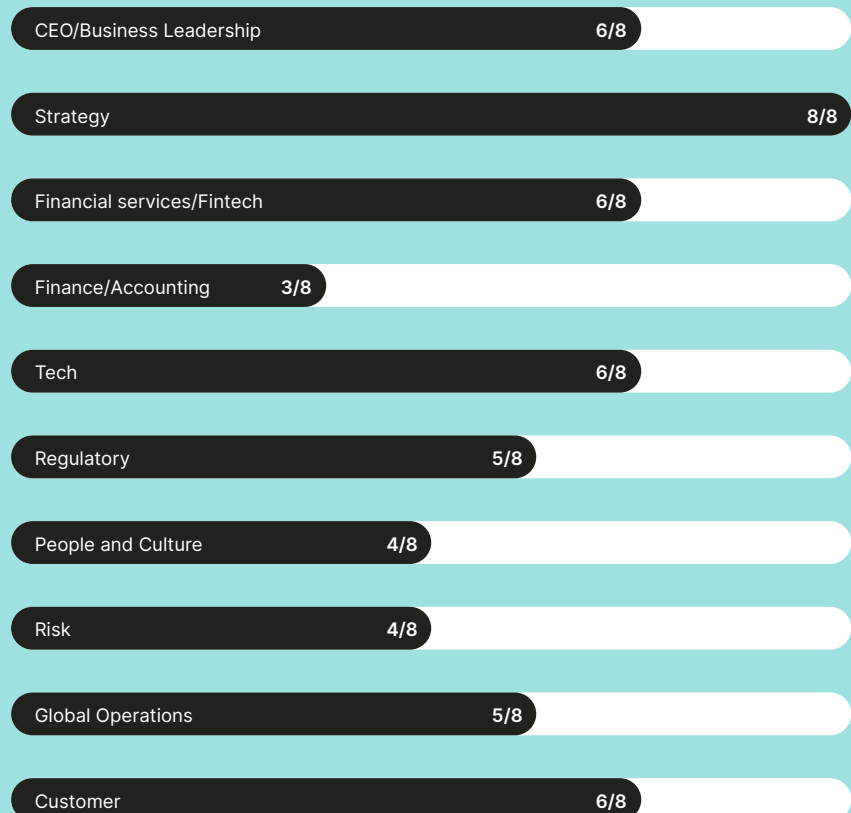
### Tenure



● 1-2 years 1  
● 2-3 years 6  
● 3-4 years 1

### Skills and experience

Board skills are regularly reviewed by the Nomination Committee and used for succession planning.





# Guided by our mission



## Dear Wise Owner,

On behalf of the Board, I am pleased to present the Corporate Governance Report for FY2024, which focuses on our governance arrangements, compliance with the UK Corporate Governance Code and Board activities. It's been a year of continued transformation for Wise as we expanded our global footprint, evolved and matured our risk management framework, and continued to review and enhance our governance arrangements.

## Board and committee composition

It has also been a year of change for Wise from a leadership perspective. As noted in my Chair's statement (page 6) we bid a fond farewell to Matthew Briers, our Chief Financial Officer. I am very pleased to be welcoming his successor Emmanuel Thomassin, who will join us in October 2024. Emmanuel has a proven track record of scaling companies in rapidly evolving industries – from startups to public companies. In further development of our Board, we were delighted to have Elizabeth Chambers, who joined the Board in April 2023, take the Remuneration Committee chair in September. Elizabeth is a seasoned remuneration committee member and has brought exceptional expertise and insight to the role. Her predecessor and our SID, Clare Gilmartin, joined the Nomination Committee at the same time, adding further independence and diversity of experience to that committee.

## Effective meetings

As a Board we have continued to focus on best meeting practice, using our annual evaluations to point us to areas to strengthen. Meeting papers were significantly enhanced this year, featuring more narrative content and clearer presentation of key discussion and debate areas. Agendas were revised to prioritise strategic topics and allocate sufficient time for discussion. Additionally, we implemented a

board portal to foster collaboration and improve meeting efficiency. We also held two meetings outside of London this year – in Wise's Tallinn and Singapore offices – to focus on important growth markets and centres of employment. We recognise that the rapid and global expansion of our business makes understanding our regional centres, and maturing our subsidiary governance, a key priority.

## Risk

We operate in a fast-moving industry with an ever-evolving risk landscape, making risk management essential to our success. The Board, via the Audit and Risk Committee, has continued its oversight of the Group's risk and control environment and development of its risk management function. A key aspect of this was revising our top priority risks to focus enhancement efforts. More information can be found in the Risk management report on pages 62-77.

Our focus for the next financial year will be to continue supporting the Board and the Leadership Team in delivering long-term, sustainable value for the benefit of all stakeholders. In the following pages, you will find information on our Board, corporate governance arrangements, activities across the year and reports from our Board Committees and their Chairs.

I look forward to welcoming you at the Annual General Meeting.

**David Wells**  
Chair

13 June 2024

# Corporate Governance Compliance Statement

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

As a company with a standard listing on the London Stock Exchange, we are not required to comply, or otherwise explain non-compliance, with the requirements of the 2018 UK Corporate Governance Code (UK 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 Governance Report, the Strategic Report and Committee Reports.

With the exception of the areas listed below, we comply fully with the principles and provisions of the UK CGC. We will continue to review our compliance going forward, in line with the revised UK CGC published in January 2024.

## The areas where we do not yet fully comply with the provisions of the UK CGC

| Principle or Provision   | Status of compliance   |
|--|--|
| <b>Provision 17 (Nomination committee composition)</b>   | On 18 September 2023, Clare Gilmartin was appointed as an additional member to strengthen the composition of the Nomination Committee.   |
| A majority of members of the committee should be independent Non-Executive Directors.                                    | The Nomination Committee now comprises 50% independent Non-Executive Directors and therefore does not meet the requirement of Provision 17 as David Wells is excluded from the independence calculation. The Nomination Committee will continue to review its composition and that of the other Board committees to ensure an appropriate balance of skills, experience and independence.  |
| <b>Provision 20 (use of an external search consultancy for the appointment of the chair and Non-Executive Directors)</b> | An explanation of our approach to the selection process for new Directors, which includes Non-Executive Directors, can be found in the Nomination Committee Report on page 98.   |
| <b>Provision 41 (under Remuneration)</b>   | During the financial year, the Remuneration Committee did not formally engage with employees on Executive Director remuneration (as required under provision 41). In line with our previous Annual Report and Accounts, we continue to 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 104 to 115. |

## UK Corporate Governance Code

|  |                  |
|--|------------------|
| <b>1. Board leadership and company purpose</b>           |                  |
| An effective Board                                       | 91               |
| Purpose, values and culture                              | 91               |
| Governance framework and Board resources                 | 91-95            |
| Stakeholder engagement                                   | 60-61            |
| Workforce policies and practices                         | 42-47, 50-51, 60 |
| <b>2. Division of responsibilities</b>                   |                  |
| Board roles  | 94               |
| Independence   | 92               |
| External appointments and conflicts of interest          | 92               |
| Key activities of the Board in FY2024                    | 91-92            |
| <b>3. Composition, succession and evaluation</b>         |                  |
| Appointments to the Board                                | 96-98            |
| Board skills, experience and knowledge                   | 83, 86-88        |
| Annual Board and Committee evaluation                    | 93               |
| <b>4. Audit, risk and internal control</b>               |                  |
| Financial reporting, external auditor and internal audit | 100-102          |
| Review of the FY2024 Annual Report and Accounts          | 100              |
| Internal financial controls and risk management          | 67-77, 100       |
| <b>5. Remuneration</b>                                   |                  |
| Linking remuneration with purpose and strategy           | 108              |
| Remuneration Policy review                               | 109-115          |
| Performance outcomes in 2023 and strategic targets       | 111, 114         |

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 62-77
- Information about share capital is presented in the Directors' Report on pages 116-118
- Information on Board and committee composition can be found on pages 96-97 and information on their operation is included across the Governance Report and in the individual Committee Reports
- Information on Wise's Diversity Policy can be found on pages 44-45

# Board of Directors

**Our Board is an experienced entrepreneurial team that considers all 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, an Executive Director, a Senior Independent Director, four Independent Non-Executive Directors and one Non-Executive Director.



## David Wells Chair

53, American

### 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 Chief Executive Officer

43, Estonian

### 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





**Clare Gilmartin**  
Senior Independent Director

48, Irish

**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



**Terri Duhon**  
Independent Non-Executive Director

52, American

**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



**Alastair Rampell**  
Non-Executive Director

43, American

**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 multiple portfolio companies at Andreessen Horowitz and Board Member of Steadman Philippon Research Institute



**Ingo Uytdehaage**  
Independent Non-Executive  
Director

51, Dutch

**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**  
Independent Non-Executive  
Director

40, Singaporean

**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**

None



**Elizabeth Chambers**  
Independent Non-Executive  
Director

61, American

**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 Chair of Remuneration, and Member of Audit and Technology Committees of TSB Banking Group, plc; Director at Currensea Ltd. 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 Interim 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.

He holds a BSc in Mathematics from the University of Bristol.



## **Harsh Sinha** Chief Technology Officer

**Experience and contributions:** Harsh joined Wise as Chief Technology Officer in May 2015 leading the technology teams building the Wise infrastructure and products across the world. He acted as Interim CEO from September to December 2023. Before Wise, Harsh was the director of product at PayPal where he led the product strategy and development of PayPal's mobile apps and software, designed to enable third parties to build mobile wallet experiences. Previously, he was also director of engineering at eBay where he built global products and teams.

He holds an MBA from the Haas School of Business, University of California, Berkeley, and a Bachelor's in Computer Engineering 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.



### Rohan Basu Head of Global Operations

**Experience and contributions:** Rohan was appointed Global Head of Operations on 1 March 2024 having held the position of Global Head of Financial Crime Operations since joining Wise in August 2021. Before joining Wise, Rohan was leading Financial Crime Products, Analytics and Intelligence at TSB Bank. Prior to this he was a management consultant at EY and Sanctions Advisory manager at Natwest.

He holds a BBA in Economics from Schulich School of Business (York University) and an MSc in Economic History from the London School of Economics and Political Science (LSE).



### 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.



### Jessica Winter General Counsel

**Experience and contributions:** Jessica has been General Counsel of Wise since January 2022, having previously held the position of Head of Corporate since joining Wise in 2019. 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.



### Kingsley Kemish Chief Financial Officer (Interim)

**Experience and contributions:** While holding the position of Interim Chief Financial Officer at Wise, Kingsley is concurrently the Senior Group Finance Director. Prior to moving to Wise, he served as Tax Transformation Director at Flutter Entertainment Plc for 7 months and previously spent 5 years at The Stars Group (acquired by Flutter) as Group Tax Director. His earlier career included a 7-year tenure at EY, where he held various positions.

Kingsley holds an LLB in Law from The London School of Economics and Political Science.

# Role of the Board, activities and decisions

## Operation of the Board

### Role of the Board

The Board's role is to promote the sustainable long-term success of the Company, generating value for all stakeholders. The Board oversees governance, ensures smooth operation, and provides oversight of the strategic direction of the business. It is committed to high standards of corporate governance and complies with the UK Corporate Governance Code (UK CGC). The Board, led by the Chair, is responsible among other matters for:

- Promoting the Group's long-term success and delivering sustainable value to shareholders
- Reviewing and overseeing the Group's mission and objectives
- Monitoring the alignment of the mission with the desired culture
- Establishing the Group's risk appetite and monitoring its risk profile
- Reviewing the Group's overall corporate governance arrangements

The Board's full responsibilities are set out in the Terms of Reference and Matters Reserved, which are available on our website, <https://wise.com/owners/corporate-governance>

### Board activities and principal decisions

During FY2024, the Board met four times. Meetings were held in London, Tallinn, and Singapore.

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

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 in FY2024 and decisions taken on each of the Board's focus areas is set out below.

### Strategy and performance

The Group's strategy remained focused on the mission and the Board supported this by:

- Receiving deep dives on key areas of strategy for Wise in terms of both product and market, discussing strategic wins and opportunities

- Evaluating performance in achieving the five key business goals below, by which the Board tracks and measures success throughout the course of the year. The five goals are:

- Customer satisfaction – Net Promoter Score
- Coverage and expansion
- New customers
- Cross-border volume
- EBITDA margin

- Reviewing growth and performance quarterly
- Reviewing an Owner Relations update, which gives Wise owners' views on our strategy, to ensure the strategy is right and teams are making the expected level of progress

### People and culture

The Board dedicated time to discussing people and culture-related matters, with a focus on:

- Attending the Wise Mission Day in Tallinn in June 2023 to connect with Wisers from across the globe and reflect on our mission
- Reflecting on themes arising from workforce engagement activities
- Reviewing workforce survey results and proposed actions
- Reviewing workforce salary benchmarking and hiring trends

### Finance and risk

The Board and its committees reviewed and approved key financial decisions throughout the year, including:

- Reviewing reports from the CFO on financial performance
- Approving the FY2024 Annual Report and Accounts and Half-Year Reports
- Reviewing and approving the liquidity adequacy assessment process and the individual capital adequacy assessment process
- Reviewing the going concern and viability statement, including stress-testing scenarios

### Governance

The Board continued to oversee the governance, smooth operation and oversight of the Group, with particular focus on:

- Conducting a comprehensive international search for a new CFO led by the Nomination Committee, which considered a wide range of candidates
- Receiving and evaluating succession plans for CEO and Leadership Team
- Reviewing the Board's Terms of Reference to ensure it had delegated the right matters to the appropriate committees and executive management
- Receiving regular reports from the Chairs of the Audit and Risk, Remuneration and Nomination Committees
- Reviewing regular reports from the Company Secretary and General Counsel on legal and governance matters

## 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. Each Director is required to notify the Board of any actual or potential situational or transactional conflict of interest and to update the Board with any changes to the facts and circumstances surrounding such conflicts.

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 24 to the Group Consolidated Financial Statements on page 157.

### 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 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.

Along with the summary of experience and skills of our Directors contained on page 83, the Notice of AGM will also set out why the Board believes the Directors should be re-elected.

### Director interests

For details on Directors' interests in share awards, including the shareholdings of their connected persons, refer to page 110 within the Directors' Remuneration Report.

## Composition, succession and evaluation

### Changes to the Board

Elizabeth Chambers was appointed as an Independent Non-Executive Director on 19 April 2023 and subsequently became Chair of the Remuneration Committee on 18 September 2023.

The Board announced the appointment of Emmanuel Thomassin as Chief Financial Officer and Director on 25 March 2024. He will join Wise in October 2024.

### 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 (SID)

The Board appointed Clare Gilmartin as the SID on 19 April 2023. Clare has been supporting the Chair in his role and leads the Non-Executive Directors (NEDs) in the oversight of the Chair. She has been available throughout the year to meet with other NEDs, act as a sounding board and raise any matters discussed.

### Independence

As of 31 March 2024, 71.4% of our Board, not including the Chair, comprised Independent Non-Executive Directors, and we are therefore compliant with provision 11 of the UK CGC. The Board considered these Directors to be independent in character and judgement and free from relationships or circumstances which may affect, or could appear to affect, their independent judgement.

One of our Non-Executive Directors, Alastair Rampell, is not considered independent under the UK CGC. However, given his prior experience with Wise Group and knowledge of the wider market, it was believed to be in the best interests of the Company for Alastair to remain on the Board.



## Board training

We understand the importance of keeping our Board members up to date with their legal, regulatory and governance responsibilities and ensuring they are aware of the latest internal and external developments. We also expect our Directors to keep their knowledge and skills up to date. The Group Company Secretary works with the Chair to ensure that the Board, both individually and jointly, receives appropriate training.

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

- UK Corporate Governance Code
- UK Listing Regime Reform
- ESG strategy
- Subsidiary governance
- The Board received a regular Board coverage report, which included updates on:
  - media coverage
  - competitors
  - regulatory news
  - upcoming trends
  - fintech sector trends
  - horizon scanning

The Board also had regular briefings with our auditors, PricewaterhouseCoopers (PwC), and access to members of the Leadership Team.

## 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 Leadership Team. Each Director has received a detailed introduction to our business, how we work and the market in which we operate.

A detailed, tailored induction will be created for Emmanuel Thomassin as Chief Financial Officer.

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

## Board evaluation

To ensure our governance practices work effectively and in line with the UK CGC, the Board's Matters Reserved and Terms of Reference, we carried out an internal Board evaluation in FY2023. The evaluation concluded that the Board, its committees and each of the Directors were effective and fulfilled their remit. The evaluation found that the Board and LT worked well together and purpose and focus were sufficient, with a good balance between strategic and forward-looking items on the agenda, though it would be helpful to have more thematically focused agenda items. In terms of stakeholder engagement, feedback was positive, particularly given the focus on customer experience and Wise owners. The Board requested more focus on regulatory engagement in FY2025. Board meetings themselves were deemed to be effective, with robust discussion and improved papers. The Board encouraged renewed focus on the quality of its papers to further enhance the effectiveness of meetings.

Significant progress was made throughout the year against all the action points identified in that evaluation. In particular, the following actions were taken:

- An Annual Strategy day was held in June 2023, providing the basis for the strategic agenda for the year ahead
- Improvements to meeting papers, incorporating more narrative content and clearer presentation of key areas
- Meeting agendas were revised to prioritise strategic topics and ensure ample time for discussion
- A board portal was introduced to enhance collaboration and streamline meeting efficiency
- More opportunities for Directors to spend in-person time together outside of meetings
- The frequency of meetings between Directors and Leadership Team was reviewed and increased

The Chair agreed that an internally facilitated evaluation of the effectiveness of the Board would take place for FY2024. The evaluation was conducted in May 2024 by way of a questionnaire, building on the key focus areas for the prior year. The key themes from this review, and an analysis of the actions taken as a result, will be included in our next annual report.

## 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 <https://wise.com/owners/corporate-governance>. Delegation of day-to-day management of the business and implementation of the mission is delegated to the Chief Executive Officer, who is supported by the Leadership Team.

