



Wise plc

(Incorporated under the Companies Act 2006 and registered in England and Wales with registered number 13211214)

Establishment of OwnWise customer shareholder programme in the EU

Offering of up to 2,500,000 New Class A Shares to Eligible EU Customers pursuant to OwnWise

This document comprises a Public Offering Prospectus relating to Wise plc prepared in accordance with Regulation (EU) 2017/1129 of the European Parliament and of the Council of 14th June 2017 on the prospectus published when securities are offered to the public or admitted to trading on a regulated market, and repealing Directive 2003/71/EC (the Prospectus Regulation), the Commission Delegated Regulation (EU) 2019/980 of 14 March 2019 supplementing Regulation (EU) 2017/1129 of the European Parliament and of the Council as regards the format, content, scrutiny and approval of the prospectus to be published when securities are offered to the public or admitted to trading on a regulated market, and repealing Commission Regulation (EC) No 809/2004 (the Delegated Regulation) and in application of the Annexes 1 and 11 thereof.

This Prospectus constitutes a prospectus in the form of a single document within the meaning of the Prospectus Regulation and has been approved by the Estonian Financial Supervision and Resolution Authority (Finantsinspeksioon) (the EFSA), as competent authority under the Prospectus Regulation, on 6 September 2021 under registration number 4.3-4.9/3429. The EFSA only approves this Prospectus as meeting the standards of completeness, comprehensibility and consistency imposed by the Prospectus Regulation, and such approval should not be considered as an endorsement of the Company or the quality of the Class A Shares. Investors should make their own assessment as to the suitability of investing in the New Class A Shares. Registration of the Prospectus in the EFSA does not mean that the EFSA has controlled the correctness of the information presented in this Prospectus.

Application will be made to London Stock Exchange for all of the New Class A Shares to be admitted to trading on the London Stock Exchange's Main Market. No application is currently intended to be made for the New Class A Shares to be admitted to listing or dealt with on any other exchange.

The distribution of this Prospectus in certain jurisdictions may be restricted by law. Other than in Estonia and other EU jurisdictions to which the Prospectus has been passported, no action has been taken or will be taken to permit the possession or distribution of this Prospectus in any jurisdiction where action for that purpose may be required or where doing so is restricted by law. Accordingly, neither this Prospectus nor any advertisement nor any offering material may be distributed or published in any jurisdiction, other than in Estonia, except under circumstances that will result in compliance with any applicable laws and regulations. Persons into whose possession this Prospectus comes should inform themselves about and observe any such restrictions. Any failure to comply with such restrictions may constitute a violation of the securities laws of any such jurisdiction.

The Company accepts responsibility for the information contained in this Prospectus. To the best of the knowledge of the Company, the information contained in this Prospectus is in accordance with the facts and makes no omission likely to affect its import.

This Prospectus should be read in its entirety, including "section 2 – Risk Factors", which contains a discussion of certain risks relating to the Group. The definitions in "section 12 – Definitions and Glossary" apply throughout this Prospectus.

The Prospectus is valid until the start of the OwnWise Holding Period. The Issuer is obligated to update the Prospectus by publishing a supplement only in case new facts, material errors or inaccuracies occur, and such an obligation does not apply after the end of the validity period of the Prospectus. In case there should be any discrepancies between the English and Estonian version of the Prospectus, the English version shall prevail.

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1. SUMMARY

Summaries are made up of disclosure requirements known as “Elements”. These Elements are numbered in Sections A-D (A.1 – D.2). This summary contains all the Elements required to be included in a summary for this type of security and issuer. Because some Elements are not required to be addressed, there may be gaps in the numbering sequence of the Elements.

Even though an Element may be required to be inserted in the summary because of the type of securities and issuer, it is possible that no relevant information can be given regarding the Element. In this case a short description of the Element is included in the summary with the mention of “not applicable”.

SECTION A—INTRODUCTION AND WARNINGS

A.1 **Name and international securities identifier number (ISIN) of the securities**

Up to 2,500,000 new Class A ordinary shares in the capital of Wise plc (the “Company” or “Wise”) with a nominal value of £0.01 each (the “New Class A Shares”) to be issued to participating Eligible EU Customers in connection with Wise’s customer shareholder programme, OwnWise. The total number of New Class A Shares to be granted to Eligible EU Customers in connection with OwnWise is expected to be determined 12 months following the expiry of the OwnWise Holding Period and will be publicly announced and published on the Company’s website. The OwnWise Holding Period will commence on 1 October 2021 and last until (and including) 30 September 2022.

When admitted to trading, the New Class A Shares will be registered with ISIN number GB00BL9YR756 and SEDOL number BL9YR75 and trade under the symbol “WISE”.

A.2 **Identity and contact details of the issuer, including its Legal Entity Identifier**

Our registered office and principal place of business is at 6th Floor Tea Building, 56 Shoreditch High Street, London E1 6JJ. Our legal entity identifier (“LEI”) number is 213800LD9XCHIC1C4V71.

A.3 **Identity and contact details of the competent authority approving the prospectus**

This Prospectus has been approved by the EFSA, as competent authority under the Prospectus Regulation, with its head office at Sakala 4 Tallinn 15030 Estonia, and telephone number +372 668 0500.

A.4 **Date of approval of the prospectus**

This Prospectus was approved on 6 September 2021.

A.5 **Warning**

This summary should be read as an introduction to the Prospectus focusing on key information about Wise. The summary information set out below is based on, should be read in conjunction with, and is qualified in its entirety by, the full text of this Prospectus, including the financial information presented herein. Any consideration to invest in the New Class A Shares should be based on consideration of the Prospectus as a whole by the investor. Investing in the New Class A Shares involves risks and the investor may lose all or part of the invested capital. Where a claim relating to the information contained in the Prospectus is brought before a court, the plaintiff investor might, under the applicable law, have to bear the costs of translating the Prospectus in the course of the legal proceedings or before such proceedings are initiated.

No person who has prepared the summary assumes civil liability for this summary or the information herein, including any translation thereof, unless the summary is misleading, inaccurate or inconsistent when read together with the other parts of the Prospectus, or where it does not provide, when read together with the other parts of the Prospectus, key information in order to aid investors when considering whether to invest in the New Class A Shares.

SECTION B—KEY INFORMATION ON THE ISSUER

B.1 **Who is the issuer of the securities?**

B.1.1 **Domicile, legal form, LEI, jurisdiction of incorporation, the law under which it operates and country of operation**

The Company is a public limited company with registered number 13211214, incorporated under the name 456 Newco plc on 18 February 2021 and renamed Wise plc on 17 June 2021 with its registered office situated in England and Wales. The Company operates under the Companies Act 2006 (the “Act”). The Company’s LEI number is 213800LD9XCHIC1C4V71.

The Company is the ultimate holding company of the Group and was inserted into the Group pursuant to the Group Reorganisation on 22 June 2021. The principal operating entity within the Group is Wise Payments Limited (formerly named TransferWise Ltd and renamed on 25 June 2021). As the business of the Group is primarily carried on by Wise Payments Limited (the former holding company of the Group) and its subsidiaries, the business and historical financial

information disclosed in this Prospectus primarily relates to Wise Payments Limited in order for the investors to make an informed assessment.

B.1.2 *Principal activities*

People, businesses and enterprises pay tens of billions of pounds in fees, mostly in exchange rate markups, every year, for a slow and inconvenient service to move over £18 trillion around the world.

And so ten years ago, we set out on our mission to build money without borders: instant, convenient, transparent and eventually free.

To achieve this, we've spent the last decade developing an infrastructure to replace this old, outdated system. Our infrastructure is made up of an ever-expanding global network of direct and indirect integrations with local payment systems, worldwide regulatory and compliance coverage, and full-service customer support and operations.

Combined, this infrastructure solves the main pain points facing our customers.

- *Price*: Our prices are on average up to eight times cheaper than leading UK high street banks.
- *Speed*: Over 38% of transfers delivered instantly and about 87% in less than a day.
- *Convenience*: The Wise experience is fast, intuitive and simple.
- *Transparency*: We empower customers with up to the minute price comparison content, and by lobbying governments all over the world to change outdated laws.

Our global payments infrastructure powers our four core products: Wise Transfer, Wise Account, Wise Business and Wise Platform:

- *Wise Transfer*: Wise Transfer is a cheap, fast and convenient way to send money abroad. With Wise Transfer, our customers can send money to more than 80 countries, covering more than 85% of the world's bank accounts.
- *Wise Account*: The Wise Account defines a new category to meet today's multi-currency banking needs for people. Send and spend money internationally, hold money in 56 currencies and get real account numbers in ten currencies.
- *Wise Business*: The business account for going global, it has all the features of the Wise account plus extras tailored to the needs of small and medium businesses, like bank feeds, mass payouts and multi-user access.
- *Wise Platform*: The platform used by banks, credit unions, financial institutions and enterprise partners, providing customers cheaper, faster payments and account features. Wise Platform is live with 17 banks in 11 countries across 4 continents.

So, whilst born in 2011 as an international transfer service for people, we have now expanded to become a global cross-border payments network which replaces traditional international banking for ten million personal and business customers. Customers now hold over £3.7 billion in Wise (including Wise Account and Wise Business), with 1.6 million debit cards issued.

People use Wise to send money across borders, get paid in 30 different countries and spend money in more than 176 countries around the world.

Businesses use Wise to take their businesses global, and operate on an international scale.

Banks and enterprises use Wise Platform to pass on the benefits of Wise's faster, cheaper international transfer service to their own customers.

We processed £54 billion in volume in FY2021, saving customers over £1 billion in fees. This volume translated into £421 million in revenues, which grew by almost 40% as compared to FY2020, and resulted in a 26% Adjusted EBITDA margin in FY2021.