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

| Director  | Responsibility   |
|---|--|
| <b>David Wells<br/>(Chair)</b>  | <ul style="list-style-type: none"> <li>• Provide effective leadership of the Board and promote a high standard of governance</li> <li>• Set a Board agenda that is forward looking and reflects the important issues facing the Group</li> <li>• Lead the Board in overseeing management and provide support for the CEO and LT</li> <li>• Lead the evaluation process for the Board and its committees</li> <li>• Report to the Board on the views of shareholders</li> <li>• Represent Wise to its key stakeholders</li> </ul>   |
| <b>Kristo Käärmann<br/>(CEO)</b>  | <ul style="list-style-type: none"> <li>• Manage the Group on a day-to-day basis within the authority delegated by the Board</li> <li>• Develop strategy, plans and objectives for review by the Board</li> <li>• Lead the LT in ensuring that Board decisions are implemented and significant decisions made by the LT are communicated to the Board</li> <li>• Promote a Group culture that fosters a prudent, safe and sound business</li> <li>• Engage in discussion with investors alongside the Chief Financial Officer</li> <li>• Represent the Group externally</li> </ul>  |
| <b>Clare Gilmartin<br/>(SID)</b>  | <ul style="list-style-type: none"> <li>• Act as a sounding board for the Chair</li> <li>• Provide the Chair with support in the delivery of their objectives</li> <li>• Serve as an intermediary for the other Directors and shareholders</li> <li>• Lead the evaluation of the Chair on behalf of the other Directors</li> <li>• Be available to shareholders if they have concerns that contact through the normal channels has failed to address</li> <li>• In times of stress, work with the Chair and other Directors and/or shareholders to resolve significant issues</li> <li>• Chair the Nomination Committee when Chair succession is considered</li> <li>• Preside at Board meetings in the absence of the Chair</li> </ul> |
| <b>Kingsley Kemish<br/>(Interim CFO)</b>  | <ul style="list-style-type: none"> <li>• Support the CEO in establishing strategy</li> <li>• Establish the annual operating plan</li> <li>• Lead the Finance Function</li> <li>• Financial reporting and ensuring effective process and controls</li> </ul>  |
| <b>NEDs<br/>Terri Duhon<br/>Alastair Rampell<br/>Ingo Uytdehaage<br/>Hooi Ling Tan<br/>Elizabeth Chambers</b> | <ul style="list-style-type: none"> <li>• Oversee, assess and challenge the delivery of strategy</li> <li>• Review and oversee the performance of management</li> <li>• Approve the Group's performance, risk profile and risk appetite</li> <li>• Consider the interests of the Company's stakeholders</li> </ul>  |

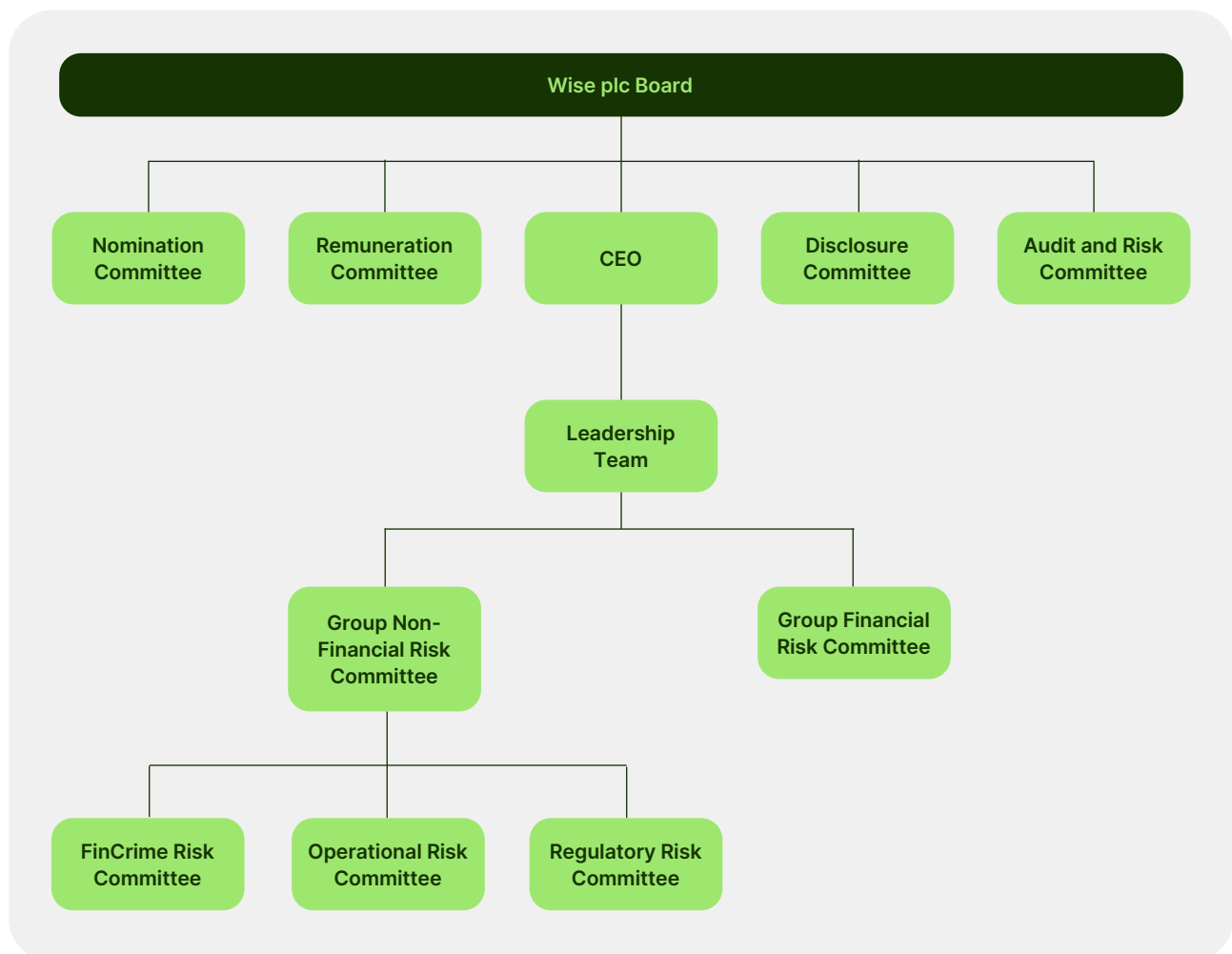
The Board delegates certain matters to the Audit and Risk Committee, Remuneration Committee and Nomination Committee. Details of the work of these committees can be found on pages 96 to 115.

The Board also has use of a Chairman's Committee, which considers routine matters on an ad-hoc basis.

The Board delegates the day-to-day responsibility of running the Wise Group to the CEO, who has several 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 these LT committees to provide oversight and advice on operational and risk matters:

- Group Non-Financial Risk Committee
- Group Financial Risk Committee
- Operational Risk Committee
- Financial Crime Risk Committee
- Regulatory Risk Committee
- Emerging Risk and Strategic Risk Forum





# Nomination Committee report



## Role and responsibilities

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

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

## Dear Wise owner,

I am pleased to present our first Nomination Committee Report, covering the year to 31 March 2024 (FY2024).

Wise has had an independent majority Board since January 2022 in line with the UK Corporate Governance Code (UK CGC). As detailed in our last annual report, the Board appointed Elizabeth Chambers as an additional Independent Non-Executive Director in April 2023. In addition, the Committee reviewed and recommended the appointment of Clare Gilmartin as Senior Independent Director on 19 April 2023.

In FY2024, the Committee focused on finding a successor to Matthew Briers, who stepped down as Chief Financial Officer (CFO) on 25 March 2024. Following an extensive international search, we were delighted to announce that Emmanuel Thomassin will join Wise in October 2024. Drawing on the strength and depth that Matt built in the Finance team during his time at Wise, we are happy to have Kingsley Kemish serve as interim CFO until Emmanuel joins us.

## Membership

The Committee is chaired by David Wells and its other members are Independent Non-Executive Director Hooi Ling Tan, Senior Independent Director Clare Gilmartin, who was appointed to the Committee on 18 September 2023, and our CEO, Kristo Käärmann.

The Chief People Officer attends meetings. Other members of the People team also attend by invitation and support the Committee as needed. The Group Company Secretary acts as Secretary to the Committee. Following each meeting, the Chair provides an update to the Board.

| Member                          | Number of scheduled meetings attended |
|---------------------------------|---------------------------------------|
| David Wells (Chair)             | 4/4                                   |
| Hooi Ling Tan (Independent NED) | 4/4                                   |
| Kristo Käärmann                 | 4/4                                   |
| Clare Gilmartin <sup>1</sup>    | 2/2                                   |

1. Clare Gilmartin joined the Nomination Committee on 18 September 2023.

## FY2024 key activities

- The Committee oversaw the search for, and recommended the appointment of, Emmanuel Thomassin as CFO and Director
- The Committee reviewed the needs of the Board in terms of key skills and competencies, particularly the question of appointing a further director with financial expertise
- The Committee reviewed the membership of Board committees and recommended the appointment of Elizabeth Chambers as Chair of the Remuneration Committee and Clare Gilmartin as a member of the Nomination Committee in September 2023
- The Committee reviewed the Company's progress on diversity, equity and inclusion
- In June 2023, the Committee reviewed the results of the Board evaluation and recommended several actions to the Board (for more information see page 93)

## FY2024 focus areas

- Board and Leadership Team short and long-term succession planning
- Further review of Board and Committee composition

## Board diversity and progress

On 31 March 2024, our Board comprised 50% women and 57% of Non-Executive Directors were women. This does not include Matthew Briers, who stepped down as CFO and director on 25 March 2024. Upon the appointment of his successor, Emmanuel Thomassin, in October 2024, the Board will comprise 44% women.

|  | 2024 | 2023 <sup>1</sup> |
|--|------|-------------------|
| Board size   | 8    | 8                 |
| Average age: Executive Directors                                 | 43   | 44                |
| Average age: Non-Executive Directors                             | 49   | 46                |
| % women Directors: all   | 50   | 37.5              |
| % of women Directors: Non-Executive Directors                    | 57   | 50                |
| % BAME Board Directors: all                                      | 12.5 | 12.5              |
| % BAME: Non-Executive Directors                                  | 14.3 | 16.7              |
| % BAME Board Directors: Executive Directors                      | 0    | 0                 |
| % of women Executive Directors                                   | 0    | 0                 |
| % women: senior management <sup>2</sup> and their direct reports | 50   | 53                |

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

2. Defined as per the UK CGC.

## Board and Leadership Team diversity

Wise serves a global community of millions. And to do that, our team needs to reflect and understand all the diversity the world has to offer.

To demonstrate our commitment to diversity and compliance with a new Listing Rule applicable from 1 April 2022, the below shows the diversity metrics for our Board and Leadership Team as of the date of signing the Annual Report and Accounts. The information has been presented in accordance with LR 9.8.6(10) and 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.

### Gender representation

|                                 | Number of Board members | %    | Number of senior positions on the Board (Chair, CEO, CFO, SID) | Number in LT <sup>1</sup> | %  |
|---------------------------------|-------------------------|------|--|---------------------------|----|
| Men                             | 3                       | 37.5 | 3  | 7                         | 70 |
| Women                           | 4                       | 50   | 1  | 3                         | 30 |
| Not specified/prefer not to say | 1                       | 12.5 | –  | –                         | –  |

### Ethnic diversity

|  | Number of Board members | %    | Number of senior positions on the Board (Chair, CEO, CFO, SID) | Number in LT <sup>1</sup> | %  |
|--|-------------------------|------|--|---------------------------|----|
| White British or other White (including minority-white groups) | 6                       | 75   | 4  | 4                         | 40 |
| Mixed/Multiple Ethnic Groups                                   | –                       | –    | –  | 3                         | 30 |
| Asian/Asian British  | 1                       | 12.5 | –  | 3                         | 30 |
| Black/African/Caribbean/Black British                          | –                       | –    | –  | –                         | –  |
| Other ethnic group, including Arab                             | –                       | –    | –  | –                         | –  |
| Not specified/Prefer not to say                                | 1                       | 12.5 | –  | –                         | –  |

1. The LT comprises the CEO, interim 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.

## Selection process for new Directors

When considering new appointments to the Board, the 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 to promote diversity and source candidates with a range of backgrounds, cultures and experiences. Specific measures that we take include:

- Training the Board and executive recruiting team in unconscious bias
- Setting clear criteria for selection to mitigate performance bias
- Limiting requirements for the role to minimise diverse candidates self-selecting out
- Ensuring all search strategies include diverse candidate targeting
- Removing gender bias from job descriptions and in-mail messages using a gender decoder
- Ensuring a diverse, representative interview panel on every search
- Adapting our process to accommodate and support the needs of diverse candidates

## Overview of how this was put into practice for CFO hiring

### 1. Selection criteria

The ideal candidate for the CFO position would:

- possess a multifaceted skill set to ensure the long-term profitability and value of the business while establishing frameworks and controls for informed decision-making;
- demonstrate strong team leadership abilities, capable of coaching and building cohesive teams;
- be proficient in investor relations is essential, with a talent for compelling storytelling;
- have a solid background in financial management, including overseeing financial activities, implementing controls, and assessing risks associated with expansion; and
- excel in strategic planning, identifying growth opportunities, and navigating regulatory environments.

## 2. Search Strategy

A search strategy was developed with an external agency targeting the following companies and profiles:

- Growth/Scaled Tech
- Tech IPO
- FTSE 100/250
- Fintech
- Corporate Tech

The search process involved mapping and reviewing more than 250 profiles, resulting in a longlist of 31 candidates for first-round interviews, 19% of whom were women. From this pool, a shortlist of 4 exceptional candidates was identified.

## 3. Assessment & Interviews

The interview and assessment process comprised 11 rounds, involving members of our Leadership Team, Finance leads, Nomination Committee members, and our Chair. This rigorous evaluation ensured that each candidate's skills & experience were thoroughly assessed, aligning with the Company's vision and values.

## Director Election (AGM)

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

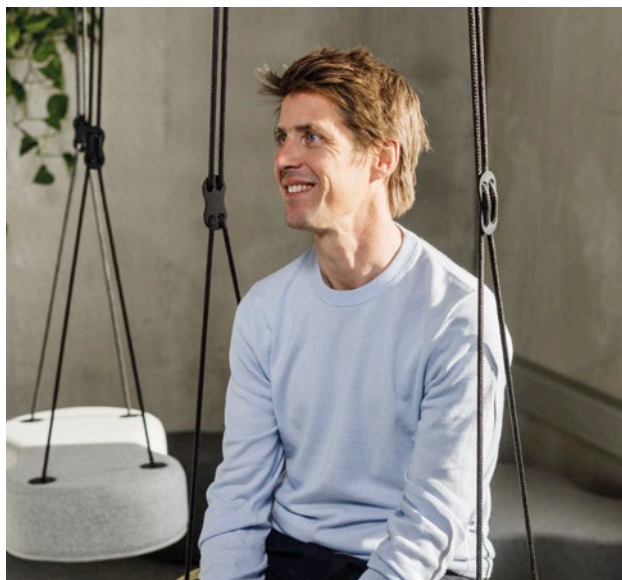


David Wells  
Chair

13 June 2024



# Audit and Risk Committee report



## Role and responsibilities

The Audit and Risk Committee 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 concerning the Group's financial performance, as well as significant accounting judgements
- Reviewing the effectiveness of, and ensuring that management has appropriate internal controls over, financial reporting
- Engaging with the external auditor, reviewing and monitoring its relationship with Wise and overseeing its appointment, remuneration, independence and engagement for non-audit services
- Overseeing the work of Internal Audit and monitoring and assessing the effectiveness, performance, resourcing, independence and standing of its function
- Advising the Board on the Group's overall risk appetite, tolerance and strategy, and the principal and emerging risks the Group is willing to take to achieve its long-term strategic objectives
- 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 systems

## Dear Wise owner,

I am pleased to introduce the Audit and Risk Committee Report for the year ended 31 March 2024, which details how we have carried out our responsibilities regarding overseeing risk and audit matters.

The Audit and Risk Committee provided independent challenge and oversight on risk management and financial reporting matters, particularly overseeing risk transformation activities, which was a key focus in the year. Through this role, the Committee ensured that the Wise Group supported and protected its stakeholders by ensuring robust risk management capabilities and outcomes across the Group.

The development of the risk function was led by the newly appointed Global Head of Risk, Chandni Bhan, who joined Wise in June 2023. Chandni has been building the Risk team over the year, identifying our principal risks and improving the control environment, working closely with the Audit and Risk Committee. Please read the Risk Management Report on pages 62 to 77 for more information on the evolution of risk management.

The Audit and Risk Committee also reviewed financial information and regulatory documents such as the internal capital and risk assessment (ICARA), internal liquidity adequacy assessment process (ILAAP) and Pillar 3 Disclosures, and oversaw the relationship with our external auditor, PricewaterhouseCoopers LLP (PwC).

At the AGM, I recommend our Wise owners vote to reappoint PwC as the Group's external auditors and adopt our FY2024 Annual Report & Accounts (ARA).

In FY2025, the Audit and Risk Committee's priority will be to continue focusing on risk management and the continued evolution of the Group's internal controls environment to meet the changes required under the UK Corporate Governance Code (UK CGC).

**Ingo Uytdehaage**

Chair of the Audit and Risk Committee

## Membership

| Members  | Attendance at scheduled<br>Audit and Risk<br>Committee meetings |
|--|---|
| Ingo Uytdehaage, Chair and Independent<br>Non-Executive Director | 6/6   |
| Terri Duhon  | 6/6   |
| Clare Gilmartin  | 6/6   |

## The key activities of the Committee in FY2024

The Committee met 6 times this year. Four of these occasions were our regular quarterly meetings and 2 were convened to approve our full year and half-year financial statements.

Our regular quarterly meetings continued to feature presentations from our Risk, Compliance and Finance teams, as well as updates from the first line on matters including cyber risk and data privacy.

### Financial reporting

The Audit and Risk Committee is responsible for reviewing and ensuring the quality of financial reporting. During the year, it reviewed the following:

- The Annual Report and Accounts, all interim reports, performance updates and Pillar 3 Disclosures, on which the Audit and Risk Committee made recommendations to the Board
- Management’s application of critical accounting policies and material areas in which significant accounting judgements were applied
- The viability statement
- The results of PwC’s work on the Group’s annual and half-yearly financial reporting, including its views on significant judgements, disclosures and the control environment
- The planning and communication of the Group’s Interim results announcement

### Fair, balanced and understandable

Following review and challenge, the Audit and Risk Committee recommended to the Board that the financial statements, taken as a whole, were fair, balanced and understandable. The financial statements provide Wise owners with the necessary information to assess the Group’s strategy, position and performance, business model, strategy and risks facing the business. The Audit and Risk Committee reviewed the draft ARA and results announcements and provided comment.

## Risk management and internal controls

The Board is ultimately responsible for risk management for the Group and has delegated the oversight of risk management to the Audit and Risk Committee. In doing so, the Committee relies on reports from the first line, risk and compliance teams and Internal Audit. Also, the Chair and Audit and Risk Committee members attend deep dive sessions and meet key internal stakeholders on a range of audit and risk-related matters to gain additional insight.

The Audit and Risk Committee focused on the following areas:

- Reviewing the Group risk profile
- Challenging management on the identification of risks and issues
- Reviewing the status of strategic risks and corresponding controls
- Oversight and advising on operational resilience, conduct, regulatory, financial crime and cyber security risk
- Overseeing the principal and emerging risks of the business
- Reviewing necessary actions to remediate any failings or weaknesses identified in the Group’s internal control framework
- Oversight of the finance control environment, focusing particularly on IT General controls as well as controls around cash management, safeguarding and interest income
- Reviewing the regulatory landscape and engagement
- Reviewing compliance and monitoring testing information
- Reviewing resourcing in the second line teams
- Overseeing the implementation of a risk management tool
- Challenging the Group’s regulatory submissions

### Internal Audit

The Internal Audit function’s primary role is to provide independent and objective assurance of the effectiveness of risk management, control and governance processes of the Group. During the year, the Head of Internal Audit built her team to comprise internal audit specialists and complemented it with external third-party specialist expertise as required.

### Internal Audit plan

Internal Audit works closely with the first line to develop an effective internal audit plan that takes an independent view of what it considers to be the most significant risks facing the business. In FY2024, the audit plan covered areas including financial crime (Anti-Money Laundering and Sanctions), IT and Security risks, Treasury, Regulatory Compliance, Risk and Compliance. The objective of the plan is to review the adequacy and effectiveness of the risk management and internal control environment, identifying weaknesses and ensuring that these are addressed by management.

## Audit and Risk Committee and Internal Audit

The Audit and Risk Committee continued to support Internal Audit through frequent meetings between the Head of Internal Audit and Audit and Risk Committee members. The Head of Internal Audit was also a attendee at Audit and Risk Committee meetings, providing regular updates and reports on the progress of the internal audit plans including internal control issues raised and management's actions to remedy the deficiencies.

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

- Approval of the Internal Audit plan for FY2024, including coverage of key risks and business activities
- Reviewing results of internal audit reviews, including assessments of risk management, control framework and processes of the area being audited, rationales for the rating, actions to be taken by management and the specified timetables to complete remediation activities
- Monitoring and ensuring that management appropriately addresses issues raised by Internal Audit within an agreed timetable
- Overseeing and ensuring that the Internal Audit function is adequately resourced
- Approval of the Internal Audit Charter
- Monitoring the engagement of Internal Audit with Senior Leadership, PwC and key business stakeholders

## Internal Audit independent assurance

The Audit and Risk Committee assessed the coverage of independent assurance by reviewing the annual internal audit plan and was satisfied that the quality, experience and expertise of the Internal Audit function is appropriate for the business.