B.1.3 *Major shareholders*

In so far as is known to the Directors, the following are the interests (within the meaning of Part 22 of the Act) which represent, directly or indirectly, 3% or more of the total issued share capital of the Company as at 4 August 2021:

	Class A Shares	Class B Shares	Shares outstanding in the Company ⁽¹⁾
Kristo Käärmann ⁽²⁾	186,858,255	186,802,356	18.78%
Taavet Hinrikus ⁽³⁾	103,616,498	53,966,926	10.42%
Valar Ventures	97,563,149	49,883,777	9.81%
Andreessen Horowitz.....	88,424,920	28,216,214	8.89%
IA Ventures	67,367,134	47,586,396	6.77%
Baillie Gifford	49,275,812	21,263,801	4.95%

D1 Capital Partners	37,931,096	—	3.81%
Lone Pine Capital	31,676,472	—	3.18%

Notes:

- (1) Calculated on the basis of Class A Shares only.
- (2) Includes 779,766 Class A Shares and 779,766 Class B Shares held indirectly through a 100% interest in Kotilda OÜ.
- (3) Held indirectly through a 100% interest in OÜ Notorious.

The Class A Shares and Class B Shares owned by the major shareholders shall rank *pari passu* with the other Class A Shares and Class B Shares in all respects.

B.1.4 Key managing directors

The Company's Chief Executive Officer is Kristo Käärmann and its Chief Financial Officer is Matthew Briers.

B.1.5 Identity of the statutory auditors

The Group's statutory auditors for the period covered by the historical financial information set out in this Prospectus are PricewaterhouseCoopers LLP whose registered address is at 1 Embankment Place, London WC2N 6RH, United Kingdom.

B.2 What is the key financial information regarding the issuer?

As the issuer was incorporated on 18 February 2021 to act as the Group's holding company, it has no financial history available and therefore, the financial information presented in this Prospectus includes the consolidated financial information of the Group, i.e. TransferWise Ltd and its subsidiaries, for the previous financial years. The tables below set out the Group's summary financial information for the periods indicated, as reported in accordance with International Financial Reporting Standards as adopted by the European Union ("IFRS"). There are no qualifications to the accountants' report on the historical financial information. The historical financial information for the Group as at and for each of the years ended 31 March 2021, 2020 and 2019 has been extracted without material adjustment from the Group's audited financial information, the 2020 Restated Comparative Information and the 2019 Restated Comparative Information.

Selected Consolidated Statement of Comprehensive Income

	Year ended 31 March		
	2021	2020*	2019*
	(£ millions)		
Revenue	421.0	302.6	177.9
Operating profit	44.9	23.6	12.2
Profit for the year	30.9	15.0	10.3

Selected Consolidated Statement of Financial Position

	As at 31 March		
	2021	2020*	2019*
	(£ millions)		
Total assets	4,301.8	2,376.4	1,112.7
Total equity	285.3	196.8	126.4

Selected Consolidated Statement of Cash Flows

	Year ended 31 March		
	2021	2020*	2019*
	<i>(£ millions)</i>		
Net cash generated from operating activities	2,073.9	1,188.4	683.8
Net cash used in investing activities	(671.8)	(20.9)	(123.0)
Net cash flows generated from/(used in) financing activities.....	24.8	31.2	(6.6)

* The Group restated certain financial information for FY2020 and FY2019 in order to in order to reflect: (i) correction of errors and changes in accounting policy in the consolidated financial statements for FY2021; and (ii) reflect the changes in the presentation of the consolidated financial statements for FY2021.

B.3 What are the key risks that are specific to the issuer?

- There may be other companies who create better products and services for our customers in the future.
- Global and economic changes can reduce the demand for our products and services.
- We may not be able to maintain our current level of reputation and service.
- We face the risk of cyber-attacks which can compromise our IT systems and even expose our customer's data.
- We may reduce our fees faster than our costs, making us a less profitable business.
- Increases in transaction and processing fees can challenge our profitability and put upwards pressure on prices.
- We are exposed to foreign exchange movements, and excessive volatility can impact our profitability.
- Legal and regulatory regimes may continue to enable banks and other competitors to conceal fees for international payments within the exchange rate in a way that is non-transparent to customers, and unfairly distorts price comparisons.
- We may fail to comply with the regulatory licence conditions, resulting in us facing increasing costs or even losing the ability to operate.

SECTION C—KEY INFORMATION ON THE SECURITIES

C.1 What are the main features of the securities?

C.1.1 Type, class and ISIN

The Company has two classes of shares, Class A Shares and Class B Shares.

The Company is proposing to offer New Class A Shares under this Prospectus that will be registered with ISIN number GB00BL9YR756 and SEDOL number BL9YR75 and are expected to be admitted to trading on the Main Market of the London Stock Exchange under the symbol "WISE". There will be no application made for the admission to trading of the New Class A Shares based on this Prospectus and there is no guarantee that the New Class A Shares will be admitted to trading. The Class B Shares are not admitted to listing or trading on any stock exchange and are non-transferable and non-tradeable.

C.1.2 Currency, denomination, par value, number of securities issued and duration

The currency of the Shares is United Kingdom pounds sterling. At the date of this Prospectus there are 994,589,856 Class A Shares of £0.01 each (all of which are fully paid or credited as fully paid) and 398,889,814 Class B Shares of £0.000000001 each in issue.

C.1.3 Rights attaching to the Shares

The rights attaching to the New Class A Shares are uniform in all respects and they form a single class with the Company's existing Class A Shares for all purposes, including with respect to voting and for all dividends and other distributions declared, made or paid on the ordinary share capital of the Company. Except as provided by the rights and restrictions attached to any class of shares, Class A Shareholders are under general law entitled to participate in any surplus assets in a winding up in proportion to their shareholdings.

The rights attaching to the Class B Shares are uniform in all respects and they form a single class for all purposes, including with respect to voting. The Class B Shares have no rights to the payment of dividends or to any return of surplus assets

on a winding up (save for their nominal value, which amounts to £0.398889814 in aggregate across the entire Class B Share class).

C.1.4 Rank of securities in the issuer's capital structure in the event of insolvency

The Class A Shares will rank *pari passu* in all respects and do not carry any rights as respects to capital to participate in a distribution (including on a winding-up) other than those that exist as a matter of law. Subject to applicable law, on a distribution of assets on a liquidation or winding-up the surplus assets of the Company remaining after payment of its liabilities shall be applied:

- first, to the extent outstanding, repaying in full to the holder of any redeemable preference shares the amount paid up on such shares;
- second, in paying to each of the Class B Shareholders the nominal value of their Class B Shares (provided that, if there are insufficient surplus assets to pay the amounts per share equal to the nominal value, the remaining surplus assets shall be distributed to the Class B Shareholders pro rata to the aggregate amounts otherwise due to them under this provision); and
- third, the balance of the surplus assets (if any) shall be distributed among the Class A Shareholders pro rata to the number of Class A Shares held.

C.1.5 Restrictions on transfer

There are no restrictions on the free transferability of the Class A Shares.

The Class B Shares are non-tradeable and non-transferable.

C.1.6 Dividend or payout policy

While we've made great progress, we still have a long way to go to achieve our mission. We will continue to re-invest our margins into our infrastructure and products while focusing on our customers and their experience. We believe this will drive volume, scale, and will ultimately be the best way to grow long-term shareholder value. We will review our dividend policy on an ongoing basis, but do not expect to declare or pay any dividends for the foreseeable future.

C.2 Where will the securities be traded?

Application will be made to the FCA for the Class A Shares issued pursuant to OwnWise (including the New Class A Shares) to be admitted to the standard listing segment of the Official List of the FCA and to the London Stock Exchange for the Class A Shares issued pursuant to OwnWise (including the New Class A Shares) to be admitted to trading on the London Stock Exchange's Main Market.

C.3 What are the key risks that are specific to the securities?

- Our Class A Shares may be subject to market price volatility and the market price of the Class A Shares may decline disproportionately in response to developments that are unrelated to our operating performance.
- Our Dual Class Share Structure has the effect of enhancing the voting control of certain pre-Direct Listing shareholders who have elected to receive Class B Shares, limiting the ability of Class A Shareholders to influence corporate matters.
- We cannot predict the impact our Dual Class Share Structure may have on the market price of our Class A Shares

SECTION D—KEY INFORMATION ON THE LISTING OF SECURITIES AND THE ADMISSION TO TRADING ON A REGULATED MARKET

D.1 Under which conditions and timetable can I invest in this security?

General terms of the offering and indicative timetable

To support and incentivise our customers who wish to become Wise shareholders, we are establishing our customer shareholder programme ("OwnWise"), which is designed to reward our customers who also become long-term shareholders with bonus shares and other perks. OwnWise will initially be available to our customers in EU member states and the UK and is limited in its first year to 100,000 participating eligible customers.

Class A Shareholders are not restricted from exiting Class A Shares at any time. Class A Shareholders may choose to sell the Class A Shares during the 12 month period if they do not want to receive the bonus shares and other perks under the OwnWise programme. However, Class A Shareholders will be entitled to the bonus shares and other perks associated with OwnWise only if they continue to hold the Class A Shares for 12 months following the start of the OwnWise Holding Period on 1 October 2021.

Up to 2,500,000 Class A Shares will be allotted and issued by the Company to participating Eligible EU Customers (who satisfy the below criteria) free of charge. The total number of New Class A Shares expected to be granted to Eligible EU Customers in connection with OwnWise is expected to be determined following the expiry of the OwnWise Holding Period and will be publicly announced and published on the Company's website. The OwnWise Holding Period will commence on 1 October 2021 and last until (and including) 30 September 2022.

Expected timetable of principal events:

Event	Time and Date
Period during which customers can register their interest in OwnWise.....	17 June 2021 – midday (UK time) on 30 September 2021
Publication of this Prospectus.....	7 September 2021
Period during which Eligible EU Customers will be notified of acceptance of their participation in OwnWise	10 September 2021 – 30 September 2021
OwnWise Holding Period	1 October 2021 – 30 September 2022 (inclusive)
Date by which Eligible EU Customers should provide proof of qualifying purchase(s) of Class A Shares.....	8 October 2021
Date by which Eligible EU Customers must notify their intention to terminate their participation in OwnWise or not receive the OwnWise benefits	12 September 2022
Date by which Eligible EU Customers may be required to provide proof of holding the qualifying Class A Shares during the OwnWise Holding Period	7 October 2022
Notification of final number of New Class A Shares	on or around 28 October 2022
Issue of New Class A Shares to participating Eligible EU Customers.....	on or around 30 November 2022

Participating in the offering and required steps by the investors

To qualify as an Eligible EU Customer you must meet the eligibility criteria designed to ensure that we bring active customers into our shareholder base for the long term, including (without limitation): (i) having been an individual Wise customer before 17 June 2021; (ii) having made at least one cross-currency transaction with Wise prior to 17 June 2021; (iii) being resident or located in an EU jurisdiction where applicable securities laws and regulations allow you to buy and hold shares in Wise (and allow us to grant New Class A Shares to you, including without undue additional legal or procedural requirements); and (iv) not being a current or former employee of Wise or a Wise group company.

If you are an Eligible EU Customer, you need to register your interest to participate in OwnWise. Eligible EU Customers should register their interest between 17 June 2021 and midday (UK time) on 30 September 2021. After registering you should wait for a confirmation from Wise by e-mail that you have been selected to the OwnWise programme. Such confirmation, if you are selected, will arrive after the publication of this Prospectus.

If an Eligible EU Customer participating in OwnWise: (i) holds Class A Shares at the close of business (being close of trading on the London Stock Exchange) on the business day before the start of the OwnWise Holding Period; and (ii) continues to hold these for 12 months following the start of the OwnWise Holding Period on 1 October until (and including) 30 September 2022, at the end of such period, the Eligible EU Customer participating in OwnWise will be entitled at such time to receive New Class A Shares representing 5% of the value (based on the market value of such Class A Shares at the time of purchase) of the Class A Shares held by them at the close of business (being close of trading on the London Stock Exchange) on the business day before the start of the OwnWise Holding Period (up to a maximum value per Eligible EU Customer of £100, rounded down to the nearest whole share, and subject to a minimum amount of 1 New Class A Share).

If you wish to terminate your participation in OwnWise or to not receive OwnWise benefits, you should contact our Help Center (<https://wise.com/help/contact>) as soon as practicable and at least 14 business days in advance of the end of the OwnWise Holding Period (i.e. 12 September 2022).

Granting of New Class A Shares

In order to facilitate the granting of New Class A Shares, the Directors have been authorised by shareholder resolution to issue and allot Class A Shares by way of bonus issue. The Directors will exercise such authorities subject to a maximum cost to Wise of £10,000,000 (equating to maximum of £100 per participating eligible customer) and a maximum issuance globally pursuant to OwnWise of 2,500,000 Class A Shares. In addition, the estimated total cost associated with OwnWise as a whole is £1.3 million.

Grants of New Class A Shares will also be made to eligible participating customers in the UK and potentially in certain other jurisdictions on substantially the same terms not pursuant to this Prospectus, which only relates to the receipt of New Class A Shares by Eligible EU Customers.

Whilst participating customers shall only be entitled to OwnWise benefits if they hold the relevant Class A Shares for 12 months following the start of the OwnWise Holding Period on 1 October 2021, they are not restricted by the terms and conditions of OwnWise from disposing of any interest in Class A Shares in any manner during this period.

Dilution

Each existing shareholder's holding of Class A Shares, as a percentage of the Company's issued share capital following the issue of New Class A Shares, is expected to be diluted by around 0.25 per cent. as a result of the issue of Class A Shares pursuant to OwnWise (based on the number of shares in issue as at 20 August 2021, and assuming that the maximum amount of Class A Shares pursuant to OwnWise is issued globally, being an amount of 2,500,000, that no further Class A Shares are issued prior to the issue of Class A Shares pursuant to OwnWise and that no existing shareholders participate in OwnWise).

Cancellation of OwnWise

Wise reserves the right to cancel OwnWise or change the terms and conditions thereof as described in this Prospectus. Wise will notify the participating Eligible EU Customers of any such cancellation or change in terms and conditions after the publication of this Prospectus and if required under applicable law will publish a supplement to this Prospectus.

Trading

At the date of this Prospectus, Class A Shares are admitted to trading to the standard listing segment of the Official List of the FCA and on the London Stock Exchange's Main Market for listed securities under the symbol "WISE" and ISIN number GB00BL9YR756 and SEDOL number BL9YR75. The New Class A Shares issued pursuant to OwnWise will be admitted to trading on the Main Market of London Stock Exchange. For that purpose, Wise will file an application with London Stock Exchange. It is expected that trading in the New Class A Shares will commence on or around 30 November 2022.

D.2 *Why is this prospectus being produced?*

Use and estimated net amount of the proceeds

The purpose of this Prospectus is to provide information to Eligible EU Customers on OwnWise and how Eligible EU Customers can participate in OwnWise in order to receive New Class A Shares. OwnWise is designed to support and incentivise Wise customers who wish to become Wise shareholders and reward our customers who also become long-term shareholders with New Class A Shares as bonus shares without any cost to such shareholders and other perks that are offered as part of the OwnWise programme. The Company and its current Shareholders will neither receive nor use any proceeds from the offering of the New Class A Shares under this Prospectus.

Material conflicts of interest

There are no conflicting interests which are material in connection with OwnWise.

Underwriting agreements

OwnWise is not subject to any underwriting arrangements.

2. RISK FACTORS

The risk factors described below do not cover all of our risks and should only be used as guidance. If any of these risks occur, our reputation, business, financial condition, results of operations and prospects may be materially and adversely affected.

2.1. We face a number of risks that may impact our growth.

2.1.1. There may be other companies who create better products and services for our customers in the future.

Our growth in revenue mainly relies on us processing an increasing volume of cross-currency transactions, which in turn relies on larger numbers of people and businesses using our products and services in the future. If other companies create better products or services than us, people and businesses may stop using our products and services, which would have a negative impact on our volumes and growth, and in turn our revenue and profitability.

There are a wide range of businesses that compete with us, such as traditional and challenger banks, legacy foreign exchange businesses and new companies with emerging technology. Some of the companies who compete with us may have certain advantages over us, including greater customer bases, volume, scale and market share than we do, as well as having less burdensome licensing, capital, liquidity and other regulatory requirements. They may also devote greater resources to the development of their products and services. These companies may also invest more in the promotion and sale of their products and services, and they may offer lower prices, including by cross-subsidising across their product offerings, which is something we aim to avoid.

2.1.2. Global and economic changes can reduce the demand for our products and services.

We are affected by global and local macroeconomic events and conditions, including political and social conditions, economic growth rates, and government spending and regulation, including protectionist policies and legislation. Changes in global and local macroeconomic events and conditions may have an impact on demand for our products and services and the products and services of our business customers and partners.

As a significant portion of international transfer transactions are initiated by expatriates, holiday makers and persons with family living abroad, weak global economic conditions that limit economic opportunities for expatriate workers and result in reduced or disrupted migration patterns could have the same negative impact on payment volumes. In addition, government restrictions on international travel and changes in immigration laws that make it more difficult for individuals to migrate or work abroad could also reduce payment volumes.

We have also been affected by the COVID-19 pandemic, which continues to have a significant impact on the global economy and markets in which we operate. The onset

of the COVID-19 pandemic caused significant market and exchange rate volatility, with US dollar to euro exchange rates reaching both a 12 month high and low in a single week, leading to an increase in foreign exchange losses. This volatility was in particular seen in reduced average volume per customer. The restrictive measures relating to the COVID-19 pandemic may remain in place for a significant period of time, creating continued volatility in the volume of global money movement and currency exchange rates.

The full extent to which the COVID-19 pandemic will continue to impact us is uncertain and difficult to predict. This includes the duration of the pandemic, its severity, actions to contain the virus or treat its impact, its effects on customer behaviour and demand, its effects on migrants and immigration patterns and regulations, the availability, uptake and effectiveness of vaccinations and how quickly and to what extent normal economic and operating conditions can resume.

2.1.3. We may fail to operate in new or existing markets and/or expand our product and service offering in our existing markets.

When we enter into new markets, we may require local approvals and/or licences or an agreement with a local financial institution to operate. We may be unable to obtain or maintain the necessary approvals and licences to operate in markets and/or expand our product and service offering. In addition, where we do not seek necessary approvals or licences, we may be unable to find suitable local financial institutions so that we can operate in such markets. This could restrict our ability to grow our business and have a negative impact on revenue and profitability in the future.

We have many agreements with local financial institutions that allow us to operate in new markets where we have not acquired a licence. We may have disagreements with such local financial institutions (as has happened in the past), and they may be unable, or unwilling, to fulfil their obligations under the relevant agreements with us. The agreements and operational structures put in place with local financial institutions may also be challenged by local regulators, or other governmental bodies, resulting in a reinterpretation or termination of the structure with potentially material financial and regulatory (including tax) implications.

2.1.4. Legal and regulatory regimes may impose barriers to non-banks directly accessing payments infrastructure, including central bank clearing systems, which can have an impact on our ability to compete with banks.

We aim to access national payments infrastructure in the jurisdictions in which we operate to provide faster and cheaper money transfers. In many jurisdictions, such as the UK, EU and Singapore, policymakers have recognised that access to national payment infrastructure should not be restricted to deposit-taking and lending banks. Policy makers in many other jurisdictions, including the US, Japan and India, continue to restrict access to payment systems to a small group of deposit-taking and lending institutions, which may allow these institutions to process transactions more quickly and at lower costs than we are able to. As we aim not to cross-subsidise between

routes or customers, such restrictions may impact our ability to compete against these institutions or lower prices on these routes in line with our mission, which may in turn harm our reputation.

2.1.5. Most customers join us because they hear about our great products and services, but we may not be able to maintain this same level of reputation and service.

We have built products and services that customers recommend, powered by intuitive design and supported by a strong customer experience.

Our products and services are tailored to address the needs of our customers, with functions such as accurate estimates of when money transfers will arrive, automated identity verification and online and in-app troubleshooting assistance. These functions reduce unnecessary customer contacts, lowering our internal costs and saving our customers' time and money. If we are not able to continue providing attractive products and services to our customers because, for example, if we cannot appropriately control the frequency of customer service contacts, or maintain sufficient verification capacity to process applications or to improve customer service resolution times, this may reduce the quality of our products and services. It may also increase our costs and decrease transaction volumes, which would impact our ability to reduce prices for our customers and could have a negative impact on our growth and profitability.