## Internal Audit effectiveness

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

## External auditor

The Audit and Risk Committee oversees the Group's relationship with its external auditor, PricewaterhouseCoopers LLP (PwC), ensuring objectivity, independence and effectiveness are monitored regularly. This was PwC's third audit of the Company since its admission to the London Stock Exchange in 2021 but it has been engaged by the wider Group since 2016. The senior audit partner, Mark Jordan, has been in the role since July 2021, and as at 31 March 2024 remains as senior audit partner and is 3 years into a possible 5-year rotation.

## External auditor effectiveness

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

- Reviewing PwC's external audit approach, including the materiality, risk assessment and scope of the audit
- Agreeing to changes being made to PwC's approach to the audit
- Management regularly attended Audit and Risk Committee meetings during which the Committee obtained feedback from management on the effectiveness of the external auditor
- The Audit and Risk Committee discussed and considered the PwC findings when challenging management on financial reporting and risk management
- Reviewing regular updates from PwC and management on the progress of the Audit
- The audit partner attended all Audit and Risk Committee Meetings and the Audit and Risk Committee Chair maintained regular contact

## External auditor independence

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

- A review of the external auditor's independence and its arrangements to restrict, identify, report and manage conflicts of interest
- A review of the changes in key external audit staff for FY2024 and the arrangements for the day-to-day management of the audit relationship
- Consideration of 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
- The Audit and Risk Committee satisfied itself that the external audit engagement partner has a thorough understanding of the business
- The external audit engagement partner regularly attended Audit and Risk Committee meetings with management and constructively challenged management on technical, governance and risk issues. In line with the FRC Ethical Standard, the external audit engagement partner is rotated every 5 years. After 5 years, the external audit engagement partner shall not subsequently participate in the engagement until a further period of 5 years has elapsed. The Audit and Risk Committee, together with the Group, may decide under certain circumstances to extend the appointment to 7 years if it is needed to safeguard the quality of the external audit in times of change to the structure of the business
- During independent meetings held with PwC, the Audit and Risk Committee reviewed the findings of the audit with the external auditor and discussed areas identified as being at higher risk of causing material misstatements in the financial statements



## Provision of non-audit services by the external auditor

The Audit and Risk Committee 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 Audit and Risk Committee or the 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
- Avoid any conflict of interest by clearly detailing the types of work that the auditor can and cannot undertake

See note 7 of the financial statements for the detail on non-audit services carried out by PwC during the year.

## External auditor reappointment

The Audit and Risk Committee has recommended to the Board that PwC should be reappointed as auditor. Resolutions concerning the reappointment of PwC and its audit fee for FY2025 will be proposed to shareholders at the 2024 AGM. The Audit and Risk Committee is responsible for negotiating and agreeing the statutory audit fee and scope of the statutory audit. The criteria used by the Audit and Risk Committee in auditor selection, evaluation and re-appointment include the experience and skill of the auditor, the geographical locations of their network of offices, their past performance and fees charged.

The Audit and Risk Committee, following a recommendation from management, agreed that the Group would not embark upon a tender process for the FY2026 audit that would begin in the next financial year.

## Whistleblowing

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

## Principal activities and significant issues relating to the financial statements

The Audit and Risk Committee exercises its judgement in deciding the areas of accounting that are significant to the Group's accounts. The external auditor's reports detailed the results of their procedures concerning these areas to the Audit and Risk Committee. The Committee assessed the quality and appropriateness of, and adherence to, the Group's accounting policies and principles. The significant matters relating to financial judgement are set out below:

| Matter  | Actions and conclusion  |
|---|---|
| <b>Long-term viability and going concern statement</b><br><br>Directors are required to satisfy themselves as to the Group's viability and confirm they have a reasonable expectation that it will continue to operate and meet its liabilities as they fall due. | The Audit and Risk Committee considered the following: <ul style="list-style-type: none"> <li>• Information relating to present and future planning relating to the Group's business model, considering forecasts on profitability, cash flows, capital requirements and capital resources</li> <li>• Internal stress-testing scenarios, including ICARA and ILAAP</li> <li>• Review of the Group's principal risks</li> </ul> The Audit and Risk Committee concluded to recommend the Viability Statement to the Board for approval and considers that related disclosures are sufficiently clear and transparent. |
| <b>Alternative performance measures (APMs)</b><br><br>The Audit and Risk Committee reviews management's non-IFRS measures, which constitute alternative performance measures under European Securities and Markets Authority guidance and non-GAAP                | APMs included in the Annual Report and Accounts have been reviewed by the Audit and Risk Committee and discussed with management and the external auditor to ensure that: <ul style="list-style-type: none"> <li>• New APMs disclosed in FY2024 are in line with the business model and are presenting a fair and balanced view of the business</li> <li>• APMs disclosed are appropriate and reconciled to the IFRS reporting measures where required</li> <li>• Any APMs referenced in the Annual Report and Accounts do not have greater prominence than IFRS results</li> </ul>                                 |
| <b>Taxation</b>   | The Committee reviewed the Group's global tax positions and inherent risk assessment. Through this they challenged the completeness of the tax balance sheet provisions, and were comfortable that the Group's effective tax rate is calculated appropriately.  |

## Principal activities and significant issues

Listed below were the key risk matters considered in the past financial year:

| Matter  | Actions and conclusion  |
|---|---|
| <b>Group risk profile</b><br>The Audit and Risk Committee reviews the risk environment and challenges to revenue, operational resilience and stakeholders.  | <p>The Audit and Risk Committee reviewed the principal risks facing the business as determined by management and regular stress testing.</p> <p>The Audit and Risk Committee also reviewed management's action plans to address the main risks and continued to challenge on resourcing and timelines.</p> <p>The Audit and Risk Committee was comfortable with the assessment of principal risks facing the business, and particularly the work on the risk taxonomy, with the objective to better define the top risks facing the Group.</p> <p>The Audit and Risk Committee also reviewed regular progress of any strategic remediation programmes, targeted towards financial crime risk controls and operational resilience.</p> <p>There was also the review and approval of relevant policies relating to risk and compliance as well as approving the security strategy annually.</p> |
| <b>Risk management strategy</b><br>The Audit and Risk Committee continued to monitor progress on the risk management strategy.  | <p>The Audit and Risk Committee continued to oversee the evolution of the risk management function. Following the appointment of Chandni Bhan as Global Head of Risk, the Committee considered her review of the global risk function and strategic direction of the team. The Committee also were supportive of the new governance, risk and control tool (which is due to be completed by the end of 2024).</p>   |
| <b>Control environment</b><br>The role of the Audit and Risk Committee is to ensure the effectiveness of internal controls required to manage risk.   | <p>The Audit and Risk Committee focused on the risk taxonomy and the identification of principal risks and associated controls.</p> <p>Oversight was provided on risk issue management, and in particular expanding the regulatory risk obligation mapping.</p> <p>The Audit and Risk Committee also considered the anticipated changes to the UK CGC, particularly in relation to internal controls, and the published 2024 version.</p>   |
| <b>Whistleblowing</b><br>The role of the Audit and Risk Committee is to review the Group's approach to Whistleblowing.  | <p>There was a review of the Whistleblowing Policy, with oversight of key themes.</p>   |
| <b>Financial crime compliance</b><br>The Audit and Risk Committee provides oversight to the management of financial crime risk to ensure that our business will not be exploited for criminal activity including money laundering, terrorist financing and proliferation financing. | <p>The Audit and Risk Committee received regular reports from the three lines of defence on the management of financial crime risk. There was particular focus on the enhancement to Financial Crime operations and remediation of identified vulnerabilities.</p> <p>The Audit and Risk Committee also reviewed regular progress of any strategic programmes targeted towards financial crime risk controls, and the work of specific committees.</p> <p>Throughout the year, the Committee challenged management on gaps, resourcing and management action plans.</p>   |
| <b>Regulatory compliance risk</b><br>The Audit and Risk Committee oversees the risks relating to operating in multiple jurisdictions and meeting regulatory standards or expectations.  | <p>The Audit and Risk Committee reviewed the risk appetite relating to regulatory compliance, with focus on management actions to bring the risk back within appetite.</p> <p>In addition, the Audit and Risk Committee received updates on ongoing regulatory investigations, current and future areas of regulatory focus and the nature of the relationships with the primary regulators.</p>  |
| <b>Financial risk</b><br>The Audit and Risk Committee monitors financial risk and how it relates to the delivery of the mission and regulatory requirements.  | <p>The Audit and Risk Committee was provided with updates relating to investment strategies of the Group and in particular there was focus on the liquidity, credit and market risk relating to such strategy.</p> <p>There was also a review and approval of the ICARA and ILAAP, which incorporated outcomes from a stress-test scenario review.</p>  |
| <b>Operational risk</b><br>The Audit and Risk Committee monitors the operational risk profile and risk appetite to ensure the business is operationally resilient.  | <p>The Audit and Risk Committee received a report on operational risk profile which included operational incidents and the corrective actions taken to remediate.</p> <p>There was a spotlight on customer experience and partner risk.</p>   |

# Remuneration Chair's Statement



## Dear Wise Owner,

As the newly appointed Chair of the Remuneration Committee, I am pleased to present the Directors' Remuneration Report ('DRR') for FY2024. It is an honour to assume this role and I am committed to ensuring the effective oversight and delivery of appropriate remuneration practices and policies at Wise. I would like to thank Clare Gilmartin for her stewardship of the Committee since Admission.

Over the past year, the Committee has focused on several key areas, including remuneration related to the recruitment of our new CFO and other key senior hires, an in-depth review of remuneration arrangements for our below-board senior leadership team, and a detailed review of our current Directors' Remuneration Policy to ensure it remains fit for purpose.

This report describes our activities, including how the Remuneration Policy was put into practice during FY2024. This report will be put to an advisory vote at the 2024 AGM.

## Business context

FY2024 has been another year of growth and innovation at Wise, and one in which the business has made further progress towards our mission. This past year has seen strong performance, with increases in active customers, volume and total income. Overall, the focus at Wise remains on ensuring continued and sustainable investment in people, product and infrastructure which will be critical as Wise looks to expand

and build depth across different geographies. It is in this context that we present the FY2024 DRR, and in which we have reviewed the current Remuneration Policy. Going forward, the Committee wants to ensure an incentive structure which will continue to support the achievement of long-term goals, and which ultimately rewards long-term sustainable value creation for all stakeholders.

## Our Remuneration Policy

Our first Remuneration Policy as a publicly listed company has been in place for the last two years, having been approved by Wise owners at the AGM on 23 September 2022 with 99.88% voting in favour. At the 2023 AGM, held on 7 September 2023, an advisory vote for the Directors' Remuneration Report was approved by 99.95% of the votes cast. I would like to take this opportunity to thank Wise owners for their continued support.

The current Remuneration Policy is underpinned by the following four principles:

1. We believe it is critical to the delivery of our mission that we can attract, motivate and retain the very best global technology talent. We operate in a highly competitive global marketplace for talent, comprising publicly listed and private global FinTech and technology companies as well as traditional Financial Services companies, and competition for talent is intense. It is therefore crucial for Wise to continue to offer competitive total compensation.
2. We have a long-term mission and are focused on creating sustainable value for shareholders. Our compensation is therefore weighted towards the long-term and has a high equity component.
3. We believe our employees should be shareholders in Wise to further align their success with that of all shareholders. In practice, this means that a substantial component of our compensation is variable and delivered in shares.
4. Remuneration arrangements take into account (i) our standard listing in the UK; (ii) the provisions of the 2018 UK Corporate Governance Code; (iii) regulatory requirements; and (iv) general investor expectations.

These principles remain relevant and central to our approach to remuneration at Wise. However, as a matter of best practice, we continually assess the appropriateness and effectiveness of our Remuneration Policy. In particular, this year, as we continued to expand and hire globally across the company, we reviewed the competitiveness of our remuneration structure relative to packages available in international talent markets to identify appropriate updates to ensure continued competitiveness.



We have therefore taken this opportunity to review the Remuneration Policy a year earlier than required. The changes we are considering, which include the introduction of restricted shares into the long-term incentive framework alongside performance shares, look to more closely align the remuneration structure for our Executive Directors with that of many of our global technology peers, as well as the reward approach for other Wisers. In addition to the incentive structure, we are also reviewing our long-term performance measures to ensure these remain appropriate and aligned to investor and regulatory expectations.

We are currently in the process of finalising our proposed approach and consulting with major shareholders. Subject to the outcome of this consultation, we currently anticipate presenting a revised Remuneration Policy to shareholders for a shareholder vote at our 2024 AGM, for implementation in FY2025, and in which case the proposed revised Remuneration Policy will be set out in the forthcoming Notice of AGM.

## Executive remuneration

### CEO – Kristo Käärmann

Kristo Käärmann 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. Similarly, the CEO has notified the Committee of his intention to abstain from variable pay arrangements for the term of any proposed new 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, he is sufficiently aligned to other Wise owners and the long-term success of the Company.

### Previous CFO – Matt Briers

Matt Briers stepped down as an Executive Director and CFO on 25 March 2024. As set out in last year's Annual Report, Matt was treated as a good leaver in respect of his outstanding PSP awards to reflect his contribution to Wise during his employment, as well as the context for his departure. In addition, Matt's pre-IPO share option awards vested on a pro-rated basis until his last day of employment. Further details are outlined on page 111.

### Incoming CFO – Emmanuel Thomassin

We are delighted with the appointment of Emmanuel Thomassin who will commence in the role of CFO in October 2024.

His starting salary will be £500,000. The Committee believes that this is an appropriate salary level in the context of Emmanuel's skills and experience, his ability to drive growth at Wise, and the importance of offering a competitive salary. Matt Briers' salary at the time of his departure was £402,000, but as stated in our FY2023 annual report, we planned to increase his salary to £482,400 (i.e., by 20%) in FY2024 to bring it more in line with market. Therefore, Emmanuel's salary represents only a 3.6% increase on the salary that Matt would have received should he have remained in role.

Emmanuel will be eligible to receive an employer pension contribution of 5% of salary, in line with the UK workforce, and will be eligible to receive benefits in line with our current Remuneration Policy.

As outlined above, the Committee is in the process of reviewing the Remuneration Policy and our approach to variable remuneration going forward. It is currently intended that Emmanuel will participate in variable pay arrangements for FY2025, with the details to be finalised as part of the ongoing Policy review. Full details of the variable pay arrangements for Emmanuel, including any relevant performance measures and targets, will be disclosed in our forthcoming Notice of AGM.

## All-employee remuneration

Wisers 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.

Our commitment to attracting and retaining top talent across Wise to fulfil our mission is unwavering. Throughout the past year, we have continued to manage wider workforce challenges effectively, dealing with tight labour markets and persistent inflation, which have driven up expectations in salary levels as well as the breadth of benefit offerings.

We have ensured that our remuneration benchmarking aligns our internal ranges with competitive standards in the external market. We have also continued to enhance and review our benefits, as well as the overall employee value proposition, so that it is compelling to current and prospective Wisers.

In the UK, we have historically adhered to the Living Wage set by the Living Wage Foundation for entry-level positions. This year, we formalised our commitment to fair and competitive wages by joining the Living Wage Foundation. Moreover, we have expanded our benefits package, providing 4x Life Assurance to all UK Wisers and broadening salary sacrifice options through our Flexible Benefits platform. In Brussels, a strategic cornerstone as the EU's headquarters, we've bolstered our reward packages with comprehensive enhanced healthcare coverage, new dental coverage, and optimised annual leave allowances.

Another significant enhancement in 2023 was the implementation of a revised stock allocation strategy for our employees. Beginning July 2023, new Wisers receive an annual stock grant, offering greater flexibility and alignment with our performance review process. Existing Wisers are transitioning to this new system, gradually receiving annual stock grants as their current 4-year grants vest. Equity ownership in the business is considered extremely important from a cultural perspective – it ensures every Wiser has a personal stake in the business and is therefore motivated to deliver in line with the mission and business strategy. We are proud that 100% of Wisers on permanent employment arrangements hold equity in the business.

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. This includes understanding the strategy and approach to reward for other Wisers. The 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.

Whilst the Remuneration Committee did not specifically engage with Wisers on Executive Director remuneration during FY2024, we are continuing to build out our employee engagement plan to ensure that Wisers' views are considered with regards to the Remuneration Policy and its implementation. Also, the Board held more general employee engagement sessions with Wisers during the financial year, as detailed on page 43 of this report.

## AGM

On behalf of the Remuneration Committee, I would like to thank Wise owners for their input and engagement in the year. We remain dedicated to continuous and open dialogue with our shareholders and proxy advisers, and would welcome any comments you may have on the DRR.

I hope that having read the information in this report, and considering Wise's performance during FY2024, you will vote in favour of this Remuneration report at the 2024 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 cosec@wise.com, and I will also be available at the 2024 AGM to answer any questions.

On behalf of the Remuneration Committee and the Board,



**Elizabeth Chambers**

Chair of the Remuneration Committee

13 June 2024

# Directors' Remuneration report

## Remuneration Committee

### Membership and composition

The Remuneration Committee comprises 3 Independent Non-Executive Directors (NEDs). During FY2024, there have been changes in the composition of the Remuneration Committee. Clare Gilmartin, stepped down as the Chair of the Remuneration Committee on 18 September 2023 (having taken on the role of Senior Independent NED on 19 April 2023), and was replaced as Chair by Elizabeth Chambers (who joined the Board on 19 April 2023).

| Member   | Number of scheduled meetings attended |
|--|---------------------------------------|
| Clare Gilmartin (Chair to September 2023)            | 2/2                                   |
| Elizabeth Chambers (Chair from September 2023)       | 4/4                                   |
| David Wells (Independent Non-Executive Director)     | 5/5                                   |
| Ingo Uytdehaage (Independent Non-Executive Director) | 5/5                                   |

### 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, and approving appropriate levels of remuneration for Executive Directors and also the members of the Company's Leadership Team
- Overseeing the Group's employee share schemes
- Reviewing the appropriateness of remuneration across Wise's Executive Director and Senior Leadership populations, taking into account a thorough review of current market benchmarks and the performance and scope of role of the incumbents
- Reviewing the effectiveness of our current Remuneration Policy with regards to our remuneration principles, forward-looking objectives and our ability to attract and retain key talent
- Determining an appropriate remuneration package for the incoming CFO, Emmanuel Thomassin, as well as other key executive hires

The Remuneration Committee's Terms of Reference are reviewed annually and are available at <https://wise.com/owners/Committee> focus during FY2024

### Priorities for FY2025

- Renewing our Remuneration Policy, and in particular our approach to variable pay, to ensure Executive Director remuneration packages are competitive recognising our global talent market, and that they continue to support the delivery of the Company's strategy and long-term value creation
- Evolve the measures, relative weightings and targets for incentive awards so that they are appropriately aligned to strategy and shareholder and regulatory expectations
- Review our wider remuneration principles and philosophy to ensure they remain appropriate for our growing and evolving workforce
- Continue to monitor any changes in UK corporate governance and applicable regulatory requirements, including further development of our risk adjustment framework

### Governance

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

- Chief Executive Officer
- Chief People Officer
- Head of Reward
- Deputy Company Secretary
- Remuneration Committee advisers

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

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# Remuneration at a glance

The Remuneration Policy was last approved by Wise owners at the 23 September 2022 AGM. A summary of the current Policy is shown by the graphic 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/>.