In addition, any negative publicity about Wise, our products and services and our people, regardless of its veracity, could harm our brand and reputation. We have experienced instances of negative publicity in the past, including when MS Bank, a financial institution in Brazil, made certain statements in the media and to former customers about our relationship. MS Bank may continue to generate negative publicity about Wise, and we may experience other instances of negative publicity in the future. Any future negative publicity about Wise, in relation to the quality, user experience and reliability of our products and services, and our compliance with local laws or contractual arrangements, could harm our reputation, our ability to enter into business arrangements and our customers' confidence in us.

In February 2021, we completed our rebrand from TransferWise to Wise to reflect the development of our business far beyond international transfers for people. Although the rebrand did not change our product and service offering or the way our customers use our products and services, there is a chance that acceptance of a new brand name will be a lengthy process and may not be recognised by some of our existing customers in the short term.

If we are not able to maintain our strong brand, reputation or customer experience, we may lose existing customers or fail to gain new customers, which would negatively impact our volumes and growth.

2.1.6. We are dependent upon some of our third-party service providers in order to provide our products and services.

We use third-party service providers for certain aspects of our business, such as operational and treasury functions, prepaid cards, debit cards, foreign exchange quotations, data analytics, cloud storage (e.g. AWS), sanctions compliance, human resources management and other support services. Any failure of the systems of these providers, a change to key product features or contractual supply terms, a failure to maintain necessary licensing, a failure to remain up to date with market developments, insolvency of a provider or a termination of any of the agreements we have in place with these providers could adversely impact our ability to provide our products and services, and therefore our reputation and ultimately our financial results.

If we are unable to adhere to the conditions, service levels or targets agreed with our third-party service providers, our relationships with these third-party service providers could be negatively impacted, potentially requiring us to reduce our service offering to our customers. This includes our agreements with Mastercard and Visa which require us to reach certain volume thresholds.

Any of our third-party service providers may seek to introduce or modify terms and conditions that result in increased costs, or terms and conditions with which we are unable to meet or that are commercially unacceptable to us. They may also choose to terminate all or part of their relationship with us. If this happens, we may not be able to find a replacement service provider on commercially acceptable terms or at all, or be able to develop our own replacement technology, which would make it difficult for us to grow.

2.1.7. We may have disputes with counterparties, including with local financial institutions, which may prove costly and time consuming to resolve.

We enter into agreements with a variety of counterparties in order to operate our business, including with local financial institutions. Disputes with such local financial institutions may result in them holding on to our or our customers' cash or taking other action that may be detrimental to us. An example of this occurred this year, when we filed a lawsuit pending service of process in the High Court of Justice, Business and Property Courts of England and Wales, Commercial Court for the return of £6.0 million (comprising approximately U.S.\$7.5 million and R\$4 million) that were held in a liquidity pool for Wise transactions and are improperly being retained by MS Bank, a Brazilian financial institution with which we had an agreement. Wise is also claiming damages, interest and costs in relation to this matter, the amount of which cannot be accurately estimated at this time. The matter is ongoing, and we cannot predict its outcome at this time. We have recorded a £6.7 million specific provision relating to the liquidity pool (£6.0 million) and accounts receivable from MS Bank (£0.7 million) in our financial statements for FY2021. MS Bank has filed claims against Wise regarding the return and use of customer data collected while the agreement was effective and damages arising therefrom, and may file other claims arising out of the terminated relationship with Wise, including claims related to contractual

indemnities, regardless of the merits of any such claims. We have not recorded any additional provision with respect to these matters in our financial statements for FY2021.

Furthermore, we understand that at the instigation of MS Bank, the Federal Police Department in Parana State, where MS Bank is headquartered, will be opening an investigation related to this terminated relationship. According to the prosecutor's report, MS Bank has made criminal allegations of tax evasion and violations of exchange controls. Although under Brazilian law, the opening of an investigation does not imply any finding of criminality and we do not believe that any crime has occurred, we intend to cooperate with the authorities to resolve the matter.

If we have disagreements or disputes with third parties, including with local financial institutions, it may limit our ability to offer our products and services in certain jurisdictions, and can lead to disputes and investigations of the type described above, which could prove costly and time consuming to resolve.

2.1.8. Legal and regulatory regimes may continue to enable banks and other competitors to conceal fees for international payments within the exchange rate in a way that is non-transparent to customers, and unfairly distorts price comparisons.

So long as people and businesses are not able to compare the charges on cross-currency transfers offered by their bank with alternative options, like Wise, we cannot expect them to be able to choose a cheaper option. Only a relatively small proportion of people understand the fees they are being charged for transferring money, due in part to the prevailing practice of financial institutions hiding charges in exchange rates.

Even if laws are changed in this regard, regulators may be slow to enforce legal disclosure requirements on banks and incumbents. For example, the EU's Cross Border Payments Regulations II is directly applicable in EU member states without requiring changes to national law. It mandated transparency in intra-EU payments for card-based transactions and credit transfers from 19 April 2020 (while similar requirements for card issuers apply from 19 April 2021), but only a few national regulators have enforced this regulation to date. Banks and incumbents may also be slow in adopting these laws.

If banks and other competitors continue to charge their customers fees in a non-transparent way, including as a result of regulators not enforcing legislation or otherwise, this may in turn harm our competitive position and profitability.

2.2. We face a range of operational risks which can impact our profitability and our reputation with customers.

2.2.1. We face the risk of cyber-attacks which can compromise our IT systems and even expose our customers' data.

Our IT systems, and those of our partners, local financial institutions that we work with and service providers (for example, AWS), may be vulnerable to cyber-attacks from a number of sources that tend to use various sophisticated and fraudulent techniques. Cyber-attacks could expose our customers' sensitive data (for example,

their names, addresses and bank account information), result in unauthorised transactions and cause us to delay or temporarily shut down our products and services. Our security measures may also be breached due to human and system errors.

Financial service providers like Wise are generally at a heightened risk of such attacks. The systems and processes that we developed to protect our data and customer data and to prevent data loss and other security breaches may not provide adequate protection.

If our products and services are interrupted for a prolonged period of time or frequently, our customers may view our systems as unreliable, leading them to switch to another company, which would impact our profitability and growth. If any cyber-attack or system failure results in damages to our customers or partners, they could also seek significant compensation for their losses, which, even if unsuccessful, would likely be time-consuming and costly, divert our team's attention and could have a negative impact on our reputation.

2.2.2. Increases in transaction and processing fees can challenge our profitability and put upwards pressure on our prices.

Our payment processors and partners charge fees which may be increased from time to time and with little prior notice. Our card processors may also increase the fees charged for each transaction using credit and debit cards, which may be passed on to us or our customers.

Governments could also mandate a payment processing tax or require additional taxes or fees to be imposed upon our customers, or otherwise impact the manner in which we provide our services. Any such taxes or increased fees could increase our operating costs, require us to provide additional collateral, reduce our profit margin and put upwards pressure on our prices.

2.2.3. We may be exposed to financial losses in our product due to errors in our codebase or other manual processing errors.

Our infrastructure powers the movement of our customers' funds. This infrastructure is in turn powered by software and manual operational processes, both of which we develop and maintain internally. We constantly evolve this software with the objective of improving our products and services to customers. However, errors in our code base and manual errors in the operation of our processes can lead to processing and payment errors which, if not detected, can lead to significant financial losses. As a technology business, we value speed of execution and have controls in place both to prevent and detect these errors; however, such controls may be insufficient, or could fail, resulting in losses occurring undetected.

2.2.4. We may reduce our fees faster than our costs, making us a less profitable business.

Our mission is to reduce our fees to zero. We are committed to optimising our products and services, operations and infrastructure, and sustainably reducing our prices in line with our mission. As our revenue is composed substantially of fees we

charge for our services, decreasing fees faster than costs may have a negative impact on our financial results. Our ability to charge sustainable fees in the future may be adversely affected if we fail to continue to expand our infrastructure, whether due to regulatory constraints or otherwise, or where we may charge differential rates across different geographies. Any significant or unsustainable reduction in fees for reasons beyond our control relative to our costs, the introduction of mandated fee caps or the elimination of certain types or methods of charging fees could impact our profitability.

2.2.5. We may fail to sufficiently prevent fraud or scams.

Various third parties and internal parties may attempt to engage in a variety of fraudulent activities using our products and services. For example, an employee could knowingly process unauthorised changes to bank account details in our possession or provide or change such details after falling victim to fraud, either of which could result in a pay-out of funds to inappropriate persons.

Third parties have in the past, and may in the future, take fraudulent measures or conduct scams, such as impersonating financial service providers, including Wise, in order to secure the transfer of funds from customers, a practice known as APP fraud. We are not a party to the CRM, a voluntary industry code providing a framework for financial firms to use to determine when reimbursement should be provided to victims of APP fraud. We instead have our own industry-leading security measures in place to detect, prevent and stop these types of fraudulent activities, but there can be no assurance that these measures will be effective against new and continually evolving forms of fraud or scams or that customers will continue to view us as secure. Any instances of fraud can lead to fines and impact our reputation and could make us be viewed as being less secure than other traditional banks, including those that have signed the CRM.

2.2.6. We may see failures in our internal financial reporting and other controls which can lead to losses and misstatement of results.

Our business relies on internal controls and procedures that regulate financial reporting and accounting, customer and management information, credit exposure, foreign exchange risk, regulatory compliance and other aspects of our business. This includes controls to provide reliable reports, conform to regulatory requirements and prevent fraud. Such internal controls will need to continue to develop as our business expands, and the measures we take may not be sufficient or may incur significant additional expense.

Any failure of these internal controls could expose us to regulatory action, significant fines, litigation, compensatory payments, direct financial loss or loss of our licences as well as increased costs needed to improve the internal control environment. Ineffective internal control over financial reporting can also result in errors or other problems in our financial statements. Any such failures could also reduce trust in our brand and harm our ability to attract and retain customers and partners.

2.2.7. We rely on multiple technology platforms and services and their interoperability, which can fail.

We are dependent on the ability of our products and services to be compatible and to integrate with a variety of operating systems, software and hardware as well as web browsers that we do not control, including the systems of our partners. Any changes in these systems that degrade the functionality of our products and services, impose additional costs or requirements on us, or give preferential treatment to competitive services, including competing services from our partners, could materially and adversely affect usage of our products and services. In addition, system integrators may show insufficient appetite to enable our products and services to integrate with a variety of operating systems, software and hardware. If our customers' or partners' software is incompatible with our open API, it may be difficult for them to access and use our products and services. Any of these factors could cause us to lose customers, leading to a reduction in volumes and a negative impact on our growth.

2.2.8. We may lose existing staff and also our ability to attract and retain the right staff.

Our past performance is a function of the continued services and contributions of our founder-led team of employees.

From time to time, there likely will be changes in our team resulting from the hiring or departure of executives or skilled personnel, which could disrupt our business and require significant amounts of time, training and resources to find suitable replacements and integrate them within Wise.

Recruiting and retaining the right executives or skilled personnel may become more difficult or more costly in some specific offices or more generally across the global market as people with the skills we require are in short supply, and we expect that this shortage, and intense competition for talent, will continue.

2.2.9. We may acquire other businesses, but these acquisitions may fail to meet expectations and/or create risk for our wider operations.

Looking forward, we may consider acquisition opportunities as part of our strategy. Any acquisitions that we undertake could subject us to integration and other risks and difficulties, including:

- difficulties in confirming the acquired company's accounting, books and internal controls;
- difficulties in integrating the acquired company's information technology systems and platforms and retaining vital employees;
- difficulties in fulfilling regulatory requirements or being able to operate under or renew an acquired licence;
- failure to capture expected financial benefits (e.g. due to lack of synergy in overheads, unexpected transaction or ongoing costs or underestimated liabilities); and

- diversion of management's time and attention from existing business and business opportunities.

If any of these risks were to occur, we may not be able to achieve the anticipated benefits from the acquisitions. In addition, our financial performance could be impaired as we incur costs and use vital resources in an effort to rectify the issues defined above.

2.3. We face a range of financial risks which can impact our profitability and capital position.

2.3.1. We are exposed to foreign exchange movements, and excessive volatility can impact our profitability.

We are exposed to the exchange rate for international transfers as on most transfers, we guarantee our customers the mid-market exchange rate, which is the midpoint between the price the market is willing to pay for a currency and the price at which the market is willing to sell a currency. When a customer initiates a Wise Transfer, in most cases, this rate is guaranteed for a limited period of time to allow the customer to fund their transfer.

If foreign exchange rates change between the time a transaction is booked (at which time the exchange rate is set) and when the recipient is paid out, we may suffer a loss on that transaction. Also, by allowing our customers to use our services when markets are closed (e.g. weekends), we are exposed to exchange rate fluctuations during periods when international transfers cannot be exchanged immediately.

This risk of exchange rate movement is most acute during periods of large short-term fluctuations in foreign exchange rates. For example, in March 2020, the onset of the COVID-19 pandemic caused significant market and exchange rate volatility, with US dollar to euro exchange rates reaching both a 12 month high and low in a single week, resulting in increased foreign exchange losses.

We also face risks associated with schemes seeking to exploit exchange rate volatility, for example by using sophisticated algorithms and internet robots. There is no guarantee that our internal control mechanisms will be able to effectively identify and thwart any such attacks in the future, requiring us to expend significant resources in an attempt to recover losses, inhibit our ability to lower our prices or harm our profitability.

The measures we have in place intended to monitor and manage our risk of foreign exchange movement, including both natural and actively managed hedges, may not be effective.

2.3.2. We are subject to credit risks in respect of counterparties, including other financial institutions.

We are, and will continue to be, subject to the risk of actual or perceived deterioration of the commercial and financial soundness, or perceived soundness, of our counterparties, including other financial institutions, in particular in relation to cash and cash equivalents held at financial institutions, the sourcing of currency and the

provision of local banking payment services. An institution appropriating funds, defaulting, failing a stress test or requiring bail-in by its shareholders, creditors and/or respective governments could lead to significant liquidity problems and losses, or defaults by other institutions. Even the perceived lack of creditworthiness of, or questions about, a counterparty or major financial institution may lead to market-wide liquidity problems and losses, or defaults by financial institutions to which we have exposure, which could, in turn, have an impact on our business and financial position. This risk resulting from the interdependence on financial institutions is sometimes referred to as “systemic risk” and may adversely affect financial intermediaries, such as industry payment systems and banks, with whom we interact on a daily basis. Systemic risk could have a material adverse effect on our ability to raise new funding.

2.3.3. We have debt and will likely take on new debt arrangements which can bring operating, financial and other restrictions on the business.

Our existing revolving credit facility (MRFA) contains operating and financial restrictions that may limit our ability to raise additional debt funding, declare dividends, incur liens, make loans and certain types of investments, consolidate or merge with other entities, purchase or sell assets, make advances, investments and loans or transact with shareholders and affiliates. This could impact our ability to operate our business and, in particular, could force us to forego growth or investment opportunities that we would otherwise like to pursue.

We may incur significantly more indebtedness in the future by drawing under the MRFA or taking on additional external debt. Our ability to comply with the facility’s restrictions and covenants (or the terms of any future external debt) may be affected by events beyond our control, and the terms of any future indebtedness we may incur could include more restrictive terms.

2.4. We are subject to an evolving range of regulatory, legal and tax requirements, and our failure, or the failure of the local financial institutions that we work with, to comply can impede our ability to operate, result in significant cost and impact our reputation.

2.4.1. We, or the local financial institutions that we work with, may fail to comply with the regulatory licence conditions in a given market, resulting in us facing increasing costs or even losing the ability to operate.

Wise Payments Limited (formerly TransferWise Ltd) is incorporated in the United Kingdom and operates under an e-money licence issued by the FCA. In other countries, we operate through either a branch structure or wholly owned (100%) subsidiary company. Our product and service offerings differ in each country based on local regulatory and licensing regimes. These include the FCA in the UK, the FinCEN and state regulators in the US, the NBB in Belgium with respect to the EEA, and many other regulators around the world including in Australia, Canada, Hong Kong, Japan,

Malaysia, New Zealand, Singapore, the UAE and Brazil. As part of our licences or authorisations, we are required to comply with a significant number of conditions. We cannot guarantee that our controls, policies and procedures will fully prevent failures to comply with specific requirements. We also provide services into and from jurisdictions in which we are not licenced or authorised, in reliance on exemptions or our understanding of the applicable authorisation regime.

We are also subject to laws and regulations which prohibit us from transmitting money to specified countries or to or on behalf of prohibited individuals, including, but not limited to, the laws and regulations enforced by OFAC in the United States and OFSI in the United Kingdom and regulations enacted by the EU's Common Foreign and Security Policy and the United Nations Security Council. While we do not offer payment services in countries targeted by international sanctions, geopolitical events may result in new or expanded embargoes or sanctions, which would significantly limit our ability to continue operations in that country. If any sanctions or similar restrictions are imposed on the third parties that we work with, this would restrict our ability to work with them in the future.

Certain countries may require us to engage with designated banks or other financial counterparties or may introduce other legislation, such as exchange controls, which decreases the volume of our business.

We depend upon financial institutions to provide banking services, including the execution of funds transfers and foreign currency transactions. Any changes to existing regulations impacting such financial institutions could in turn have an impact on us. These financial institutions could also decide to stop providing the services on which we depend, requiring us to either increase our costs or to terminate certain products or services.

The jurisdictions in which we operate may also amend regulations that could limit our ability to reduce our costs, limit the currencies which we offer to our customers or impose actions that could affect currency liquidity. We may not be able to comply with or anticipate these new or additional requirements, and may need to change our operations significantly or incur increased costs to comply with additional requirements. For example, in November 2020, the Central Bank of UAE updated its regulations on stored value facilities (the channels through which money can be stored digitally and used to pay for goods or services) and as a result, we suspended Wise Account in the UAE.

Regulators around the world increasingly take note of each others' approaches to regulating the payments industry. Consequently, new laws or regulations in one jurisdiction may be replicated in others, negatively affecting our business across multiple jurisdictions or product or service offerings.

Some of the jurisdictions where we operate, like the UK, require us to comply with certain regulatory capital and liquidity requirements. If the capital requirements to which we are subject increase or if new jurisdictions impose capital requirements on us, then we may need to access external capital to support these requirements and maintain our licences.

As a licenced payments and e-money business, we are required to comply with safeguarding requirements to protect customer funds received in connection with the

provision of our services. Regulatory scrutiny of safeguarding has steadily intensified in recent years and new requirements currently under consultation may require us to undergo additional independent or regulatory audits. In addition, regulators may, from time to time, conduct inspections, thematic reviews or other assessments of our compliance with safeguarding requirements. One such example is in Belgium, where the NBB is undertaking an industry-wide series of on-site inspections of all regulated entities subject to safeguarding requirements, including Wise Europe. The review is expected to be completed by the end of September 2021. Any failure by us to comply with safeguarding obligations could result in substantial monetary penalties and other sanctions and impact our ability to do business in certain jurisdictions.

If we are unable to conduct our business in compliance with the licences, laws, regulations and standards to which we are subject, or if we are not able to remain compliant as they change, or if changes negatively impact our businesses, we could be forced to leave certain markets, stop offering certain products or services to our customers or be subject to increased costs or fines.

2.4.2. We may fail to meet AML, CTF and anti-corruption regulations.

We are subject to laws aimed at preventing money laundering, corruption and the financing of terrorism. These regulations are constantly changing and monitoring compliance with AML, ABC, CTF and sanctions rules can impose a significant financial burden on us, and require significant technical ability. In recent years, enforcement of these laws and regulations against financial institutions has become more stringent, resulting in several landmark fines and reputational damage.