## Structure of Executive Directors' pay

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

1. The Committee has not historically awarded annual bonuses.

## Consideration of the UK Corporate Governance Code principles

Our Policy has been designed taking into account the following principles:

|                             |   |
|-----------------------------|---|
| <b>Clarity</b>              | The Policy is designed to be simple and support long-term, sustainable performance. It clearly sets out each element of remuneration, the limits in terms of quantum, and the discretions the Committee has.  |
| <b>Simplicity</b>           | Remuneration structures are simple and aligned to UK norms. They also incorporate structural features to ensure strong alignment to performance and strategy and minimise the risk of rewarding failure.  |
| <b>Risk</b>                 | The Policy discourages inappropriate risk-taking through a focus on long-term incentives, the use of post-vesting holding periods, and malus and clawback provisions. When considering performance measures/target ranges, the Remuneration Committee takes account of associated risks and liaises with the Audit and Risk Committee as necessary. |
| <b>Predictability</b>       | The potential reward outcomes are easily quantifiable and set out in the illustrations provided in the Policy.  |
| <b>Proportionality</b>      | Incentive outcomes are contingent on successfully meeting stretching performance targets aligned to the delivery of the Company's strategy, and the Committee retains discretion to override formulaic outturns.  |
| <b>Alignment to culture</b> | The Policy encourages long term shareholding, which is aligned with the Company culture and mission. Performance measures reflect our KPIs.   |

# Annual Report on Remuneration

The Remuneration Committee believes that the existing Remuneration Policy operated as intended during FY2024. This section provides details of remuneration outcomes for the financial year ended 31 March 2024 as well as how the Remuneration Policy will be implemented in FY2025.

## 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 2024 and the prior year.

|   | Kristo Käärman<br>£'000 |            | Matthew Briers <sup>6</sup><br>£'000 |            |
|---|-------------------------|------------|--------------------------------------|------------|
|   | FY24                    | FY23       | FY24 <sup>1</sup>                    | FY23       |
| Salary                                      | 186 <sup>7</sup>        | 197        | 382                                  | 335        |
| Sabbatical Allowance                        | 1.9                     | –          | –                                    | –          |
| Backpay                                     | –                       | –          | 22.3                                 | –          |
| Taxable benefits <sup>2</sup>               | 1.0                     | 1.7        | 1.0                                  | 0.8        |
| Pension-related benefits <sup>3</sup>       | 9.8                     | 9.8        | –                                    | –          |
| <b>Total fixed pay</b>                      | <b>199</b>              | <b>209</b> | <b>406</b>                           | <b>336</b> |
| Annual Bonus <sup>4</sup>                   | –                       | –          | –                                    | –          |
| Performance-based share awards <sup>5</sup> | –                       | –          | –                                    | –          |
| <b>Total variable pay</b>                   | <b>–</b>                | <b>–</b>   | <b>–</b>                             | <b>–</b>   |
| <b>Total</b>                                | <b>199</b>              | <b>209</b> | <b>406</b>                           | <b>336</b> |

1. Matthew Briers stepped down as a Board Director and CFO on 25 March 2024. The amounts shown above relate to his remuneration to that date.

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. Matthew Briers elected to waive all pension contributions.

4. No bonus was paid to the CEO, acting CEO or CFO during the reporting period.

5. No PSP awards vested in the period ended 31 March 2024. 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, Matt Briers receiving an award under the Legacy Incentive Plans, in respect of his former role with the pre-existing Wise Group. This remuneration is not included in the above single 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. Details of awards under the Legacy Incentive Plans were included on page 107 of Wise's FY2022 Annual Report and Accounts.

7. Salary amount has decreased due to unpaid leave taken during the year.

## PSP award granted in FY2024

The following table summarises the PSP award made to Matt Briers on 18 July 2023. The CEO does not participate in variable pay arrangements under the current Policy.

Following Matt's departure, all outstanding PSP awards will be pro-rated to reflect his time in the role. They will remain subject to the planned vesting schedule, performance period and performance measures.

| Executive Director | Shares granted<br>(conditional awards) | % of base<br>salary awarded | Value at award date <sup>1</sup> | Vesting<br>at threshold | End of Performance<br>Period <sup>2,3</sup> |
|--------------------|--|-----------------------------|----------------------------------|-------------------------|---|
| Matthew Briers     | 422,133                                | 650%                        | £2,614,500                       | 25% of maximum          | 31 March 2026                               |

1. The value has been calculated using the prior 30 day average closing market price to the date of grant of 619.74p.

2. The award has a three-year performance period which will end on 31 March 2026.

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 FY2024 PSP are set out below. Both PSP performance metrics have straight-line vesting between threshold and maximum.

|                          | Weighting | Threshold<br>(25% payout)           | Maximum<br>(100% payout)            |
|--------------------------|-----------|-------------------------------------|-------------------------------------|
| Relative TSR vs FTSE 250 | 50%       | Median                              | Upper quartile and above            |
| Volume growth            | 50%       | CAGR 17% for the performance period | CAGR 27% for the performance period |

## Legacy Incentives held by our Executive Directors

As set out in the Prospectus and on page 107 of the FY2022 Annual Report and Accounts, Matt Briers 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 vested on a pro-rated basis until the last day of Matt's employment.

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 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 2024 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 |
|--|----------------|----------------|------------------------------|-------------------------------|---|-----------------------------------|----------------------|--|------------------------------|
| <b>Executive Directors<sup>1</sup></b>     |                |                |                              |                               |   |                                   |                      |  |                              |
| Kristo Käärmann <sup>5</sup>               | 186,078,489    | 186,022,590    | N/A                          | N/A                           | N/A   | –                                 | 1,559,532            | 300%   | Yes                          |
| Matthew Briers <sup>2</sup>                | 258,619        | –              | N/A                          | N/A                           | 578,170                                       | 762,900                           | –                    | 300%   | Yes                          |
| <b>Non-Executive Directors<sup>1</sup></b> |                |                |                              |                               |   |                                   |                      |  |                              |
| Alastair Rampell <sup>6</sup>              | –              | –              | –                            | –                             | –   | –                                 | 88,424,920           | N/A  | N/A                          |
| Clare Gilmartin                            | 96,720         | –              | –                            | –                             | –   | –                                 | –                    | N/A  | N/A                          |
| David Wells <sup>3</sup>                   | –              | –              | –                            | –                             | 823,000 <sup>5</sup>                          | –                                 | 100,000 <sup>6</sup> | N/A  | N/A                          |
| Hooi Ling Tan                              | 96,720         | –              | –                            | –                             | –   | –                                 | –                    | N/A  | N/A                          |
| Ingo Uytdehaage <sup>3</sup>               | –              | –              | –                            | –                             | 572,000                                       | –                                 | –                    | N/A  | N/A                          |
| Terri Duhon <sup>4</sup>                   | –              | –              | –                            | –                             | –   | –                                 | 3,083                | N/A  | N/A                          |
| Elizabeth Chambers                         | –              | –              | –                            | –                             | –   | –                                 | –                    | 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 Uytdehaage held options under the Legacy Incentive Plans which were originally granted as options over A Shares in Wise Payments Limited ('WPL A Shares'). In preparation for Admission, these were exchanged for options over Class A Shares in Wise. The options resulting from the exchange, effected on 22 June 2021, comprised an option over 923,000 Class A Shares and an option over 572,000 Class A Shares for David Wells and Ingo Uytdehaage respectively.
4. Terri Duhon's connected person acquired 308 Class A shares on 19 April 2024, therefore as at publication of this report, persons connected to Terri hold 3391 Class A shares.
5. Kristo Käärmann holds 779,766 Class A Shares and 779,766 Class B Shares via persons connected.
6. Alastair Rampell holds 88,424,920 Class A Shares via persons connected. On 17 April 2024 25,611 Class A Shares were distributed from AH Parallel Fund IV, L.P. to Rampell Family Revocable Trust and 18,061 Class A Shares were distributed from Andreessen Horowitz Fund IV, L.P. to Rampell Family Revocable Trust.



### 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 FY2024 and FY2023. NEDs are not paid a pension and do not participate in any of the Company's variable incentive schemes.

| Director                        | Fees            |                 |
|---------------------------------|-----------------|-----------------|
|                                 | FY2024<br>£'000 | FY2023<br>£'000 |
| Alastair Rampell <sup>1</sup>   | 0               | 0               |
| Clare Gilmartin <sup>2</sup>    | 203             | 24              |
| David Wells                     | 308             | 33              |
| Elizabeth Chambers <sup>3</sup> | 167             | 0               |
| Hooi Ling Tan <sup>2</sup>      | 184             | 14              |
| Ingo Uytdehaage <sup>2</sup>    | 199             | 29              |
| Terri Duhon                     | 170             | 170             |

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

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

3. Elizabeth Chambers was appointed to the Board on 19 April 2023. She was subsequently appointed as Chair of the Remuneration Committee on 18 September 2023.

### Payments for Loss of Office (audited)

There were no payments for loss of office during FY2024.

### Payments to former Directors (audited)

There were no payments to past Directors during FY2024.

### Matt Briers' leaving arrangements

Matt stepped down from his role as a Board Director and CFO on 25 March 2024. Full details of his remuneration arrangements in connection with his departure were disclosed in the FY2023 Directors' Remuneration Report. In summary, he was 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 FY2023 and FY2024 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 vested on a pro-rated basis until his last day of employment.

Matt is also subject to a two-year post-employment shareholding requirement of 300% of salary, as per our Remuneration Policy.

## Change in remuneration of Wisers and directors

The table below sets out how the change in reported remuneration for each Director between FY2022, FY2023, and FY2024 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 these employees has been calculated on a full-time equivalent basis, by reference to pay received for the relevant full financial year (excluding any share award vesting). The salary increase includes changes made through the annual salary review as well as additional changes made to reflect, for example, promotions or role changes. The change to the level of taxable benefits between FY2023 and FY2024 has been driven by higher average take-up of the benefits offering in FY2024 and an increase in our UK medical benefit premium.

|                                 | Salary/fees<br>(% change) <sup>1</sup><br>FY2024 | Benefits<br>(% change) <sup>2</sup><br>FY2024 | Salary/fees<br>(% change) <sup>1</sup><br>FY2023 | Benefits<br>(% change) <sup>2</sup><br>FY2023 |
|---------------------------------|--|---|--|---|
| <b>Executive Directors</b>      |  |   |  |   |
| Kristo Käärmann                 | 0%   | -43%  | 0%   | 141%  |
| Matthew Briers                  | 11%  | 13%   | 20%  | 15%   |
| <b>Non-Executive Directors</b>  |  |   |  |   |
| Alastair Rampell <sup>4</sup>   | N/A  | N/A   | N/A  | N/A   |
| Clare Gilmartin                 | 742%   | N/A   | – <sup>5</sup>                                   | N/A   |
| David Wells                     | 835%   | N/A   | 65%  | N/A   |
| Hooi Ling Tan                   | 1200%  | N/A   | – <sup>5</sup>                                   | N/A   |
| Ingo Uytdehaage                 | 583%   | N/A   | 94%  | N/A   |
| Terri Duhon <sup>3</sup>        | 0%   | N/A   | 0%   | N/A   |
| Elizabeth Chambers <sup>6</sup> | N/A  | N/A   | N/A  | N/A   |
| <b>Wisers</b>                   |  |   |  |   |
| Average UK Wiser                | 18%  | 24%   | 20%  | 24%   |

1. Percentage change based on annualised Executive and Non-Executive Director emoluments in FY2022 vs FY2023 and FY2023 vs FY2024.

The FY2023 comparison 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 between FY2022 and FY2023 was reflective of a one-off payment made to Kristo to cover benefit in kind taxes of £898. There were no taxable benefits paid to Non-Executive Directors in either 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.

6. Elizabeth Chambers was appointed to the Board on 19 April 2023, so no comparison to prior year fees is available.

## CEO pay ratio

Wise is committed to remunerating its employees fairly and competitively. We calculated our CEO pay ratio using the prescribed Option 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 <sup>th</sup> percentile pay ratio | Median | 75 <sup>th</sup> percentile pay ratio |
|----------------|----------|---------------------------------------|--------|---------------------------------------|
| FY2024         | Option B | 3:1                                   | 2:1    | 2:1                                   |
| FY2023         | Option B | 3:1                                   | 2:1    | 2:1                                   |
| FY2022         | Option B | 3:1                                   | 2:1    | 1:1                                   |

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

| FY2024                 | CEO     | 25 <sup>th</sup> percentile | Median | 75 <sup>th</sup> percentile |
|------------------------|---------|-----------------------------|--------|-----------------------------|
| Salary                 | 186,000 | 68,833                      | 80,000 | 103,500                     |
| Total pay and benefits | 199,000 | 76,232                      | 89,721 | 111,090                     |

The CEO remuneration is based on the total single figure remuneration for the relevant years, as disclosed on page 110.

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 25<sup>th</sup>, 50<sup>th</sup> and 75<sup>th</sup> 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 FY2024 CEO pay ratio is the same compared to FY2023. The CEO's remuneration has not been increased over this period and the CEO has elected to abstain from participating in any variable remuneration components under the current Remuneration Policy. The Remuneration Committee believes the median pay ratio for FY2024 is consistent with the pay, reward and progression policies for Wise's UK employees as a whole.

## Diversity, Equity and Inclusion (DEI)

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 44.

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 FY2024 UK gender pay gaps of 16.19% (median) and 15.17% (mean) show a year-on-year decrease compared to 19.05% and 16.11% in FY2022/2023.

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.

The Company's latest Gender Pay Gap Statement can be found on the Wise website: <https://wise.com/gb/blog/wise-commitment-to-improving-gender-diversity>

|                        | Mean           | Median           |
|------------------------|----------------|------------------|
| Hourly rate of pay     | FY2024: 15.17% | FY2024: 16.19%   |
|                        | FY2023: 16.11% | FY2023: 19.05%   |
| Bonus pay <sup>1</sup> | FY2024: 54.76% | FY2024: 61.21%   |
|                        | FY2023: 61.21% | FY2023: -147.82% |

1. 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.

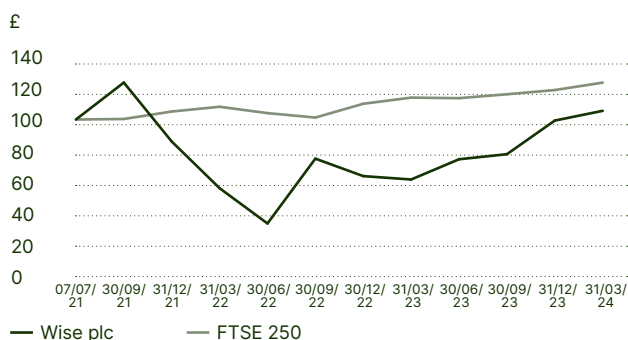
|                              | FY2024<br>£m | FY2023<br>£m | % Change |
|------------------------------|--------------|--------------|----------|
| Distribution to shareholders | –            | –            | –        |
| Total employee pay           | 377.0        | 184.8        | 104%     |

## External advisors

In February 2023, following a comprehensive tendering process, the Remuneration Committee appointed Deloitte LLP to be its independent advisors on executive remuneration. Deloitte LLP is a founding 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 fees paid to Deloitte LLP in FY2024 in relation to advice provided to the Committee were £133,725. Deloitte also provided tax advisory services to Wise during FY2024.

## TSR Performance graph

The chart below illustrates the Company's TSR performance compared with that of the FTSE 100 Index. This index has been chosen as it is considered the most appropriate benchmark against which to assess the relative performance of the Company given that if the Company had a premium listing, it would be a constituent of the FTSE 100 based on market capitalisation. 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 100 Index.



## CEO remuneration

The table below sets out the CEO's single figure of total remuneration for FY2024, 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.

|   | FY2024 | FY2023 | FY2022 |
|---|--------|--------|--------|
| CEO single figure of remuneration (£'000) | 199    | 209    | 161    |
| Annual bonus outcome (% of maximum)       | N/A    | N/A    | N/A    |
| LTIP vesting (% of maximum)               | N/A    | N/A    | N/A    |

## 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 three months' notice of termination from either party as shown below:

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

### 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 FY2024:

| Non-Executive Directors | Date of appointment | Date of current letter of appointment | Notice from the Company | Notice from the individual |
|-------------------------|---------------------|---------------------------------------|-------------------------|----------------------------|
| Alex Rampell            | 18 June 2021        | 21 June 2021                          | 1 month                 | 1 month                    |
| Clare Gilmartin         | 18 June 2021        | 21 June 2021                          | 1 month                 | 1 month                    |
| Elizabeth Chambers      | 19 April 2023       | 14 April 2024                         | 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.

## Shareholding voting

The table below sets out the latest voting outcome for the remuneration policy and remuneration report:

|                                | Votes for     |            | Votes against |            | Votes withheld |
|--------------------------------|---------------|------------|---------------|------------|----------------|
|                                | No. of shares | % of votes | No. of shares | % of votes | No. of shares  |
| Remuneration Report (2023 AGM) | 3,399,179,744 | 99.95%     | 1,643,727     | 0.05 %     | 321,998        |
| Remuneration Policy (2022 AGM) | 3,379,289,636 | 99.88%     | 3,967,564     | 0.12%      | 424,819        |

## Implementation of Policy for FY2025

As set out in the Chair's statement, the Committee is currently in the process of reviewing the Remuneration Policy. Subject to the outcome of this review and the ongoing consultation with shareholders, it is anticipated that a revised Remuneration Policy will be presented to shareholders for a shareholder vote at our 2024 AGM, which if approved, will apply for FY2025. If a new Remuneration Policy is presented at the 2024 AGM, a further statement of how the Committee would intend to implement the Policy will also be included in the 2024 AGM Notice.

## Base salary

There will be no change to the annual base salary for the CEO. This will remain at £197,000.

The salary for the incoming CFO, Emmanuel Thomassin, will be set at £500,000 for FY2024. Further details are provided in the Chair's Statement.

## Benefits

No changes are proposed to the benefits provision for the Executive Directors, which will continue to be provided in line with our Policy.

## Pension

Executive Directors continue to be eligible for an employer pension based on our approach to the wider employee population in the location governing their contracts. For the CEO and incoming CFO, the employer pension contribution is 5% of base salary in line with the wider employee population for the UK.

## Variable pay

The CEO will continue to not participate in variable pay arrangements for FY2025.

The incoming CFO will participate in variable pay arrangements in FY2025, with the details of the arrangements to be finalised depending on whether a revised Remuneration Policy is presented and approved. Details of the variable pay arrangements to be implemented for the incoming CFO, including relevant performance measures and targets, will therefore be disclosed in advance of the 2024 AGM.

## NED fees

The Chair fee and Non-Executive Director fees were last reviewed in April 2023, and have not been changed since Wise's Admission in July 2021.

The fees remain as set out below:

|   |          |
|---|----------|
| Chair fee:                                    | £275,000 |
| Non-Executive Director base fee:              | £170,000 |
| Senior Independent Director:                  | £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 consolidated financial statements of the Company, for the year ended 31 March 2024.

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

In accordance with s414C (11) of the Companies Act 2006, some of the matters required to be included in the Directors' Report have been included elsewhere in the Annual Report. These matters are cross-referenced below and together form part of the Directors' Report.

| Disclosures  | Annual Report and Accounts section                     | Page    |
|--|--|---------|
| Greenhouse gas emissions   | Strategic report                                       | 52-53   |
| Information on how the Directors have had regard for the Company's stakeholders and the effect of the regard   | Strategic report                                       | 60-61   |
| Information relating to important events affecting the Company which have occurred since the last financial year   | Strategic report                                       | 4-39    |
| Risk management and objectives   | Strategic report                                       | 62-77   |
| Going Concern and Viability Statement  | Strategic report                                       | 78-79   |
| Corporate Governance Compliance Statement  | Corporate Governance report                            | 85      |
| Directors' indemnities   | Corporate Governance report                            | 92      |
| Workforce engagement   | Strategic report                                       | 46-47   |
| Directors' biographies   | Corporate Governance report                            | 86-88   |
| Directors' conflicts of interest   | Corporate Governance report                            | 92      |
| 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 | Note 18 to the Group Consolidated Financial Statements | Note 18 |
| Transactions with related parties  | Note 24 to the Group Consolidated Financial Statements | Note 24 |

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](https://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 2024.