We cannot guarantee that our policies and procedures completely prevent situations of money laundering, terrorist-financing, bribery or corruption or non-compliance with sanctions, including actions by our employees, partners or other related persons for which we might be held responsible. Such events may have severe consequences, including litigation, sanctions, administrative measures, fines, criminal penalties and reputational consequences. A failure to adopt effective measures against fraud, money laundering, corruption and terrorism financing or non-compliance with sanctions may lead to regulatory proceedings and penalties by supervisory authorities.

Our products and services are susceptible to potentially illegal or improper uses, including money laundering, terrorist financing, and circumvention of sanctions or to facilitate other illegal activity. Certain activities that may be legal in one country may be illegal in another country, which may result in liability. Changes in law have increased the penalties for intermediaries providing payment services for certain illegal activities and additional payments-related proposals are under active consideration by government authorities.

2.4.3. We and our partners may fail to appropriately handle the personal data of our customers.

Our operations involve the storage and/or transmission of sensitive information. In the scope of our provision of transfer and payment services, we receive personal payment data, which is further processed by us, and our business partners.

Consequently, we are subject to complex and evolving laws, rules, regulations, orders and directives relating to the collection, use, retention, security, processing and transfer of personally identifiable information about our customers, third parties and others and their transactions. Much of the personal data that we process, especially financial information, is regulated by multiple privacy laws and, in some cases, the privacy laws of multiple jurisdictions.

In particular, the processing of personal data is regulated by the GDPR which has been retained in the UK following Brexit with certain technical amendments to ensure that it can function in UK law. The GDPR imposes stringent data protection obligations that can result in high compliance burdens. The GDPR requires that we be able to demonstrate our compliance with data protection principles. In addition, the GDPR imposes fines for data protection compliance violations of up to a maximum of the higher of €20 million or 4% of our global annual net turnover.

Any failure, or perceived failure, by us or our partners to comply with applicable privacy laws could result in proceedings or actions against us by governmental entities or others, including class action privacy litigation, significant fines, penalties, judgments and reputational damage, requiring us to change our business practices and/or increase the costs and complexity of compliance. In addition, we are also subject to the possibility of security breaches, which themselves may result in a violation of these privacy laws.

2.4.4. We, or the local financial institutions that we work with, may fail to correctly apply tax laws and regulations, and changes in tax laws can harm our business.

We, and the local financial institutions that we work with, are subject to many different forms of taxation. Tax authorities around the world may not agree with our determinations (or that of the local financial institutions that we work with) with respect to the application of tax law. Any disagreements could result in lengthy and costly legal disputes, an increased overall tax rate applicable to us and, ultimately, in the payment of substantial amounts for tax, interest and penalties, and potential criminal proceedings against us and our officers. Challenges by tax authorities may result in material financial exposures for the Group (historic tax costs not included in pricing), the closure of routes where increased tax costs make them uneconomical, or the termination of agreements with local financial institutions and litigation, if agreement cannot be reached on the responsibility for any increased tax costs or filings.

Additional tax expenses could accrue in relation to previous tax assessment periods, which may be subject to a tax audit within the applicable statute of limitations, which may be extended due to lack of disclosure of transactions, negligence or fraud. As a result, the tax authorities could revise original tax filings or assessments and

substantially increase the tax burden (including interest and penalty payments) on our affected entities.

Further, various governments and international organisations, such as the OECD and the EU, are increasingly focused on tax reform and other legislative or regulatory action to increase tax revenue, particularly following the COVID-19 pandemic. Any change in tax law, regulation or policy, which could have retrospective effect, could have a significant impact on the tax costs and compliance obligations of certain products or services, markets or partnership arrangements impacting our pricing, and therefore, customers' demand for our products and services. For example, we could be adversely affected by the introduction of digital service taxes and/or VAT on our products and services.

2.4.5. We may fail to comply with reporting requirements relating to customer information.

Many of the jurisdictions in which we operate have implemented or are in the process of implementing reporting or record-keeping obligations on companies that engage in or facilitate e-commerce to improve tax compliance. In addition, as a result of the US Foreign Account Tax Compliance Act and OECD Common Reporting Standard regulations, most countries have introduced information sharing obligations that are either currently applicable to us or may become applicable in the future. Any failure by us to comply with these or any similar reporting and recordkeeping obligations could result in substantial monetary penalties and other sanctions, and impact our ability to do business in certain jurisdictions.

2.4.6. Litigation or investigations involving us could result in material settlements, fines or penalties.

We have been, and in the future may be, subject to judicial proceedings as well as allegations and complaints that individuals or entities have used our services for fraudulent purposes, which may result in fines, penalties, judgments, settlements and litigation expenses.

There may also be adverse publicity associated with lawsuits and investigations that could impact our reputation. Claimants or regulatory agencies in these lawsuits, actions or investigations may seek recovery of very large or indeterminate amounts, and the magnitude of these actions may remain unknown for substantial periods of time. The cost to defend or settle future lawsuits or investigations may be significant.

2.4.7. We may not be able to protect our IP rights, or third parties could allege that we infringe on their IP rights.

Our intellectual property rights may be contested, circumvented, or found unenforceable or invalid, and we may not be able to prevent third parties from infringing, diluting or otherwise violating them and we may be required to spend significant time and expense enforcing our rights.

Recently, we experienced provisional refusals of the Wise trademark in India, Colombia and Australia and opposition against our trademark applications in certain

other jurisdictions, including in the United States. There can be no assurance that we will be successful in overcoming or defending against these or similar refusals. We may also be unsuccessful in protecting or enforcing our rights in every jurisdiction, particularly following our rebrand as our new name, Wise, may be in use by third parties, and trademarks associated with this name may be deemed to be generic or non-distinctive. If we are unable to prevent third parties from adopting, registering or using trademarks and trade dress that infringe, dilute or otherwise violate our trademark rights, the value of our brands could be diminished, and our business could be adversely affected. In some instances, we may need to engage in litigation, settle claims, pay royalty or licensing fees, or satisfy indemnification obligations to resolve disputes related to IP with third parties.

2.4.8. Our insurance coverage will not fully protect us from all types of losses.

We have insurance with leading insurers to cover, among others, losses related to cyber-liability, physical loss or damage, operational risks and general third-party liability. The occurrence of losses or other damages not covered by insurance could result in unexpected additional costs. In particular, if we face losses or liabilities in connection with cybersecurity issues or data security breaches, we may not be covered by insurance to the full extent of damages that we face. In addition, our insurance premiums may increase, which could have an ongoing impact on our profitability, and it may be difficult to obtain sufficient coverage in the future which could expose us to significant liabilities in the event of losses caused by incidents which are not covered.

2.5. There are a number of risks related to our Class A Shares.

2.5.1. Our Class A Shares may be subject to market price volatility and the market price of the Class A Shares may decline disproportionately in response to developments that are unrelated to our operating performance.

The market price of the Class A Shares may be volatile and subject to wide fluctuations. The market price of our Class A Shares may fluctuate as a result of a variety of factors, including, but not limited to, those referred to elsewhere in this section, as well as period to period variations in our operating results or changes in revenue or profit estimates by us, industry participants or financial analysts. The market price of Class A Shares could also be adversely affected by developments unrelated to our operating performance, such as the operating and share price performance of other companies that investors may consider comparable to us, speculation about the Group in the press or the investment community, unfavourable press, strategic actions by competitors (including acquisitions and restructurings), changes in market conditions, regulatory changes and broader market volatility and movements. In addition, sales of a substantial number of Class A Shares in the public market, or the perception that such sales might occur, could depress the market price of our Class A Shares and could impair our ability to raise capital through the sale of additional equity securities. Shareholders are not restricted from granting security over their Class A Shares in connection with lending arrangements, including margin

loan facilities. In the event that security is granted over certain Class A Shares and that security is enforced, the lender under those arrangements may become interested in certain Class A Shares and may effect the sale of some or all of those Class A Shares in the public markets in short order. Any or all of these factors could result in material fluctuations in the price of our Class A Shares, which could lead to investors getting back less than they invested or a total loss of their investment.

2.5.2. The issuance of additional Class A Shares in the Company in connection with future acquisitions, any share incentive or share option plan, future OwnWise issuances or otherwise may dilute all other shareholdings.

In the future we may seek to raise financing to fund acquisitions and other growth opportunities. We may, for these and other purposes, issue additional equity or convertible equity securities in the Company. We may also seek to make further issuance of Class A Shares to participating customers under OwnWise in the future. As a result, existing holders of Class A Shares may suffer dilution in their percentage ownership or the market price of the Class A Shares may be adversely affected.

2.5.3. The listing of our Class A Shares on the standard listing segment of the Official List of the FCA affords shareholders a lower level of regulatory protection than a Premium Listing.

Our Class A Shares are admitted to the standard listing segment of the Official List of the FCA. A standard listing affords shareholders a lower level of regulatory protection than that afforded to investors in companies listed on the premium listing segment of the Official List of the FCA, where companies are subject to additional obligations under the Listing Rules. In particular, as a company with a standard listing, we are not required to comply with the requirements of the UK Corporate Governance Code. The Company is not required to give shareholders the opportunity to vote on any future acquisitions, even if Class A Shares are being issued as consideration for such acquisitions, save to the extent shareholder approval is required pursuant to the Companies Act to issue such Class A Shares. Similarly, the Group is not required to comply with the requirements of Chapter 10 of the Listing Rules relating to the announcement and, in some cases, the approval, of significant transactions (as defined in the Listing Rules) and Chapter 11 of the Listing Rules relating to the announcement and, in some cases, the approval, of related party transactions (as defined in the Listing Rules).

2.5.4. We incur costs as a result of operating as a public company, and management will be required to devote substantial time to compliance with public company responsibilities and corporate governance practices.

As a public company listed in the United Kingdom, we incur significant additional legal, accounting, and other expenses. In addition, changing laws, regulations, and standards relating to corporate governance and public disclosure may increase legal and financial compliance costs and make some activities more time consuming. These laws, regulations, and standards are subject to varying interpretations, and as a result,

their application in practice may evolve over time as new guidance is provided by regulatory and governing bodies. We intend to invest resources to comply with evolving laws, regulations, and standards, and this investment may result in increased general and administrative expenses and a diversion of management's time and attention from revenue-generating activities to compliance activities. If, notwithstanding our efforts, we fail to comply with new laws, regulations, and standards, regulatory authorities may initiate legal proceedings against the Group and our business may be harmed.

Failure to comply with these rules might also make it more difficult for us to obtain certain types of insurance, including director and officer liability insurance, and we might be forced to accept reduced policy limits and coverage or incur substantially higher costs to obtain the same or similar coverage. The impact of these events would also make it more difficult for us to attract and retain qualified persons to serve on our board of directors, on committees of our board of directors, or as members of senior management.

2.6. There are a number of risks related to our Dual Class Share Structure.

2.6.1. Our Dual Class Share Structure has the effect of enhancing the voting control of certain pre-Direct Listing shareholders who have elected to receive Class B Shares, including Directors, senior managers, and employees and their respective affiliates, limiting the ability of Class A Shareholders to influence corporate matters.

Our Class B Shares carry nine votes per Class B Share and our Class A Shares carry one vote per Class A Share. As at the date of this document: (1) the holders of the outstanding Class B Shares held approximately 90.63% of the voting power of our outstanding share capital, with our Directors, senior managers and 3% shareholders and their respective affiliates holding approximately 89.90% of such voting power in the aggregate; and (2) our Executive Founder, together with his corporate nominees, held approximately 26.81% of our outstanding share capital (i.e. of the number of Class A Shares and Class B Shares in aggregate) but controls approximately 40.75% of the voting power of our outstanding share capital. These holders therefore have significant influence over our management and affairs and over all matters requiring shareholder approval, including election of Directors and certain significant corporate transactions for the foreseeable future. The interests of Class B Shareholders may not align with the interests of Class A Shareholders who are not also Class B Shareholders. We cannot predict how Class B Shareholders will exercise their voting power on shareholder matters and cannot prevent such shareholders from exercising their voting power to the detriment of Class A Shareholders who do not also hold Class B Shares.

Each Class B Share will immediately cease to carry any entitlement to voting rights upon the occurrence of certain events, including: (1) its holder being issued a share certificate in respect of its corresponding Class A Share or that corresponding Class A Share being deposited into CREST; (2) the death of its holder; (3) the purported trade

and/or transfer of the Class B Share; or (4) any indirect change in control of the original Class B Shareholder. Further, any Class B Shares with entitlement to voting rights will immediately cease to carry any such entitlement at 23.59 (London time) on the fifth anniversary of our Direct Listing, i.e. on 7 July 2026. The Company may, in its sole discretion at any time, redeem any Class B Shares which have ceased to carry their entitlement to voting rights, upon which such Class B Share will be cancelled.

Decreases in Class B Shares carrying voting rights will have the effect, over time, of increasing the relative voting power of those other Shareholders, including holders of Class B Shares, who retain their Class B Shares, thereby concentrating control over our corporate matters in a decreasing number of Shareholders. Pursuant to the Articles, the voting entitlement of Class B Shareholders is capped so that, regardless of the number of Class B Shares that a Class B Shareholder holds, the votes attaching to those Class B Shares will only increase the votes such Shareholder has by virtue of its Class A Shares up to a maximum of one vote below the following thresholds:

- in the case of our Executive Founder, for so long as he remains Chief Executive Officer of the Company, one vote below 50% of total votes eligible to be cast in respect of a Shareholder resolution; and, should he cease to be Chief Executive Officer of the Company, 35% of votes eligible to be cast in respect of a Shareholder resolution;
- in the case of all other Class B Shareholders, one vote below 35% of total votes eligible to be cast in respect of a Shareholder resolution; and
- while the Residual Change in Control Approval condition is outstanding, in the case of all Class B Shareholders (including our Executive Founder), one vote below 25% of total votes eligible to be cast in respect of a Shareholder resolution.

For the avoidance of doubt, there is no restriction on a Shareholder being entitled to exercise votes above the thresholds set out above by virtue solely of the Class A Shares they hold, the voting restrictions apply only in the context of the increase in votes afforded by Class B Shares.

3. TERMS AND CONDITIONS OF THE OFFERING, DUAL CLASS SHARE STRUCTURE AND STANDARD LISTING

3.1. General information

The purpose of this Prospectus is to provide information to Eligible EU Customers on OwnWise and how Eligible EU Customers can participate in OwnWise in order to receive New Class A Shares. OwnWise is designed to reward and incentivise our customers who wish to become Wise shareholders and reward our customers who also become long-term shareholders with New Class A Shares as bonus shares without any cost to such shareholders and other perks that are offered as part of the OwnWise programme. Other perks are not subject to approval under this Prospectus. The Company and its current Shareholders will neither receive nor use any proceeds from the offering of the New Class A Shares under this Prospectus.

OwnWise is initially being made available to eligible customers in EU member states and the UK (in accordance with the criteria set out below) and is limited in its first year to 100,000 eligible customers.

Class A Shareholders are not restricted from exiting Class A Shares at any time. Class A Shareholders may choose to sell the Class A Shares during the 12 month period if they do not want to receive the New Class A Shares as bonus shares and other perks under the OwnWise programme. However, Class A Shareholders will be entitled to the bonus shares and other perks associated with OwnWise only if they continue to hold the Class A Shares for 12 months following the start of the OwnWise Holding Period.

Detailed terms and conditions of OwnWise are set out in “*Annexure 1 – Terms and Conditions of OwnWise*” to this Prospectus and also available on our website. Wise reserves the right to change the terms and conditions of OwnWise at its sole discretion and will notify participating Eligible EU Customers via e-mail of any such change after the publication of this Prospectus and will publish a supplement to this Prospectus if required under applicable law.

3.2. Offering period and indicative timetable

Eligible customers need to register their interest to participate in the OwnWise programme and once their participation is confirmed, take certain steps before the start of the OwnWise Holding Period as described in more detail below in “*section 3.3 – Terms And Conditions Of The Offering, Dual Class Share Structure And Standard Listing – Participating in the offering and steps to be taken by the investors*”.

The total number of New Class A Shares expected to be granted to Eligible EU Customers in connection with OwnWise is expected to be determined following the expiry of the OwnWise Holding Period and will be publicly announced and published on the Company’s website. The OwnWise Holding Period will commence on 1 October 2021 and last until (and including) 30 September 2022.

Expected timetable of principal events

Event	Time and Date
Period during which customers can register their interest in OwnWise.....	17 June 2021 – midday (UK time) on 30 September 2021
Publication of this Prospectus	7 September 2021
Period during which Eligible EU Customers will be notified of acceptance of their participation in OwnWise.....	10 September 2021 – 30 September 2021
OwnWise Holding Period.....	1 October 2021 – 30 September 2022 (inclusive)
..	
Date by which Eligible EU Customers should provide proof of qualifying purchase(s) of Class A Shares.....	8 October 2021
...	
Date by which Eligible EU Customers must notify their intention to terminate their participation in OwnWise or not receive the OwnWise benefits.....	12 September 2022
...	
Date by which Eligible EU Customers may be required to provide proof of holding the qualifying Class A Shares during the OwnWise Holding Period.....	7 October 2022
Notification of final number of New Class A Shares.....	on or around 28 October 2022
Issue of New Class A Shares to participating Eligible EU Customers.....	on or around 30 November 2022

3.3. Participating in the offering and steps to be taken by the investors

In order to participate in OwnWise you must be an Eligible EU Customer. To qualify as an Eligible EU Customer, you must meet the eligibility criteria designed to ensure that we bring active customers into our shareholder base for the long term, including (without limitation):

- (i) having been an individual Wise customer before 17 June 2021;
- (ii) having made at least one cross-currency transaction with Wise prior to 17 June 2021;
- (iii) being resident or located in an EU jurisdiction where applicable securities laws and regulations allow you to buy and hold shares in Wise (and allow us to grant New Class A Shares to you, including without undue additional legal or procedural requirements); and
- (iv) not being a current or former employee of Wise or a Wise group company.

Wise will use its records to determine if an individual has been a Wise customer before 17 June 2021 and made at least one cross-currency transaction prior to 17 June 2021 using their operational data and no further proof is required from such individual customer in connection with these two criteria.

Eligible EU Customers should register their interest between 17 June 2021 and midday (UK time) on 30 September 2021.

By registering your interest, you as the registrant shall:

- agree, if selected to participate, to receive New Class A Shares for no consideration (rounded down to the nearest whole New Class A Share, subject to a minimum amount of 1 New Class A Share) and other OwnWise benefits as you may be entitled to under these terms and conditions, subject to the provisions of these terms and conditions and Wise's articles of association;
- acknowledge and agree that:
 - the determination as to whether you are (and continue to be) an Eligible EU Customer will be at Wise's sole discretion;
 - OwnWise is limited to 100,000 participating eligible customers in the first year and the number of eligible customers from the UK or a member state of the EU to participate in OwnWise may be limited by Wise;
 - in the event of over-subscription, the Eligible EU Customers will be selected to participate in OwnWise on a lottery basis, and Wise reserves the right to run another lottery round if selected participants are disqualified from the program; and
 - Wise's determination in the case of each of the above shall be conclusive in all respects and final;
- acknowledge and agree that you will not be deemed to be participating in OwnWise unless and until you receive confirmation from Wise that your registration of interest has been accepted and, unless you receive such confirmation and subsequently continue to satisfy these terms and conditions and to be entitled hereunder to OwnWise benefits at the end of the OwnWise Holding Period (as defined below), you will not be eligible to

receive any OwnWise benefits, regardless of whether you hold Class A Shares at the close of business the business day before the start of the OwnWise Holding Period;

- acknowledge and agree that OwnWise is subject to the OwnWise Limits (as defined below) and the discretion of the directors to scale back grants of OwnWise benefits;
- agree, on request by Wise, to disclose promptly in writing to Wise such information as Wise may request in connection with your registration and/or the grant of any OwnWise benefits, and authorise Wise to disclose any information relating to your registration of interest and/or participation in OwnWise which Wise considers reasonably necessary or appropriate;
- acknowledge and agree that should there be a change in your circumstances materially affecting your registration of interest or participation in OwnWise under these terms and conditions, you will notify Wise as soon as reasonably practicable providing details;
- agree that any New Class A Shares or OwnWise benefits to which you may become entitled may be suspended pending investigation of any suspected breach of these terms and conditions or other agreements you have with Wise or any of its affiliates, and any verification of identity which is, or which Wise in its absolute discretion considers may be, required for the purposes of applicable law and regulation;
- acknowledge and agree that, following confirmation that you are a participating Eligible EU Customer, if you wish to terminate your participation in OwnWise or to not receive OwnWise benefits, you should contact our Help Center (<https://wise.com/help/contact>) as soon as practicable and at least 14 business days in advance of the grant of any OwnWise benefits;
- agree to receive communications regarding OwnWise and that any future communications sent by Wise to you in your capacity as an Eligible EU Customer will be in the English language;
- agree that Wise reserves the right to alter any arrangements in connection with OwnWise (including the criteria or timetable for the grant of any OwnWise benefits and the terms and conditions of OwnWise); and
- confirm that you are not located in, and are not a resident of, the United States.