## 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 the Company's shareholders.

## Appointment and replacement of Directors

The appointment and replacement of Directors is governed by the Articles, the UK Corporate Governance Code (UK 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 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 92 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, can 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
- Our products, on pages 18-29
- A continued focus on profitable growth, which can be found within the CFO's Review on pages 36-39

## The Board

The membership of the Board and biographies of the Directors are provided on pages 86-88. Changes to the Directors during the year and up to the date of this report are set out on page 82. A summary of the rules related to the appointment and replacement of Directors and Directors' powers can be found on page 116. 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 110.

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

- |                               |                       |
|-------------------------------|-----------------------|
| • Kristo Käärmann             | • Ingo Uytdehaage     |
| • Matthew Briers <sup>1</sup> | • David Bolling Wells |
| • Clare Gilmartin             | • Terri Duhon         |
| • Hooi Ling Tan               | • Elizabeth Chambers  |
| • Alastair Rampell            |                       |

1. Matthew Briers resigned as a Director of the Company on 25 March 2024.

## Compensation for loss of office

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

## Change of control

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

## Branches and overseas registered officers

The Group, through various subsidiaries, has branches in several different jurisdictions in which the business operates. Further information on Wise's subsidiaries outside the UK is disclosed in note 7 of the Company financial statements.

## Post balance sheet events

There have been no material post balance sheet events.

## Political donations

No political donations or contributions to political parties under the Companies Act 2006 have been made during the financial year. The Group's policy is that no political donations are made or political expenditures are incurred.

## Charitable donations

The Group made several charitable donations throughout the year totalling £0.5 million to benefit causes including youth tech education, financial inclusion for immigrants and humanitarian assistance. This total does not include the spending on carbon removal purchases. Refer to the ESG section on page 54 for more information.

## 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 13 in the Group consolidated financial statements for details on total expenditure and amounts capitalised.

## Share capital structure

As at the date of this report, the Company's issued share capital consisted of 1,024,777,252 A Ordinary Shares of £0.01 each and 398,889,814 B Ordinary Shares of £0.000,000,001 each. All issued shares were fully paid up, amounting to an aggregate nominal share capital of £10,247,772.91889. Each A Ordinary Share is listed on the Official List maintained by the FCA and admitted to trading on the Main Market of the London Stock Exchange. Further details of the Company's share capital can be found in note 19 of 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 Company's 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 Ordinary Shares are non-redeemable.

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

Aside from deadlines for voting by proxy, there are no restrictions on voting rights attached to, or on the transfer of, the Company's A and B Shares.

Full details regarding the exercise of voting rights at the 2024 AGM, whether in person or by proxy, will be set out in the Notice of AGM. To be valid, the appointment of a proxy to vote at a general meeting must be received not less than 48 hours before the time of the meeting.

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

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

## Authority to allot or buy back shares

The Company was granted authority at the 2023 AGM to purchase in the market its own shares up to a maximum number of 102,477,725 A Ordinary Shares. No shares were purchased under this authority in the year to 31 March 2024 and up to the date of this report. This authority expires at the conclusion of the 2024 AGM, or if earlier at the close of business on 30 September 2024. This is a standard authority that the Directors have no present intention of exercising.

At the 2023 AGM, the Directors were granted additional authority to allot A Ordinary Shares ('A Shares') in the Company or grant rights to subscribe for, or to convert any security into, A Shares:

- (a) up to an aggregate nominal amount of £3,415,924.17, being one-third of the issued A ordinary share capital of the Company on 14 July 2023 (being the latest practicable date prior to the publication of the Notice of Annual General Meeting); and
- (b) comprising equity securities (as defined in Section 560(1) of the Act) up to a further aggregate nominal amount of £3,415,924.17, (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 A ordinary share capital of the Company on 14 July 2023 (being the latest practicable date prior to the publication of the Notice of Annual General Meeting) in connection with an offer by way of a rights issue.

This authority expires at the conclusion of the 2024 AGM or, if earlier, at the close of business on 30 September 2024. An ordinary resolution will be proposed for the renewal of this authority at the 2024 AGM.

## Substantial shareholdings

Notifications received by the Company in accordance with DTR 5 are published via the regulatory Information Services and on the Company's website. As at the date of this report, the Company had been advised of the following voting interests in the company, amounting to more than 3% of the Company's issued share capital.

| Name            | Total number of voting rights | % of total voting rights |
|-----------------|-------------------------------|--------------------------|
| Kristo Käärmann | 1,868,079,459                 | 49.3                     |
| Notorious OÜ    | 426,682,539                   | 12.22                    |

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 FY2023 Annual Report and Accounts of Wise Group.

## People

As at 31 March 2024, the Group employed 5,646 people, excluding temporary staff.

## Diversity, Equity and Inclusion

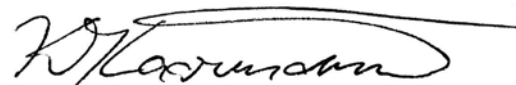
Wise is an Equal Opportunities Employer and diversity is at the heart of our organisation. We give full and fair consideration to applications for employment by disabled persons and the continued employment of anyone incurring a disability while employed by us. Training, career development and promotion opportunities are equally available to for by all our employees regardless of disability.

For more information about our progress in Diversity, Equity and Inclusion, please see Our People section on pages 40-47.

This Report, which has been prepared according to the requirements of the Companies Act 2006, was approved by the Board on 13 June 2024 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 2024 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 listed in the Board of Directors section confirm that, to the best of their knowledge:

- the Group financial statements, which have been prepared in accordance with UK-adopted international accounting standards, give a true and fair view of the assets, liabilities, financial position and profit of the Group;
- the 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 Statement of Director's responsibility was approved by the Board on 13 June 2024 and signed on its behalf by:



**David Wells**  
Chair



# 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 2024 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 Annual Report, which comprise: Consolidated statement of financial position and Company statement of financial position as at 31 March 2024; Consolidated statement of profit or loss and other comprehensive income, Consolidated statement of changes in equity, Company statement of changes in equity and Consolidated statement of cash flows for the year then ended; and the notes to the financial statements, comprising material accounting policy information and other explanatory information.

Our opinion is consistent with our reporting to the Audit and Risk Committee.

### Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) ("ISAs (UK)") and applicable law. Our responsibilities under ISAs (UK) are further described in the Auditors' responsibilities for the audit of the financial statements section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### Independence

We remained independent of the group in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, which includes the FRC's Ethical Standard, as applicable to listed public interest entities, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

To the best of our knowledge and belief, we declare that non-audit services prohibited by the FRC's Ethical Standard were not provided.

Other than those disclosed in note 7, we have provided no non-audit services to the company or its controlled undertakings in the period under audit.

## Our audit approach

### Context

The Group's financial statements are a consolidation of 34 legal entities and consolidation entries. Two entities contain reporting branches. Wise Payments Limited has six reporting branches and Wise Europe SA has one reporting branch. We consider Wise Payments Limited (including its branches), and Wise Europe SA (including its branch) to be two separate reporting units. All other legal entities are considered to be separate reporting units. We consider the Group to consist of 34 reporting units.

### Overview

#### Audit scope

- Our audit focussed on those entities with the most significant contribution to the Group's revenues. Of the Group's 34 reporting units, we identified five, which in our view, required an audit of their complete financial information for Group reporting purposes. These were Wise Payments Limited, Wise Europe SA, Wise US Inc, Wise Australia Pty Ltd and Wise plc.
- We also audited material consolidation journals.
- Cash balances at banks, in hand and in transit between Group bank accounts across all reporting units were in scope.
- All audits were performed by the Group engagement team, with the exception of the procedures over laws and regulations where we instructed six component auditors 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 86% of Group revenue.

#### Key audit matters

- Cash and cash equivalents and short-term financial investments (group and company)

#### Materiality

- Overall group materiality: £24,000,000 (2023: £7,300,000) based on 5% of profit before tax.
- Overall company materiality: £2,217,000 (2023: £1,820,000) based on 1% of total assets.
- Performance materiality: £16,800,000 (2023: £5,100,000) (group) and £1,550,000 (2023: £1,274,000) (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.

The key audit matter below is consistent with last year.

| Key audit matter   | How our audit addressed the key audit matter   |
|--|--|
| <p><b>Cash and cash equivalents and short-term financial investments (group and company)</b></p> <p>Being a money payments business, the Group has balances with multiple financial institutions. As disclosed in note 15, the Group has cash and cash equivalents and short-term financial investments; representing corporate cash and amounts covering the liability from Wise Accounts. The Company has cash and cash equivalents as disclosed in the Company Statement of financial position.</p> <p>Bank accounts are regularly reconciled and a mix of automated and monitoring controls are in place. Our audit approach in relation to cash and cash equivalents is primarily substantive in nature; however due to the improvement in controls, we were able to take partial controls reliance for part of the year.</p> <p>Given the nature of operations, the balances being many multiples of materiality, complexity and residual control matters, our audit focussed on procedures to test the existence and completeness of cash and cash equivalents.</p> <p>Refer to note 15 and the Risk management and internal controls section of the Audit and Risk Committee Report.</p> | <p>We obtained management's schedule of bank accounts prepared for the audit and compared this against known bank accounts from the previous year to test for omitted or closed accounts and performed the following:</p> <p>For the Group, we independently confirmed more than 99% of the cash and cash equivalents financial statement line item (with the exception of cash in transit to customers) as at 31 March 2024 with third party institutions. We performed alternative procedures on the remaining immaterial balance to verify existence;</p> <p>For the Company, we independently confirmed 100% of the cash and cash equivalents financial statement line item with third party institutions;</p> <p>We also obtained independent direct confirmations for the nil value balance accounts as at year end and obtained evidence of closure letters for bank accounts closed during the year;</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 the general ledger as at 31 March 2024 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 as at 31 March 2024 with third party institutions; and</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 34 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 and cash equivalents balances, due to their contribution to the Group's statement of financial position.

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 Accounts.

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 the Risk management and internal controls 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 six component auditor teams to perform specific procedures in order to leverage their local understanding of the regulatory environment. The Group team also performed the audit of the Company.

## 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   |
|--|--|--|
| <b>Overall materiality</b>             | £24,000,000<br>(2023: £7,300,000).   | £2,217,000<br>(2023: £1,820,000).  |
| <b>How we determined it</b>            | 5% of profit before tax  | 1% of total assets   |
| <b>Rationale for benchmark applied</b> | We consider that a profit based benchmark is appropriate for a listed company and is the focus of the shareholders. 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 £3,578,000 to £22,200,000. 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% (2023: 70%) of overall materiality, amounting to £16,800,000 (2023: £5,100,000) for the group financial statements and £1,550,000 (2023: £1,274,000) for the company financial statements.

In determining the performance materiality, we considered a number of factors - the history of misstatements, risk assessment and aggregation risk and the effectiveness of controls - and concluded that an amount in the middle of our normal range was appropriate.

We agreed with the Audit and Risk Committee that we would report to them misstatements identified during our audit above £1,200,000 (group audit) (2023: £370,000) and £110,000 (company audit) (2023: £91,000) 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, severe but plausible (marketwide and idiosyncratic), 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 financial covenants;
- Considering the historical reliability of management forecasting for cash flows by comparing budgeted results to actual performance over a period of three 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. 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 2024 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, 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), 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 the 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 (including 'Wise accounts'). 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, 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;
- Inquiring 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 specific active 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 roundtripping of cash or unusual patterns which required further investigation;
- Obtaining confirmations over selected customer balances direct from customers;
- Reviewing customer complaints and testing a sample based on risk criteria for indications of systemic evidence of understatement of customer liabilities and non-compliance with laws and regulations; and
- Incorporating unpredictability in the selection of the nature, timing and extent of audit procedures performed.

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](http://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 three years, covering the years ended 31 March 2022 to 31 March 2024.

## Other matter

The company is required by the Financial Conduct Authority Disclosure Guidance and Transparency Rules to include these financial statements in an annual financial report prepared under the structured digital format required by DTR 4.1.15R - 4.1.18R and filed on the National Storage Mechanism of the Financial Conduct Authority. This auditors' report provides no assurance over whether the structured digital format annual financial report has been prepared in accordance with those requirements.



### Mark Jordan (Senior Statutory Auditor)

for and on behalf of PricewaterhouseCoopers LLP  
Chartered Accountants and Statutory Auditors  
London

13 June 2024



# Consolidated statement of profit or loss and other comprehensive income

For the year ended 31 March 2024

|   | Note | 2024<br>£m     | 2023<br>£m   |
|---|------|----------------|--------------|
| Revenue   | 3    | 1,052.0        | 846.1        |
| Interest income on customer balances              | 4    | 485.2          | 140.2        |
| Interest expense on customer balances             |      | –              | (3.7)        |
| Benefits paid relating to customer balances       | 5    | (124.9)        | (18.4)       |
| Cost of sales                                     | 6    | (307.4)        | (308.2)      |
| Net credit losses on financial assets             | 6    | (12.5)         | (17.8)       |
| <b>Gross profit</b>                               |      | <b>1,092.4</b> | <b>638.2</b> |
| Administrative expenses                           | 7    | (615.9)        | (494.5)      |
| Net interest income from corporate investments    |      | 19.7           | 2.8          |
| Other operating income, net                       |      | 5.7            | 10.7         |
| <b>Operating profit</b>                           |      | <b>501.9</b>   | <b>157.2</b> |
| Finance expense                                   | 9    | (20.5)         | (10.7)       |
| <b>Profit before tax</b>                          |      | <b>481.4</b>   | <b>146.5</b> |
| Income tax expense                                | 10   | (126.8)        | (32.5)       |
| <b>Profit for the year</b>                        |      | <b>354.6</b>   | <b>114.0</b> |
| <b>Other comprehensive income/(loss)</b>          |      |                |              |
| Items that may be reclassified to profit or loss: |      |                |              |
| Fair value gain/(loss) on investments, net        |      | 10.9           | (5.5)        |
| Currency translation differences                  |      | (7.0)          | 3.0          |
| <b>Total other comprehensive income/(loss)</b>    |      | <b>3.9</b>     | <b>(2.5)</b> |
| <b>Total comprehensive income for the year</b>    |      | <b>358.5</b>   | <b>111.5</b> |
| <b>Earnings per share</b>                         |      |                |              |
| Basic, in pence                                   | 11   | 34.20          | 11.07        |
| Diluted, in pence                                 | 11   | 33.73          | 10.94        |
| <b>Alternative performance measures</b>           |      |                |              |
| Income <sup>1</sup>                               |      | 1,412.3        | 964.2        |
| Underlying income <sup>2</sup>                    |      | 1,172.7        | 892.0        |
| Underlying profit before tax <sup>3</sup>         |      | 241.8          | 74.3         |

1. Income is defined as revenue plus interest income on customer balances, less interest expense on customer balances and benefits paid relating to customer balances.

2. Underlying income is a measure of income retained from customers and it is comprised of revenue from customers and the first 1% yield of interest income on customer balances that Wise retains.

3. Underlying profit before tax is a profitability measure calculated as profit before tax using underlying income and excluding benefits paid relating to customer balances.

All results are derived from continuing operations.

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

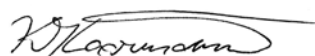
# Consolidated statement of financial position

As at 31 March 2024

|                                      | Note | 2024<br>£m      | 2023<br>£m      |
|--------------------------------------|------|-----------------|-----------------|
| <b>Non-current assets</b>            |      |                 |                 |
| Deferred tax assets                  | 10   | 103.0           | 113.2           |
| Property, plant and equipment        | 12   | 34.3            | 21.1            |
| Intangible assets                    | 13   | 6.5             | 11.4            |
| Trade and other receivables          | 14   | 32.1            | 17.9            |
| <b>Total non-current assets</b>      |      | <b>175.9</b>    | <b>163.6</b>    |
| <b>Current assets</b>                |      |                 |                 |
| Current tax assets                   |      | 4.0             | 6.7             |
| Trade and other receivables          | 14   | 442.8           | 250.0           |
| Short-term financial investments     | 18   | 4,033.9         | 3,804.5         |
| Derivative financial assets          | 18   | 1.6             | –               |
| Cash and cash equivalents            | 15   | 10,479.2        | 7,679.4         |
| <b>Total current assets</b>          |      | <b>14,961.5</b> | <b>11,740.6</b> |
| <b>Total assets</b>                  |      | <b>15,137.4</b> | <b>11,904.2</b> |
| <b>Non-current liabilities</b>       |      |                 |                 |
| Trade and other payables             | 16   | 46.1            | 29.7            |
| Provisions                           |      | 2.3             | 2.7             |
| Deferred tax liabilities             |      | 2.4             | 1.1             |
| Borrowings                           | 17   | 14.8            | 7.8             |
| <b>Total non-current liabilities</b> |      | <b>65.6</b>     | <b>41.3</b>     |
| <b>Current liabilities</b>           |      |                 |                 |
| Trade and other payables             | 16   | 13,872.7        | 11,022.9        |
| Derivative financial liabilities     | 18   | 1.6             | –               |
| Provisions                           |      | 2.2             | 2.5             |
| Current tax liabilities              |      | 6.0             | 4.0             |
| Borrowings                           | 17   | 209.4           | 256.6           |
| <b>Total current liabilities</b>     |      | <b>14,091.9</b> | <b>11,286.0</b> |
| <b>Total liabilities</b>             |      | <b>14,157.5</b> | <b>11,327.3</b> |
| <b>Equity</b>                        |      |                 |                 |
| Share capital                        | 19   | 10.2            | 10.2            |
| Equity merger reserve                |      | (8.0)           | (8.0)           |
| Share-based payment reserve          |      | 306.5           | 247.4           |
| Own shares reserve                   |      | (55.5)          | (10.4)          |
| Other reserves                       |      | (12.4)          | (23.3)          |
| Currency translation reserve         |      | (3.8)           | 3.2             |
| Retained earnings                    |      | 742.9           | 357.8           |
| <b>Total equity</b>                  |      | <b>979.9</b>    | <b>576.9</b>    |
| <b>Total liabilities and equity</b>  |      | <b>15,137.4</b> | <b>11,904.2</b> |

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

The Group consolidated financial statements on pages 126 to 157 were authorised for issue by the Board of Directors on 13 June 2024 and were signed on its behalf by:



**Kristo Käärmann**  
Co-founder and CEO

13 June 2024

# Consolidated statement of changes in equity

For the year ended 31 March 2024

|  | Note | Share capital<br>£m | Equity merger reserve <sup>1</sup><br>£m | Share-based payment reserve<br>£m | Own shares reserve<br>£m | Other reserves <sup>2</sup><br>£m | Currency translation reserve<br>£m | Retained earnings<br>£m | Total equity<br>£m |
|--|------|---------------------|--|-----------------------------------|--------------------------|-----------------------------------|------------------------------------|-------------------------|--------------------|
| <b>At 1 April 2022</b>                         |      | <b>10.2</b>         | <b>(8.0)</b>                             | <b>200.5</b>                      | <b>(0.4)</b>             | <b>(17.8)</b>                     | <b>0.2</b>                         | <b>224.5</b>            | <b>409.2</b>       |
| Profit for the year                            |      | –                   | –  | –                                 | –                        | –                                 | –                                  | 114.0                   | 114.0              |
| Fair value loss on investments, net            |      | –                   | –  | –                                 | –                        | (5.5)                             | –                                  | –                       | (5.5)              |
| Currency translation differences               |      | –                   | –  | –                                 | –                        | –                                 | 3.0                                | –                       | 3.0                |
| <b>Total comprehensive income for the year</b> |      | <b>–</b>            | <b>–</b>                                 | <b>–</b>                          | <b>–</b>                 | <b>(5.5)</b>                      | <b>3.0</b>                         | <b>114.0</b>            | <b>111.5</b>       |
| Issue of share capital                         |      | –                   | –  | –                                 | –                        | –                                 | –                                  | –                       | –                  |
| Shares acquired by ESOP Trust                  | 20   | –                   | –  | –                                 | (10.1)                   | –                                 | –                                  | –                       | (10.1)             |
| Share-based compensation expense               | 21   | –                   | –  | 58.0                              | –                        | –                                 | –                                  | (0.3)                   | 57.7               |
| Tax on share-based compensation                | 10   | –                   | –  | 8.0                               | –                        | –                                 | –                                  | –                       | 8.0                |
| Employee share schemes                         | 21   | –                   | –  | (19.1)                            | 0.1                      | –                                 | –                                  | 19.6                    | 0.6                |
| <b>At 31 March 2023</b>                        |      | <b>10.2</b>         | <b>(8.0)</b>                             | <b>247.4</b>                      | <b>(10.4)</b>            | <b>(23.3)</b>                     | <b>3.2</b>                         | <b>357.8</b>            | <b>576.9</b>       |
| Profit for the year                            |      | –                   | –  | –                                 | –                        | –                                 | –                                  | 354.6                   | 354.6              |
| Fair value loss on investments, net            |      | –                   | –  | –                                 | –                        | 10.9                              | –                                  | –                       | 10.9               |
| Currency translation differences               |      | –                   | –  | –                                 | –                        | –                                 | (7.0)                              | –                       | (7.0)              |
| <b>Total comprehensive income for the year</b> |      | <b>–</b>            | <b>–</b>                                 | <b>–</b>                          | <b>–</b>                 | <b>10.9</b>                       | <b>(7.0)</b>                       | <b>354.6</b>            | <b>358.5</b>       |
| Issue of share capital                         |      | –                   | –  | –                                 | –                        | –                                 | –                                  | –                       | –                  |
| Shares acquired by ESOP Trust                  | 20   | –                   | –  | –                                 | (69.9)                   | –                                 | –                                  | –                       | (69.9)             |
| Share-based compensation expense               | 21   | –                   | –  | 72.5                              | –                        | –                                 | –                                  | –                       | 72.5               |
| Tax on share-based compensation                | 10   | –                   | –  | 40.8                              | –                        | –                                 | –                                  | –                       | 40.8               |
| Employee share schemes                         | 21   | –                   | –  | (54.2)                            | 24.8                     | –                                 | –                                  | 30.5                    | 1.1                |
| <b>At 31 March 2024</b>                        |      | <b>10.2</b>         | <b>(8.0)</b>                             | <b>306.5</b>                      | <b>(55.5)</b>            | <b>(12.4)</b>                     | <b>(3.8)</b>                       | <b>742.9</b>            | <b>979.9</b>       |

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

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



# Consolidated statement of cash flows

For the year ended 31 March 2024

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

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

# Notes to the Group consolidated financial statements

For the year ended 31 March 2024

## Note 1. Presentation of the consolidated financial statements

### 1.1 General information

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

### 1.2 Accounting information and policies

#### Introduction

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

#### (a) Basis of preparation

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

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

#### (b) Going concern

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

The financial statements are prepared on a going concern basis as the Directors are satisfied that the Group has the available resources to continue in business for the foreseeable future.

The going concern assessment is based on the detailed forecast prepared by management and approved by the Board (base plan). As part of the going concern review, the Directors have considered severe, but plausible, downside scenarios to stress test the viability of the business. These downside scenarios covered reduction in revenues, profitability, cash position and liquidity as well as the Group's ability to meet its regulatory capital and liquidity requirements. Appropriate assumptions have been made in respect of revenue growth and profitability, based on the economic outlook over the forecast period. Appropriate sensitivities have been applied in order to stress test the base plan, considering situations with lower revenue growth and profitability compared to the base plan, where future trading is less than forecasted. Management expects that sufficient liquidity and regulatory capital requirement headroom are maintained throughout the forecast period.

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

#### (c) Basis of consolidation

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

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

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

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

## (d) Current versus non-current classification

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

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

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

## (e) Foreign currency translation

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

### Transactions and balances

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

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

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

### Group companies

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

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

## (f) Changes in material accounting policies and disclosures

### Adoption of new or revised standards and interpretations

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

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

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

#### b. Amendments to IAS 12 – International Tax Reform – Pillar Two Model Rules

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

c. Other amendments:

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

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

### New standards, amendments and interpretations not yet adopted

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

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

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

b. New standard issue – IFRS 18 Primary financial statements

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

c. Other amendments:

- Amendments to IFRS 16 – Lease Liability in a Sale and Leaseback
- Amendments to IAS 7 and IFRS 7 – Supplier Finance Arrangements
- Amendments to IAS 21 – Lack of Exchangeability
- Amendments to IFRS 10 and IAS 28 – Sale of Contribution of Assets between an Investor and its Associate or Joint Venture

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

## 1.3. Critical accounting judgements and key sources of estimation uncertainty

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

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

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

## Note 2. Segment information

### Accounting policy

The Group is managed on the basis of a single segment. The information regularly reported to the Chief Operating Decision Maker ('CODM'), which is currently the Board of Directors of the Group, for the purposes of resource allocation and the assessment of performance, is based wholly on the overall activities of the Group. Based on the Group's business model, the Group has determined that it has only one reportable segment under IFRS 8, which is provision of cross-border and domestic financial services.

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



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

|  | 2024<br>£m  | 2023<br>£m  |
|--|-------------|-------------|
| <b>Non-current assets by geographical region<sup>1</sup></b> |             |             |
| United Kingdom   | 40.5        | 34.8        |
| Rest of Europe   | 13.9        | 8.6         |
| Rest of the world  | 15.6        | 4.6         |
| <b>Total non-current assets</b>                              | <b>70.0</b> | <b>48.0</b> |

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

## Note 3. Revenue

### Accounting policy

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

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

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

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

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

### Rebates

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

### Other – Assets revenue

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

Below is the revenue split by customer type:

|                                 | Year ended 31 March |              |
|---------------------------------|---------------------|--------------|
|                                 | 2024<br>£m          | 2023<br>£m   |
| <b>Revenue by customer type</b> |                     |              |
| Personal                        | 815.3               | 656.3        |
| Business                        | 236.7               | 189.8        |
| <b>Total revenue</b>            | <b>1,052.0</b>      | <b>846.1</b> |

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

## Disaggregation of revenues

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

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

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

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

## Note 4. Interest income on customer balances

### Accounting policy

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

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

## Note 5. Benefits paid relating to customer balances

### Accounting policy

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

|  | Year ended 31 March |             |
|--|---------------------|-------------|
|  | 2024<br>£m          | 2023<br>£m  |
| <b>Benefits paid relating to customer balances</b>       |                     |             |
| Cashback (EU)  | 107.9               | 18.1        |
| Interest (US)  | 17.0                | 0.3         |
| <b>Total benefits paid relating to customer balances</b> | <b>124.9</b>        | <b>18.4</b> |

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

### Accounting policy

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

- banking and other fees, net of applicable rebates, incurred in processing customer transfers and the costs of providing cards to customers;
- net foreign exchange costs generated due to customer transactions. Within the same line are included the net foreign exchange differences from the revaluation of customer balances at period end. Other product costs include product losses that are directly generated from consumer transactions, including chargeback losses, as well as taxes directly attributable to customer activity.

### Critical accounting judgement

#### Net gains and losses from foreign exchange differences

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

## Breakdown of expenses by nature:

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

Expected credit losses are presented as net credit losses within gross profit and subsequent recoveries of amounts previously written off are credited against the same line item.

Subsequent recoveries of amounts previously written off are immaterial in both current and prior year.

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

## Note 7. Administrative expenses

|  | Year ended 31 March |              |
|--|---------------------|--------------|
|  | 2024<br>£m          | 2023<br>£m   |
| <b>Administrative expenses</b>         |                     |              |
| Employee benefit expenses <sup>1</sup> | 377.3               | 294.8        |
| Marketing                              | 36.5                | 37.4         |
| Technology                             | 53.5                | 42.7         |
| Consultancy and outsourced services    | 90.4                | 70.4         |
| Other administrative expenses          | 42.0                | 30.6         |
| Depreciation and amortisation          | 18.3                | 23.2         |
| Less: Capitalisation of staff costs    | (2.1)               | (4.6)        |
| <b>Total administrative expenses</b>   | <b>615.9</b>        | <b>494.5</b> |

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

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

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

## Note 8. Employee benefit expenses

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

|   | Year ended 31 March |              |
|---|---------------------|--------------|
|   | 2024<br>£m          | 2023<br>£m   |
| Salaries and wages                        | 248.9               | 194.6        |
| Share-based payment compensation expense  | 72.5                | 58.2         |
| Social security costs                     | 37.7                | 29.6         |
| Pension costs                             | 8.6                 | 6.3          |
| Other employment taxes and insurance cost | 9.6                 | 6.1          |
| <b>Total employee benefit expense</b>     | <b>377.3</b>        | <b>294.8</b> |

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

Remuneration of key management personnel is disclosed in note 24.

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

|  | 2024<br>Number of<br>employees | 2023<br>Number of<br>employees |
|--|--------------------------------|--------------------------------|
| Product development                      | 1,341                          | 1,170                          |
| Servicing                                | 3,396                          | 2,593                          |
| Marketing                                | 270                            | 212                            |
| Other functions                          | 492                            | 436                            |
| <b>Total average number of employees</b> | <b>5,499</b>                   | <b>4,411</b>                   |



## Note 9. Finance expense

### Accounting policy

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

|   | Year ended 31 March |             |
|---|---------------------|-------------|
|   | 2024<br>£m          | 2023<br>£m  |
| Finance expense                                       |                     |             |
| Interest expense related to revolving credit facility | 19.2                | 9.3         |
| Interest on lease liabilities                         | 1.1                 | 0.7         |
| Other financial expenses                              | 0.2                 | 0.7         |
| <b>Total finance expense</b>                          | <b>20.5</b>         | <b>10.7</b> |

## Note 10. Tax

### Accounting policy

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

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

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

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

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

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

## Tax expense:

|  | Year ended 31 March |             |
|--|---------------------|-------------|
|  | 2024<br>£m          | 2023<br>£m  |
| <b>Current income tax for the year</b>         |                     |             |
| UK corporation tax                             | 78.5                | 17.7        |
| Foreign corporation tax                        | 13.4                | 9.0         |
| Adjustment in respect of prior years           | 2.3                 | (1.3)       |
| <b>Total current tax expense for the year</b>  | <b>94.2</b>         | <b>25.4</b> |
| <b>Deferred income tax for the year</b>        |                     |             |
| Increase in deferred tax                       | 36.4                | 6.9         |
| Adjustment in respect of prior years           | (3.8)               | 0.2         |
| <b>Total deferred tax expense for the year</b> | <b>32.6</b>         | <b>7.1</b>  |
| <b>Total tax expense for the year</b>          | <b>126.8</b>        | <b>32.5</b> |

## Factors affecting tax expense for the year:

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

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

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

## Amounts recognised in other comprehensive income:

|   | 2024<br>£m   | 2023<br>£m |
|---|--------------|------------|
| <b>Current tax</b>  |              |            |
| Recognition of current tax liability on listed bonds          | 0.1          | (0.1)      |
| <b>Deferred tax</b>   |              |            |
| Recognition of deferred tax asset on listed bonds             | (3.6)        | 2.5        |
| <b>Total amounts recognised in other comprehensive income</b> | <b>(3.5)</b> | <b>2.4</b> |

## Amounts recognised directly in equity:

|  | 2024<br>£m  | 2023<br>£m |
|--|-------------|------------|
| <b>Current tax</b>   |             |            |
| Deduction for exercised options  | 15.7        | 5.0        |
| <b>Deferred tax</b>  |             |            |
| Recognition of deferred tax asset on share-based payments <sup>1</sup> | 25.1        | 3.0        |
| <b>Total amounts recognised directly in equity</b>                     | <b>40.8</b> | <b>8.0</b> |

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

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

## Deferred tax assets and liabilities

### Movements during the year

#### Year ended 31 March 2024

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

#### Year ended 31 March 2023

|                                   | 1 April 2022<br>£m | Recognised in<br>income<br>£m | Recognised in<br>equity/OCI<br>£m | FX<br>£m   | 31 March 2023<br>£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                 |
| <b>Closing deferred tax asset</b> | <b>113.1</b>       | <b>(7.1)</b>                  | <b>5.6</b>                        | <b>0.5</b> | <b>112.1</b>        |
| Represented by:                   |                    |                               |                                   |            |                     |
| Deferred tax assets               | 113.6              | –                             | –                                 | –          | 113.2               |
| Deferred tax liabilities          | (0.5)              | –                             | –                                 | –          | (1.1)               |
| <b>Total</b>                      | <b>113.1</b>       | <b>–</b>                      | <b>–</b>                          | <b>–</b>   | <b>112.1</b>        |

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

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

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

The Organisation for Economic Co-operation and Development (OECD)/G20 Inclusive Framework on Base Erosion and Profit Shifting published on 20 December 2021 the Pillar Two model rules designed to address the tax challenges arising from the digitalisation of the global economy. The Group operates in the United Kingdom (amongst other locations), which has enacted or substantively enacted new legislation to implement the global minimum top-up taxes by 31 March 2024. The earliest period for which substantively enacted legislation is effective for the Group is the year ended 31 March 2025, therefore there is no current tax impact of Pillar Two income taxes for the year ended 31 March 2024. The Group has performed an assessment of the Group's potential exposure to Pillar Two income taxes. This assessment is based on the most recent information available regarding the financial performance of the constituent entities in the Group. Based on the assessment performed, the Group does not expect any material top-up taxes. The Group is continuing to monitor potential future implications.

## Note 11. Earnings per share

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

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

|   | Year ended 31 March |                |
|---|---------------------|----------------|
|   | 2024                | 2023           |
| Profit for the year (£m)  | 354.6               | 114.0          |
| Weighted average number of Ordinary Shares for basic EPS (in millions of shares)                              | 1,036.7             | 1,029.4        |
| Plus the effect of dilution from share options (in millions of shares)  | 14.7                | 13.0           |
| <b>Weighted average number of Ordinary Shares adjusted for the effect of dilution (in millions of shares)</b> | <b>1,051.4</b>      | <b>1,042.4</b> |
| Basic EPS, in pence   | 34.20               | 11.07          |
| Diluted EPS, in pence   | 33.73               | 10.94          |

## Note 12. Property, plant and equipment

### Accounting policy

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

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

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

### Depreciation

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

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

### Impairment of property, plant and equipment

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



|  | Right-of-use<br>assets<br>£m | Leased office<br>improvements<br>£m | Office equipment<br>£m | Assets under<br>construction<br>£m | Total<br>£m |
|--|------------------------------|-------------------------------------|------------------------|------------------------------------|-------------|
| <b>At 1 April 2022</b>                   |                              |                                     |                        |                                    |             |
| Cost                                     | 25.8                         | 10.5                                | 4.9                    | 0.2                                | 41.4        |
| Accumulated depreciation                 | (11.6)                       | (4.8)                               | (2.4)                  | –                                  | (18.8)      |
| <b>Net book value</b>                    | <b>14.2</b>                  | <b>5.7</b>                          | <b>2.5</b>             | <b>0.2</b>                         | <b>22.6</b> |
| 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         |
| <b>At 31 March 2023</b>                  |                              |                                     |                        |                                    |             |
| Cost                                     | 29.4                         | 13.0                                | 6.6                    | 0.5                                | 49.5        |
| Accumulated depreciation                 | (17.5)                       | (7.2)                               | (3.7)                  | –                                  | (28.4)      |
| <b>Net book value</b>                    | <b>11.9</b>                  | <b>5.8</b>                          | <b>2.9</b>             | <b>0.5</b>                         | <b>21.1</b> |
| Additions                                | 15.3                         | 0.1                                 | –                      | 10.3                               | 25.7        |
| Reclassifications                        | –                            | 3.4                                 | 2.0                    | (5.4)                              | –           |
| Depreciation charge                      | (7.3)                        | (2.5)                               | (1.6)                  | –                                  | (11.4)      |
| Write-offs                               | –                            | (0.8)                               | –                      | –                                  | (0.8)       |
| Foreign currency translation differences | (0.4)                        | –                                   | 0.2                    | (0.1)                              | (0.3)       |
| <b>At 31 March 2024</b>                  |                              |                                     |                        |                                    |             |
| Cost                                     | 39.0                         | 15.4                                | 8.1                    | 5.3                                | 67.8        |
| Accumulated depreciation                 | (19.5)                       | (9.4)                               | (4.6)                  | –                                  | (33.5)      |
| <b>Net book value</b>                    | <b>19.5</b>                  | <b>6.0</b>                          | <b>3.5</b>             | <b>5.3</b>                         | <b>34.3</b> |

Refer to note 17 for disclosure of security.

## Note 13. Intangible assets

### Accounting policy

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

#### Internally generated software

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

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

#### Other intangible assets

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

#### Amortisation

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

#### Impairment of intangible assets

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

|                          | Software<br>£m | Other intangible<br>assets<br>£m | Total<br>£m   |
|--------------------------|----------------|----------------------------------|---------------|
| <b>At 1 April 2022</b>   |                |                                  |               |
| Cost                     | 39.0           | 4.9                              | <b>43.9</b>   |
| Accumulated amortisation | (23.0)         | (0.6)                            | <b>(23.6)</b> |
| <b>Net book value</b>    | <b>16.0</b>    | <b>4.3</b>                       | <b>20.3</b>   |
| Additions                | 4.6            | 0.1                              | <b>4.7</b>    |
| Amortisation charge      | (11.4)         | (2.2)                            | <b>(13.6)</b> |
| <b>At 31 March 2023</b>  |                |                                  |               |
| Cost                     | 28.3           | 5.0                              | <b>33.3</b>   |
| Accumulated amortisation | (19.1)         | (2.8)                            | <b>(21.9)</b> |
| <b>Net book value</b>    | <b>9.2</b>     | <b>2.2</b>                       | <b>11.4</b>   |
| Additions                | 2.0            | –                                | <b>2.0</b>    |
| Amortisation charge      | (6.5)          | (0.4)                            | <b>(6.9)</b>  |
| <b>At 31 March 2024</b>  |                |                                  |               |
| Cost                     | 11.0           | 4.6                              | <b>15.6</b>   |
| Accumulated amortisation | (6.3)          | (2.8)                            | <b>(9.1)</b>  |
| <b>Net book value</b>    | <b>4.7</b>     | <b>1.8</b>                       | <b>6.5</b>    |

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

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

## Accounting policy

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

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

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

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

## Note 14. Trade and other receivables

|  | 2024<br>£m   | 2023<br>£m   |
|--|--------------|--------------|
| <b>Non-current trade and other receivables</b>       |              |              |
| Office lease deposits                                | 2.8          | 2.4          |
| Other non-current receivables                        | 29.3         | 15.5         |
| <b>Total non-current trade and other receivables</b> | <b>32.1</b>  | <b>17.9</b>  |
| <b>Current trade and other receivables</b>           |              |              |
| Receivables from payment processors                  | 95.6         | 86.8         |
| Receivables from partners                            | 93.6         | 41.0         |
| Collateral deposits                                  | 25.0         | 44.8         |
| Prepayments  | 30.1         | 19.4         |
| Receivables from customers <sup>1</sup>              | 131.6        | 23.9         |
| Receivables from broker                              | 19.9         | 15.2         |
| Interest receivables                                 | 30.9         | 11.7         |
| Other receivables                                    | 16.1         | 7.2          |
| <b>Total current trade and other receivables</b>     | <b>442.8</b> | <b>250.0</b> |

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

## Note 15. Cash and cash equivalents

### Accounting policy

Cash and cash equivalents include cash on hand, on-demand deposits, term deposits used for meeting short-term cash commitments, money market funds (MMFs) and other short-term high-quality liquid investments with original maturities of 3 months or less, and e-money held with payment processing partners. Due to the short duration of the cash and cash equivalents (less than 3 months), the fair value approximates the carrying value at each reporting period. As the Government bonds which we hold have original maturities of greater than 3 months they are regarded as Short Term Investments, rather than cash and cash equivalents, see Note 18 for further detail.

Cash in transit to customers represents cash that has been paid out from the Group bank accounts, but has not been delivered to the bank account of the beneficiary.

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

### Customer deposits

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

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

### Critical accounting judgements

#### Customer balances

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

|   | 2024<br>£m      | 2023<br>£m     |
|---|-----------------|----------------|
| <b>Cash and cash equivalents</b>                                  |                 |                |
| Cash at banks, in hand and in transit between Group bank accounts | 6,570.3         | 4,827.8        |
| Cash in transit to customers                                      | 132.8           | 182.0          |
| Investment into money market funds                                | 3,776.1         | 2,669.6        |
| <b>Total cash and cash equivalents</b>                            | <b>10,479.2</b> | <b>7,679.4</b> |

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

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

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

## Note 16. Trade and other payables

### Accounting policy

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

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

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

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

Trade and other payables are unsecured unless otherwise indicated; due to the short-term nature of current payables, their carrying values approximate their fair value.

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



## Wise Accounts

The Group recognises a financial liability for the funds customers hold in their Wise accounts and the funds the Group receives as part of the money transfer settlement process. The table below summarises the Group's exposure to foreign exchange risk at the end of the reporting period.

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

|                      | 2024<br>£m      | 2023<br>£m      |
|----------------------|-----------------|-----------------|
| <b>Wise accounts</b> |                 |                 |
| USD                  | 4,881.8         | 3,892.6         |
| EUR                  | 4,717.6         | 3,571.8         |
| GBP                  | 2,092.2         | 2,058.4         |
| AUD                  | 338.0           | 222.8           |
| CAD                  | 205.1           | 155.6           |
| CHF                  | 183.9           | 183.2           |
| JPY                  | 182.7           | 83.0            |
| Other                | 659.7           | 509.0           |
| <b>Total</b>         | <b>13,261.0</b> | <b>10,676.4</b> |

## Note 17. Borrowings

### Accounting policy

#### Revolving credit facility (RCF)

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

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

#### Leases

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

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

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

|                                     | 2024<br>£m   | 2023<br>£m   |
|-------------------------------------|--------------|--------------|
| <b>Current</b>                      |              |              |
| Revolving credit facility           | 202.7        | 249.9        |
| Lease liabilities                   | 6.7          | 6.7          |
| <b>Total current borrowings</b>     | <b>209.4</b> | <b>256.6</b> |
| <b>Non-current</b>                  |              |              |
| Lease liabilities                   | 14.8         | 7.8          |
| <b>Total non-current borrowings</b> | <b>14.8</b>  | <b>7.8</b>   |
| <b>Total borrowings</b>             | <b>224.2</b> | <b>264.4</b> |

## Debt movement reconciliation:

|  | Revolving credit<br>facility<br>£m | Lease liabilities<br>£m | Total<br>£m  |
|--|------------------------------------|-------------------------|--------------|
| <b>As at 31 March 2022</b>                             | <b>78.5</b>                        | <b>17.2</b>             | <b>95.7</b>  |
| <b>Cash flows:</b>                                     |                                    |                         |              |
| 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)        |
| <b>Non-cash flows:</b>                                 |                                    |                         |              |
| New leases   | –                                  | 3.2                     | 3.2          |
| Interest expense                                       | 9.3                                | 0.7                     | 10.0         |
| <b>As at 31 March 2023</b>                             | <b>249.9</b>                       | <b>14.5</b>             | <b>264.4</b> |
| <b>Cash flows:</b>                                     |                                    |                         |              |
| Proceeds   | 420.0                              | –                       | 420.0        |
| Transaction costs related to revolving credit facility | (0.5)                              | –                       | (0.5)        |
| Repayments   | (470.0)                            | (7.1)                   | (477.1)      |
| Interest expense paid                                  | (15.8)                             | (1.1)                   | (16.9)       |
| <b>Non-cash flows:</b>                                 |                                    |                         |              |
| New leases   | –                                  | 15.3                    | 15.3         |
| Interest expense                                       | 19.2                               | 1.1                     | 20.3         |
| Foreign currency translation differences               | (0.1)                              | (0.2)                   | (0.3)        |
| Other lease movements                                  | –                                  | (1.0)                   | (1.0)        |
| <b>As at 31 March 2024</b>                             | <b>202.7</b>                       | <b>21.5</b>             | <b>224.2</b> |

## Revolving credit facility (RCF)

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

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

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

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

## Lease liabilities

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

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

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

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

## Note 18. Financial instruments and risk management

### Accounting policy

#### Financial assets

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

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

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

#### Financial assets at amortised cost

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

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

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

#### Financial assets at fair value through other comprehensive income (FVOCI)

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

#### Financial assets through profit or loss (FVTPL)

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

#### Impairment of financial assets

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

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

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

### Impairment of financial assets continued

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

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

While cash and cash equivalents are also subject to the impairment requirements of IFRS 9, no impairments were required to be recognised on these financial assets as they are subject to an insignificant risk of changes in value.

### Financial liabilities

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

### Derivative financial instruments

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

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

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

## a. Liquidity risk

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

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

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

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

## b. Credit risk

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



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

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

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

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

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

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

## c. Market risk

### Interest rate risk

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

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

### Foreign exchange risk

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

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

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

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

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

### The Group's exposure to foreign exchange risk by currency

The table below presents the Group's net position (difference between financial assets and liabilities) across its main currencies at the end of each reporting period. The table does not include the impact of treasury instruments utilised by the Group to mitigate its foreign exchange risk:

|   | 2024<br>£m | 2023<br>£m |
|---|------------|------------|
| <b>Net exposure by currency</b>               |            |            |
| HUF <sup>1</sup>                              | (96.6)     | (2.1)      |
| USD <sup>1</sup>                              | 60.8       | 18.0       |
| AUD <sup>1</sup>                              | 59.3       | (8.2)      |
| BRL   | 52.6       | 22.6       |
| EUR <sup>1</sup>                              | (45.2)     | (56.8)     |
| THB <sup>1</sup>                              | (43.1)     | 17.0       |
| SGD <sup>1</sup>                              | 37.3       | 13.6       |
| JPY <sup>1</sup>                              | (16.5)     | (17.0)     |
| PHP   | 15.2       | 16.9       |
| CAD <sup>1</sup>                              | 11.1       | (7.8)      |
| Other currencies                              | (4.8)      | (30.9)     |
|   | 2024<br>£m | 2023<br>£m |
| <b>Sensitivity to 5% exchange rate change</b> |            |            |
| HUF   | (4.8)      | (0.1)      |
| USD   | 3.0        | 0.9        |
| AUD   | 3.0        | (0.4)      |
| BRL   | 2.6        | 1.1        |
| EUR   | (2.3)      | (2.8)      |
| THB   | (2.2)      | 0.9        |
| SGD   | 1.9        | 0.7        |
| JPY   | (0.8)      | (0.9)      |
| PHP   | 0.8        | 0.8        |
| CAD   | 0.6        | (0.4)      |
| Other currencies                              | (0.2)      | (1.5)      |

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

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

A 5% strengthening or weakening of GBP against all other currencies, with all other variables being constant, would result in a foreign exchange loss or gain of £1.6m (2023: £1.7m), excluding the tax effect. The Group considers a 5% strengthening or weakening of the functional currency against the non-functional currency of its subsidiaries as a reasonably possible change in foreign exchange rates.

## d. Capital risk

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

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

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

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

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

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

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

## Overall own funds requirement

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

1. its permanent minimum capital requirement (i.e. its initial capital requirement);
2. its fixed overheads requirement (FOR); and
3. its K-factor requirement (KFR).

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

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

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

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

### Fair value hierarchy

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

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



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

|   | Total<br>£m    | Level 1<br>£m  | Level 2<br>£m | Level 3<br>£m |
|---|----------------|----------------|---------------|---------------|
| <b>At 31 March 2024</b>                                   |                |                |               |               |
| <b>Financial assets measured at fair value</b>            |                |                |               |               |
| Short-term financial investments                          | 4,033.9        | 4,033.9        | –             | –             |
| Derivative financial assets                               | 1.6            | –              | 1.6           | –             |
| <b>Total financial assets measured at fair value</b>      | <b>4,035.5</b> | <b>4,033.9</b> | <b>1.6</b>    | <b>–</b>      |
| <b>Financial liabilities measured at fair value</b>       |                |                |               |               |
| Derivative financial liabilities                          | (1.6)          | –              | (1.6)         | –             |
| <b>Total financial liabilities measured at fair value</b> | <b>(1.6)</b>   | <b>–</b>       | <b>(1.6)</b>  | <b>–</b>      |
|   | Total<br>£m    | Level 1<br>£m  | Level 2<br>£m | Level 3<br>£m |
| <b>At 31 March 2023</b>                                   |                |                |               |               |
| <b>Financial assets measured at fair value</b>            |                |                |               |               |
| Short-term financial investments                          | 3,804.5        | 3,804.5        | –             | –             |
| Derivative financial assets                               | –              | –              | –             | –             |
| <b>Total financial assets measured at fair value</b>      | <b>3,804.5</b> | <b>3,804.5</b> | <b>–</b>      | <b>–</b>      |
| <b>Financial liabilities measured at fair value</b>       |                |                |               |               |
| Derivative financial liabilities                          | –              | –              | –             | –             |
| <b>Total financial liabilities measured at fair value</b> | <b>–</b>       | <b>–</b>       | <b>–</b>      | <b>–</b>      |

**Contractual maturity of financial liabilities based on undiscounted cash flows:**

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

Current and non-current borrowings include principal and interest.

## Note 19. Share capital

### Allotted, called up and fully paid

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

During the year, the Group allotted 100,000 Class A Ordinary Shares of £0.01 related to share options granted under the Company's legacy incentive plans prior to the Company's admission to trading on the London Stock Exchange (2023: 87,396 Class A Ordinary Shares of £0.01 related to customer shareholder programme).

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

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

## Note 20. Own share reserve

### Accounting policy

#### Own share reserve

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

#### Employee share trust

The Group provides financing to the Employee Share Ownership Plan (ESOP) Trust to either purchase the Company's shares on the open market, or to subscribe for newly issued share capital, to meet the Group's obligation to provide shares when employees exercise their options or awards. Costs of running the ESOP Trust are charged to the consolidated income statement. The Group consolidates this share trust.

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

### Purchase of own shares

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

## Note 21. Share-based employee compensation

### Accounting policy

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

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

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

### Employee share award plans

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

### For the market-based award

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

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

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

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

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

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

| Grant date range 12 months ended 31 March | Expiry date range 12 months ended 31 March | Weighted average exercise price | Number of awards as at 31 March 2024 | Number of awards as at 31 March 2023 |
|---|--|---------------------------------|--------------------------------------|--------------------------------------|
| 2014                                      | 2024                                       | –                               | –                                    | 232,310                              |
| 2015                                      | 2025                                       | –                               | 221,193                              | 1,256,199                            |
| 2016                                      | 2026                                       | 0.10                            | 1,267,842                            | 1,678,385                            |
| 2017                                      | 2027                                       | 0.15                            | 1,498,924                            | 2,690,444                            |
| 2018                                      | 2028                                       | 0.24                            | 2,823,387                            | 4,275,362                            |
| 2019                                      | 2029                                       | 0.16                            | 6,430,466                            | 9,288,573                            |
| 2020                                      | 2030                                       | 0.19                            | 8,376,895                            | 13,051,895                           |
| 2021                                      | 2031                                       | 0.16                            | 5,036,241                            | 7,490,612                            |
| 2022                                      | 2032                                       | –                               | 5,807,083                            | 8,123,460                            |
| 2023                                      | 2033                                       | –                               | 12,120,478                           | 17,561,618                           |
| 2024                                      | 2034                                       | –                               | 10,007,549                           | –                                    |
| <b>Total</b>                              |  |                                 | <b>53,590,058</b>                    | <b>65,648,858</b>                    |

|  |                  |                  |
|--|------------------|------------------|
| <b>Weighted average remaining contractual life of options outstanding at end of year</b> | <b>6.8 years</b> | <b>7.1 years</b> |
|--|------------------|------------------|

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

### Valuation of share awards

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

## Note 22. Cash generated from operating activities

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



## Note 23. Commitments and contingencies

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

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

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

## Note 24. Transactions with related parties

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

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

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

|  | 2024<br>£m | 2023<br>£m |
|--|------------|------------|
| <b>Compensation of KMP of the Group</b>                    |            |            |
| Short-term employee benefits                               | 0.6        | 0.5        |
| Share-based payment expense                                | 0.8        | 2.1        |
| Non-Executive Directors' fees                              | 1.2        | 0.3        |
| <b>Total compensation paid to key management personnel</b> | <b>2.6</b> | <b>2.9</b> |

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

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

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

## Note 25. Post balance sheet events

No material post balance sheet events have been identified.

# Company statement of financial position

As at 31 March 2024

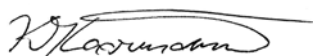
|                                      | Note | 2024<br>£m   | 2023<br>£m   |
|--------------------------------------|------|--------------|--------------|
| <b>Non-current assets</b>            |      |              |              |
| Investments in subsidiaries          | 3    | 202.3        | 174.5        |
| Trade and other receivables          |      | 0.8          | 0.2          |
| <b>Total non-current assets</b>      |      | <b>203.1</b> | <b>174.7</b> |
| <b>Current assets</b>                |      |              |              |
| Deferred tax assets                  |      | 0.6          | 2.7          |
| Amounts owed by Group undertakings   | 4    | 0.4          | 3.5          |
| Cash and cash equivalents            |      | 12.1         | 0.2          |
| Trade and other receivables          |      | 1.9          | 1.5          |
| <b>Total current assets</b>          |      | <b>15.0</b>  | <b>7.9</b>   |
| <b>Total assets</b>                  |      | <b>218.1</b> | <b>182.6</b> |
| <b>Non-current liabilities</b>       |      |              |              |
| Trade and other payables             |      | 0.8          | 0.2          |
| <b>Total non-current liabilities</b> |      | <b>0.8</b>   | <b>0.2</b>   |
| <b>Current liabilities</b>           |      |              |              |
| Amounts owed to Group undertakings   | 4    | 6.8          | 1.7          |
| Current tax liabilities              |      | 0.3          | 1.6          |
| Trade and other payables             |      | 4.0          | 4.3          |
| <b>Total current liabilities</b>     |      | <b>11.1</b>  | <b>7.6</b>   |
| <b>Total liabilities</b>             |      | <b>11.9</b>  | <b>7.8</b>   |
| <b>Net assets</b>                    |      | <b>206.2</b> | <b>174.8</b> |
| <b>Equity</b>                        |      |              |              |
| Share capital                        | 5    | 10.2         | 10.2         |
| Share-based payment reserve          |      | 145.4        | 127.0        |
| Own shares reserve                   |      | (55.5)       | (10.4)       |
| Other reserves                       |      | 0.1          | 0.1          |
| Retained earnings                    |      | 106.0        | 47.9         |
| <b>Total equity</b>                  |      | <b>206.2</b> | <b>174.8</b> |

The profit for the financial year to 31 March 2024 is £27.6m including £28.0m of dividend income (31 March 2023: profit of £1.1m and £nil dividend income).

Company registered number: 13211214.

The accompanying notes form an integral part of the Company financial statements.

The financial statements on pages 158 to 164 were authorised for issue by the Board of Directors and were signed on its behalf by:



**Kristo Käärmann**

Co-founder and CEO

13 June 2024

# Company statement of changes in equity

For the year ended 31 March 2024

|                                  | Note | Share capital<br>£m | Share-based<br>payment<br>reserve<br>£m | Own shares<br>reserve<br>£m | Other<br>reserves<br>£m | Retained<br>earnings<br>£m | Total equity<br>£m |
|----------------------------------|------|---------------------|---|-----------------------------|-------------------------|----------------------------|--------------------|
| <b>At 1 April 2022</b>           |      | <b>10.2</b>         | <b>86.7</b>                             | <b>(0.4)</b>                | <b>0.1</b>              | <b>27.5</b>                | <b>124.1</b>       |
| Profit for the year              |      | –                   | –                                       | –                           | –                       | 1.1                        | 1.1                |
| Shares acquired by ESOP Trust    | 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                |
| <b>At 31 March 2023</b>          |      | <b>10.2</b>         | <b>127.0</b>                            | <b>(10.4)</b>               | <b>0.1</b>              | <b>47.9</b>                | <b>174.8</b>       |
| Profit for the year              |      | –                   | –                                       | –                           | –                       | 27.6                       | 27.6               |
| Shares acquired by ESOP Trust    | 6    | –                   | –                                       | (69.9)                      | –                       | –                          | (69.9)             |
| Share-based compensation expense |      | –                   | 72.5                                    | –                           | –                       | –                          | 72.5               |
| Tax on share-based compensation  |      | –                   | 0.1                                     | –                           | –                       | –                          | 0.1                |
| Employee share schemes           |      | –                   | (54.2)                                  | 24.8                        | –                       | 30.5                       | 1.1                |
| <b>At 31 March 2024</b>          |      | <b>10.2</b>         | <b>145.4</b>                            | <b>(55.5)</b>               | <b>0.1</b>              | <b>106.0</b>               | <b>206.2</b>       |

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 2024

## 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 to 31 March 2024 is £27.6m including £28.0m of dividend income (31 March 2023: profit of £1.1m and £nil dividend income).

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 and on a going concern basis.

The preparation of the financial statements in conformity with FRS 102 requires the use of certain critical accounting estimates. It also requires management to exercise judgement in applying the Company's accounting policies.

The principal accounting policies adopted by the Company are included in the note to which they relate. These policies have been consistently applied to all the years presented, unless otherwise stated.

### Dividends

The Group has not declared or paid out any dividends for the year ended 31 March 2024 (no dividend was declared or paid for the year ended 31 March 2023).

### 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 received dividend income from subsidiary undertakings totalling £28.0m (2023: no dividend income from subsidiary undertakings during the year).



## Note 3. Investments in subsidiaries

### Accounting policy

Investments in subsidiaries are stated at cost, less any provisions to reflect impairment in value.

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.

### 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.

The Company holds a direct investment in Wise Financial Holdings Ltd. In addition, during the year to 31 March 2024, the Company recognised a capital contribution of £71.8m (2023: £55.2m), representing the service costs for the employees of its subsidiaries, under the Company's share option schemes, and a respective reduction in the capital contribution of £44.0m (2023: £nil) for the payments received during the financial year from subsidiary undertakings in respect of those service costs.

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 2024 is provided below:

|   | 2024<br>£m   | 2023<br>£m   |
|---|--------------|--------------|
| <b>Beginning of the year</b>  | <b>174.5</b> | <b>119.3</b> |
| Capital contributions regarding employee services in subsidiaries                                   | 71.8         | 55.2         |
| Reduction of capital contribution in subsidiaries due to repayments related to share-based payments | (44.0)       | –            |
| <b>End of the year</b>  | <b>202.3</b> | <b>174.5</b> |

## Note 4. Amounts with Group undertakings

Current amounts owed by Group undertakings are mainly comprised from management services provided from 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.

|   | 2024<br>£m | 2023<br>£m |
|---|------------|------------|
| <b>Amounts owed by Group undertakings</b> |            |            |
| Wise Payments Limited                     | 0.4        | 3.0        |
| Wise US Inc                               | –          | 0.5        |
| <b>Total</b>                              | <b>0.4</b> | <b>3.5</b> |
| <b>Amounts owed to Group undertakings</b> |            |            |
| Wise Payments Limited                     | 6.7        | 1.5        |
| Wise US Inc                               | 0.1        | 0.2        |
| <b>Total</b>                              | <b>6.8</b> | <b>1.7</b> |

Amounts due from Group companies are repayable in cash and short term in nature.

## Note 5. Called-up share capital

| Class            | As at 31 March 2024 |                      |                     | As at 31 March 2023 |                      |                   |
|------------------|---------------------|----------------------|---------------------|---------------------|----------------------|-------------------|
|                  | Nominal value, £    | Number of shares     | Share capital, £    | Nominal value, £    | Number of shares     | Share capital, £  |
| Class A Ordinary | 0.01                | 1,024,777,252        | 10,247,772.5        | 0.01                | 1,024,677,252        | 10,246,773        |
| Class B Ordinary | 0.000 000 001       | 398,889,814          | –                   | 0.000 000 001       | 398,889,814          | –                 |
| <b>Total</b>     | –                   | <b>1,423,667,066</b> | <b>10,247,772.5</b> | –                   | <b>1,423,567,066</b> | <b>10,246,773</b> |

During the year, the Group allotted 100,000 Class A Ordinary Shares of £0.01 related to share options granted under the Company's legacy incentive plans prior to the Company's admission to trading on the London Stock Exchange (2023: 87,396 Class A Ordinary Shares of £0.01 related to customer shareholder programme).

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

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

## Note 6. Own share reserve

### Accounting policy

#### Own share reserve

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

#### Employee share trust

The Group provides finance to the Employee Share Ownership Plan (ESOP) Trust to either purchase the Company's shares on the open market, or to subscribe for newly issued share capital, to meet the Group's obligation to provide shares when employees exercise their options or awards. Costs of running the ESOP Trust are charged to the consolidated income statement. The Company consolidates this share trust.

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

### Purchase of own shares

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

## Note 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 2024. 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

6<sup>th</sup> Floor, Tea Building, 56 Shoreditch High Street, London, E1 6JJ

TINV Ltd

TINV Nominees Ltd

Wise Financial Holdings Ltd<sup>1</sup>

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, 5<sup>th</sup> floor, Bela Vista, São Paulo, 01332-010

Wise Brasil Instituição de Pagamentos Ltda

Wise Brasil Corretora de Câmbio Ltda

#### Canada

99 Bank Street, Suite 1420, Ottawa, ONK1P 1H4

Wise Payments Canada Inc.

#### Chile

Rosario Norte 407, Office 1601, Las Condes

Wise Chile SpA

#### China

Room 2162, Floor 21, Mirae Asset. No. 166 Lujiuzui Ring Road, Pudong, China (Shanghai), Pilot Free Trade Zone, 200120

Wise China Ltd

#### Estonia

Veerenni tn 24, Tallinn city, Harju county, 10135

TINV Europe AS

#### Hong Kong

Unit 1922, 19/F., China Building, 29 Queen's Road Central, Hong Kong

Wise Payments Hong Kong Limited

#### India

4/55WEA Saraswati Marg, Karol Bagh, Delhi, 110005

Vaho Forex Private Limited

B/105, The Capital, G-Block, Plot C-70, Bandra Kurla Complex, Bandra East Bandra (East), Mumbai, Bandra, Maharashtra, 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

WeWork Nippon Life Nihonbashi Building, 2-13-12, Nihonbashi, Chuo-ku, Tokyo

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.

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## 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.

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## Philippines

WeWork, 30<sup>th</sup> Floor, Yuchengco Tower, RCBC Plaza, 6819  
Ayala Avenue, Bel-Air, Makati City, 1226  
Wise Pilipinas Inc.

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## Singapore

1 Paya Lebar Link, #13-06 – #13-08, PLQ 2, Paya Lebar  
Quarter, 408533  
Wise Asia-Pacific Pte. Ltd.

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## South Africa

WeWork, 155 West Street, Sandown, Sandton, Gauteng,  
2031  
Wise Payments South Africa (Pty) Ltd

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## Switzerland

Talacker 41, 8001, Zürich  
Wise Switzerland AG

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## Thailand

999/9, The Offices at Central World, Common ground zone,  
G Floor, Unit C08, Rama I Road, Pathumwan Sub-district,  
Pathumwan District, Bangkok  
Wise Payments (Thailand) Limited

No. 87/1 Capital Tower All Seasons Place, 16<sup>th</sup> Floor, Unit 1  
1604- 6, Witthayu Road Lumpini, Pathumwan, Bangkok  
Wise Payments Holdings (Thailand) Limited

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## United Arab Emirates

WeWork @ Hub71, 15-141, level 15, Al Khatem Tower, Adgm  
Square, Al Maryah Island, Abu Dhabi  
Wise Nuqud Ltd

Boulevard Plaza, Tower 1, Level 9, Office 15, Sheikh  
Mohammed Rashid Blvd, Dubai  
Wise Fintech Network LLC

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## United States

30 W. 26<sup>th</sup> St, Sixth Floor, New York NY, NY 10010  
Wise US Inc  
Wise US Assets Inc  
Wise US Holdings Inc

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1. 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 2024.



# Alternative performance measures

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

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

|  |   |   |
|--|---|---|
| <b>Underlying interest income</b>          | The first 1% yield of interest income on customer balances that Wise plans to retain  |   |
| <b>Income</b>                              | Income is calculated as revenue plus interest income on customer balances, less interest expense on customer balances and benefits paid relating to customer balances   |   |
| <b>Underlying income</b>                   | The measure of income that will be retained from customers, which is calculated as revenue plus ‘Underlying Interest Income’  |   |
| <b>Underlying operating profit</b>         | The calculation of underlying operating profit using ‘underlying income’ and excluding the Benefits paid relating to customer balances  |   |
| <b>Underlying profit before tax</b>        | Measure of profitability which is calculated as profit for the year, excluding the impact of interest income from customer balances above the first 1% yield and benefits paid relating to customer balances. The Group believes that Underlying profit before tax is a useful measure for investors as it provides a measure of underlying performance and growth that is not inflated by the excess interest income that we will look to pass back to our customers   | See definition for calculation method         |
| <b>Underlying profit before tax margin</b> | Underlying profit before tax as a percentage of underlying Income   |   |
| <b>Adjusted EBITDA</b>                     | 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.<br><br>At the time of our listing in 2021, stock-based compensation was satisfied through the issuance of new shares and we therefore elected to remove this non-cash expense from our chosen lead metric for earnings (‘Adjusted EBITDA’). Our strong cash generation and capital position has allowed us to initiate a programme of purchasing Wise shares through our Employee Benefit Trust to reduce the dilutive impact of stock-based compensation. Therefore the Adjusted EBITDA measure of earnings has, in our view, become less useful in understanding the performance of the underlying business and as a result our reporting going forward will focus to a greater extent on ‘underlying profit before tax’ and its representation as a margin of underlying income. | See definition for calculation method         |
| <b>Adjusted EBITDA margin</b>              | Adjusted EBITDA as a percentage of income   |   |
| <b>Underlying adjusted EBITDA</b>          | Measure of profitability which takes ‘Adjusted EBITDA’ and adjusts the calculation to remove the excess Interest Income on Customer Balances above the amount of ‘Underlying Interest Income’ and also removes benefits paid relating to customer balances.   |   |
| <b>Underlying adjusted EBITDA margin</b>   | Underlying adjusted EBITDA as a percentage of underlying income   |   |
| <b>Free cash flow (FCF)</b>                | 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 Free cash flow APM for calculation method |
| <b>FCF conversion</b>                      | Free cash flow as a percentage of profit before tax   |   |
| <b>Underlying free cash flow (UFCF)</b>    | Free cash flow as defined but starting from underlying profit before tax  |   |
| <b>Underlying FCF conversion</b>           | Free cash flow as a percentage of Underlying profit before tax  |   |
| <b>Corporate Cash</b>                      | Corporate cash represents cash and cash equivalents that are not considered customer-related balances. Measure of the Group’s ability to generate cash and maintain liquidity   | See Corporate Cash APM for calculation method |
| <b>Cross border fees saved</b>             | 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         |

## Underlying profit before tax

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

## Free cash flow

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

## Income

|   | 2024<br>£m     | 2023<br>£m   |
|---|----------------|--------------|
| Revenue                                     | 1,052.0        | 846.1        |
| Interest income on customer balances        | 485.2          | 140.2        |
| Interest expense on customer balances       | –              | (3.7)        |
| Benefits paid relating to customer balances | (124.9)        | (18.4)       |
| <b>Income</b>                               | <b>1,412.3</b> | <b>964.2</b> |

## Adjusted and Underlying adjusted EBITDA

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

## Corporate cash

The tables below show a non-IFRS view of the 'Corporate cash' metric that is used by the Group management as a key performance indicator in assessment of the Group's ability to generate cash and maintain liquidity. Corporate cash represents cash and cash equivalents that are not considered customer related balances.

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

|   | 2024<br>£m     | 2023<br>£m   |
|---|----------------|--------------|
| <b>Operating Cashflow</b>                                     |                |              |
| <b>Profit for the year</b>                                    | <b>354.6</b>   | <b>114.0</b> |
| Adjustments for non-cash transactions:                        |                |              |
| Interest income net of customer benefits                      | (360.3)        | (121.8)      |
| Current tax expense   | 126.8          | 32.5         |
| Share-based payment compensation expense                      | 72.5           | 59.1         |
| Depreciation and amortisation                                 | 18.3           | 23.2         |
| Effect of other non-monetary transactions                     | 24.7           | (22.1)       |
| Change in corporate working capital (including collaterals)   | 27.8           | (8.8)        |
| <b>Cash generated from operations:</b>                        | <b>264.4</b>   | <b>76.1</b>  |
| Receipt of interest   | 344.4          | 103.9        |
| Unwind portion of bond premium/discount                       | 140.8          | 23.3         |
| Benefits paid to customers                                    | (118.3)        | (11.6)       |
| Payment of income tax and interest charges                    | (90.4)         | (31.0)       |
| <b>Net corporate cash generated from operating activities</b> | <b>540.9</b>   | <b>160.7</b> |
| Capitalised expenditure – property, plant and equipment       | (10.6)         | (3.6)        |
| Capitalised expenditure – intangible assets                   | (2.4)          | (5.2)        |
| Proceeds from sublease  | 0.1            | 0.2          |
| <b>Net corporate cash (used in)/from investing activities</b> | <b>(12.9)</b>  | <b>(8.6)</b> |
| Funding of share purchases by Employee Benefit Trust          | (68.4)         | (10.1)       |
| Proceeds from issues of shares and other equity               | 1.0            | 0.6          |
| Proceeds from borrowings                                      | 420.0          | 529.0        |
| Repayment of borrowings                                       | (470.0)        | (359.0)      |
| Principal elements of lease payments                          | (7.1)          | (5.9)        |
| Interest paid on leases                                       | (1.1)          | (0.7)        |
| <b>Net corporate cash from financing activities</b>           | <b>(125.6)</b> | <b>153.9</b> |
| <b>Total increase in corporate cash</b>                       | <b>402.4</b>   | <b>306.0</b> |
| <b>Corporate cash at beginning of year</b>                    | <b>671.1</b>   | <b>357.8</b> |
| Effect of exchange rate differences on corporate cash         | (12.4)         | 7.3          |
| <b>Corporate cash at end of year</b>                          | <b>1,061.1</b> | <b>671.1</b> |

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

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

Similarly, corporate cash includes the 'Outstanding money transmission liabilities' and the payables reported under 'Deferred revenue' and 'Other payables' in note 18, which are not considered customer related balances.



# Glossary

|  |  |
|--|--|
| <b>ABC</b>   | anti-bribery and corruption  |
| <b>Act or Companies Act</b>                        | the UK Companies Act 2006, as amended, modified or re-enacted from time to time  |
| <b>Active customers</b>                            | total number of unique customers who have completed at least one cross-currency transaction in a given period  |
| <b>Adjusted EBITDA</b>                             | profit for the year before income taxes, interest, depreciation and amortisation, share-based compensation expense and exceptional items   |
| <b>Admission</b>                                   | 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  |
| <b>AGM</b>   | a general meeting held as the Company's annual general meeting in accordance with section 336 of the Act   |
| <b>AML</b>   | anti-money laundering  |
| <b>Andreessen Horowitz</b>                         | AH Parallel Fund IV, L.P., Andreessen Horowitz LSV Fund I, L.P. and Andreessen Horowitz Fund IV, L.P.  |
| <b>API</b>   | application programming interface  |
| <b>Articles</b>                                    | the current Articles of Association of the Company   |
| <b>Average price</b>                               | 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   |
| <b>Board</b>                                       | the Board of Directors of Wise plc   |
| <b>CAGR</b>  | compound annual growth rate  |
| <b>CEO or Chief Executive Officer</b>              | the Chief Executive Officer of the Company   |
| <b>CFO or Chief Financial Officer</b>              | the Chief Financial Officer of the Company   |
| <b>Class A Shares</b>                              | the Class A Ordinary Shares in the capital of the Company with a nominal value of £0.01 each   |
| <b>Class A Shareholder</b>                         | a registered holder of Class A Shares  |
| <b>Class B Shares</b>                              | the Class B Ordinary Shares in the capital of the Company with a nominal value of £0.000000001 pence each  |
| <b>Class B Shareholder</b>                         | a registered holder of Class B Shares  |
| <b>CMA</b>   | the Competition and Markets Authority  |
| <b>Company</b>                                     | Wise plc   |
| <b>Cross-border volume</b>                         | Volume of transactions where the source currency and target currency are different   |
| <b>Cross-currency fees saved</b>                   | 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. |
| <b>Cross-take rate</b>                             | cross-border revenue across all customer activity as a proportion of cross-border volume   |
| <b>Constant currency basis (constant currency)</b> | method where the current period financial results have been converted to the foreign exchange rate used for the previous financial period  |
| <b>Direct Listing</b>                              | a direct listing on the London Stock Exchange's Main Market  |
| <b>Directors</b>                                   | the Directors of the Company   |

|   |  |
|---|--|
| <b>Disclosure Guidance and Transparency Rules</b> | 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   |
| <b>Dual-Class share structure</b>                 | the Company's share capital structure at Admission consisting of two classes of shares, namely Class A Shares and Class B Shares   |
| <b>Eligible Class B Shareholder</b>               | all Existing Shareholders prior to Admission (including employee holders of vested share options who chose to exercise prior to Admission)   |
| <b>Eligible Customer</b>                          | 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?"  |
| <b>Emission Zero</b>                              | sustainability pillar, Wise's response to the climate crisis   |
| <b>Employee Share Trust</b>                       | TransferWise Employee Share Trust established on 11 June 2021 between TransferWise Limited and Equiniti Trust (Jersey) Limited   |
| <b>Executive Chair</b>                            | David Wells  |
| <b>Executive Directors</b>                        | the executive Directors of the Company   |
| <b>Executive Founder</b>                          | Kristo Käärman   |
| <b>FCA</b>  | the UK Financial Conduct Authority   |
| <b>FRC</b>  | the UK Financial Reporting Council   |
| <b>FTSE</b>                                       | Financial Times Stock Exchange   |
| <b>Group reorganisation</b>                       | 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   |
| <b>IFRS</b>                                       | International Financial Reporting Standards  |
| <b>KYC</b>  | know your customer   |
| <b>Lead</b>                                       | a Wiser with at least 1 direct report  |
| <b>Leadership Team (LT)</b>                       | as shown in the "Our leaders at Wise" section on Wise website <a href="https://wise.com/owners">https://wise.com/owners</a>  |
| <b>Listing Rules</b>                              | UK FCA Handbook Listing Rules  |
| <b>Long-term Incentive Plan</b>                   | the discretionary share plan called the Wise Long-term Incentive Plan  |
| <b>LTIP Awards</b>                                | awards granted under the Long-term Incentive Plan  |
| <b>LTIP Option</b>                                | an option to acquire Class A Shares at an exercise price set at grant (which may be nil)   |
| <b>Main Market</b>                                | the main market for listed securities of the London Stock Exchange   |
| <b>Mission Day/Mission update</b>                 | Programme of quarterly communications to customers and half-year conferences with employees  |
| <b>Mission</b>                                    | to build the best way to move and manage the world's money   |
| <b>Non-Executive Directors</b>                    | the Non-Executive Directors of the Company   |
| <b>OwnWise</b>                                    | our customer shareholder programme designed to reward customers of Wise who also become long-term shareholders with bonus shares in Wise and other perks   |
| <b>OwnWise Bonus Shares</b>                       | 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 |

|   |   |
|---|---|
| <b>Prospectus</b>   | the Wise Prospectus prepared for the purpose of Admission   |
| <b>PwC</b>  | PriceWaterhouseCoopers LLP  |
| <b>Registrar</b>  | means the Company's registrar, Equiniti Limited   |
| <b>Regulatory Information Service</b>                             | one of the regulatory information services authorised by the FCA to receive, process and disseminate regulatory information from listed companies   |
| <b>Remuneration Committee</b>                                     | the Company's Remuneration Committee  |
| <b>RSUs</b>   | Restricted Stock Units granted under the 2021 EIP   |
| <b>Senior Managers and Certification Regime</b>                   | an FCA accountability framework focused on senior management responsibilities and conduct. More information is found on <a href="https://www.fca.org.uk/firms/senior-managers-certification-regime">https://www.fca.org.uk/firms/senior-managers-certification-regime</a> |
| <b>Shares</b>   | the shares in the capital of the Company from time to time, which since Admission consist of Class A Shares and Class B Shares  |
| <b>sterling or pounds sterling or pounds or GBP or £ or pence</b> | the lawful currency of the United Kingdom   |
| <b>Total take rate or take rate</b>                               | total fees across all customer activity (conversion and other) as a proportion of volume  |
| <b>UK Corporate Governance Code</b>                               | the UK Corporate Governance Code published by the Financial Reporting Council, as amended from time to time   |
| <b>United Kingdom or UK</b>                                       | the United Kingdom of Great Britain and Northern Ireland  |
| <b>United States or US or USA</b>                                 | the United States of America, its territories and possessions, any State of the United States of America, and the District of Columbia  |
| <b>US dollar or USD or \$</b>                                     | the lawful currency of the United States of America   |
| <b>Underlying profit before tax</b>                               | profit for the year which has been adjusted to remove interest income on customer balances above the first 1% yield and the benefits paid relating to customer balances   |
| <b>VPC or volume per customer</b>                                 | the average volume per active customer, calculated as total volume divided by total active customers in the period  |
| <b>'Wise' or 'we' or 'our' or 'Group'</b>                         | Wise plc and its subsidiary undertakings  |
| <b>Wise Account</b>   | the Wise international account for personal customers   |
| <b>Wise accounts</b>  | together, the Wise international accounts for personal (Wise Account) and business (Wise Business)  |
| <b>Wise Business</b>  | the Wise international account for business customers   |
| <b>Wise card</b>  | plastic card issued to Wise Account holders   |
| <b>Wise Europe</b>  | TransferWise Europe SA/NV   |
| <b>Wise Platform</b>  | the Wise product for bank and enterprise partners   |
| <b>Wise Transfer</b>  | Wise's product for sending money  |
| <b>Wisers</b>   | Wise employees  |

# Company information

## Directors

### David Wells

Chair

### Kristo Käärmann

Co-founder and CEO

### 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/](https://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 18 September 2024.

### Company Secretary

Jane Fahey

### Registered Company Number

Registered in England and Wales  
Company number 13211214

### Registered Office

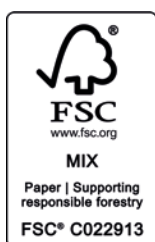
Wise plc  
6<sup>th</sup> floor, Tea Building  
56 Shoreditch High Street  
London E1 6JJ

## 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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