Successful registrants will receive a notification from Wise confirming that they have been accepted to participate in OwnWise. All communication with regard to OwnWise between Wise and its customers occurs via email. Depending on where you live, local securities laws and your preference, you'll need to find a brokerage and purchase your shares from there. Information on stock brokerages that are expected to be able to offer trading in Wise shares can be found on Wise's website (<https://wise.com/owners/brokers/>).

If an Eligible EU Customer participating in OwnWise:

- (i) holds Class A Shares at the close of business (being close of trading on the London Stock Exchange) on the business day before the start of the OwnWise Holding Period on 1 October 2021; and
- (ii) continues to hold these shares for 12 months following the start of the OwnWise Holding Period from 1 October 2021 until (and including) 30 September 2022,

at the end of such period, the Eligible EU Customer participating in OwnWise will be entitled at such time to receive New Class A Shares representing 5% of the value (based on the market

value of such Class A Shares at the time of purchase) of the Class A Shares held by them at close of business (being close of trading on the London Stock Exchange) on the business day before the start of the OwnWise Holding Period (up to a maximum value per Eligible EU Customer of £100, rounded down to the nearest whole share, and subject to a minimum amount of 1 New Class A Share). For example, a participating Eligible EU Customer who purchases 100 Class A Shares at a market value on such date of £10 per Class A Share and holds such shares for 12 months in accordance with the terms of OwnWise will be entitled to receive New Class A Shares worth a total value of £50 at the time of issue (being 5% of the total purchase price and subject to a maximum value of £100). The precise number of New Class A Shares an Eligible EU Customer participating in OwnWise may receive shall vary depending on the market value of the Class A Shares at the time of issue.

Only Class A Shares purchased by the close of business (being close of trading on the London Stock Exchange) on the business day before the start of the OwnWise Holding Period on 1 October 2021 will qualify for rewards under OwnWise. Participating Eligible EU Customers will need to provide proof of their purchase to Wise within 7 days following the start of the OwnWise Holding Period and may need to provide proof of their holding within 7 days following the expiry of 12 months from the start of the OwnWise Holding Period demonstrating that they continue to hold such shares. Only participating Eligible EU Customers who have provided satisfactory proof will be entitled to receive New Class A Shares under OwnWise.

If an Eligible EU Customer participating in OwnWise wishes to terminate their participation in OwnWise or to not receive OwnWise benefits, the Eligible EU Customer participating in OwnWise should contact our Help Center (<https://wise.com/help/contact>) as soon as practicable and at least 14 business days in advance of the end of the OwnWise Holding Period.

3.4. Granting of New Class A Shares and expenses associated with the offering

In order to facilitate the granting of New Class A Shares, the Directors have been authorised by shareholder resolution to issue and allot Class A Shares by way of bonus issue. In addition, the Directors have been authorised (at their discretion and if deemed appropriate) to make on-market purchases of Class A Shares and cancel such Class A Shares in order to create additional distributable reserves to offset any reserves used to issue Class A Shares pursuant to OwnWise. The Directors will exercise such authorities subject to a maximum cost to Wise of £10,000,000 (equating to maximum of £100 per participating eligible customer) and a maximum issuance globally pursuant to OwnWise of 2,500,000 Class A Shares (the **“OwnWise Limits”**). In addition, the estimated total cost associated with OwnWise (including cost associated with issuing the New Class A Shares, but excluding the value of the New Class A Shares) is £1.3 million.

Grants of New Class A Shares will also be made to eligible participating customers in the UK and potentially certain other jurisdictions on substantially the same terms, but not pursuant to this Prospectus.

Participating Eligible EU Customers:

- must provide evidence satisfactory to Wise within 7 days following the start of the OwnWise Holding Period on 1 October 2021 that they have purchased Class A Shares; and
- may be required to provide evidence satisfactory to Wise within 7 days following the expiry of the OwnWise Holding Period demonstrating that they continue to hold such Class A Shares.

Such proof may include (without limitation) screenshots of your brokerage account and should be uploaded to your profile account. Wise shall have absolute discretion as to whether to accept or reject such proof.

Wise reserves the right to issue New Class A Shares in uncertificated or certificated form. Where applicable, Eligible EU Customers may be asked to provide information in order to facilitate the receipt of their New Class A Shares.

Eligible EU Customers who have satisfied Wise that they have met the OwnWise criteria will be issued the New Class A Shares within 60 business days of the expiry of the OwnWise Holding Period.

No fractional entitlements to New Class A Shares will be granted and grants of New Class A Shares will be rounded down to the nearest whole New Class A Share, subject to a minimum amount of 1 New Class A Share.

Participating customers are not restricted from disposing of any interest in Class A Shares in any manner during the OwnWise Holding Period.

3.5. Dilution

Each existing shareholder's holding of Class A Shares, as a percentage of the Company's issued share capital following the issue of New Class A Shares, is expected to be diluted by around 0.25 per cent. as a result of the issue of Class A Shares pursuant to OwnWise (based on the number of shares in issue as at 20 August 2021 and assuming that the maximum amount of Class A Shares pursuant to OwnWise is issued globally, being an amount of 2,500,000, that no further Class A Shares are issued prior to the issue of Class A Shares pursuant to OwnWise and that no existing shareholders participate in OwnWise).

3.6. Cancellation of OwnWise

Wise reserves the right to cancel OwnWise or change the terms and conditions thereof as described in this Prospectus. Wise will notify the participating Eligible EU Customers of any such cancellation or change in terms and conditions after the publication of this Prospectus and if required under applicable law will publish a supplement to this Prospectus.

3.7. Trading

At the date of this Prospectus, Class A Shares are admitted to trading on the standard listing segment of the Official List of the FCA and on the London Stock Exchange's Main Market for listed securities under the symbol "WISE" and ISIN number GB00BL9YR756 and SEDOL number BL9YR75. The New Class A Shares issued pursuant to OwnWise are expected to be admitted to trading on the Main Market of London Stock Exchange. For that purpose, Wise will file an

application with London Stock Exchange, but there is no guarantee that the New Class A Shares will be admitted to trading. No further prospectus is expected to be published in connection with, or at the time of, the admission to listing of the New Class A Shares. It is expected that the trading in the New Class A Shares will commence on or around 30 November 2022.

3.8. Our Dual Class Share Structure

Wise's existing share capital structure consists of Class A Shares and Class B Shares. The Company is proposing to offer New Class A Shares under this Prospectus that will be registered with ISIN number GB00BL9YR756 and SEDOL number BL9YR75 and are expected to be admitted to trading on the Main Market of the London Stock Exchange under the symbol "WISE". The Class B Shares are not admitted to listing or trading on any stock exchange and are non-transferable and non-tradeable. There are no restrictions on the free transferability of the Class A Shares. The Class B Shares are non-tradeable and non-transferable.

The currency of the Shares is United Kingdom pounds sterling. At the date of this Prospectus there are 994,589,856 Class A Shares of £0.01 each (all of which are fully paid or credited as fully paid) and 398,889,814 Class B Shares of £0.000000001 each in issue.

3.8.1. Class A Shares

As detailed in the Articles, the Class A Shares carry one vote per share and have a pro-rata economic interest (including in respect of dividends and other distributions) across the share class.

Application will be made to the FCA for the Class A Shares issued pursuant to OwnWise (including the New Class A Shares) to be admitted to the standard listing segment of the Official List of the FCA and to the London Stock Exchange for the Class A Shares issued pursuant to OwnWise (including the New Class A Shares) to be admitted to trading on the London Stock Exchange's Main Market. Trading in the New Class A Shares is expected to commence on or around 30 November 2022.

The Class A Shares are freely and publicly transferable.

3.8.2. Class B Shares

As detailed in the Articles, the Class B Shares carry nine votes per share and have no economic interest or right to dividends (other than a preferential return of their nominal value (in aggregate £0.398889814 across the Class B Share class) on a winding up or liquidation of Wise). Class B Shares are non-tradeable and non-transferrable.

As detailed in the Articles, Class B Shares carrying any entitlement to voting rights will immediately cease to carry any such entitlement in each of the following circumstances:

- the Class B Shareholder being issued a share certificate in respect of that Class B Share's corresponding Class A Share;
- the Class B Shareholder's corresponding Class A Share being deposited into CREST;
- the death of the Class B Shareholder;
- the purported trade and/or transfer of the beneficial and/or legal interest of a Class B Share;
- any indirect change in control in respect of the Class B Shareholder; or

- 23.59 (London time) of the fifth anniversary following our Direct Listing, i.e. 7 July 2026.

The Company may, in its sole discretion and at any time, redeem any Class B Shares that have ceased to carry their entitlement to voting rights in accordance with the Articles, upon which such Class B Share will be cancelled.

Each Class B Share has been issued alongside a corresponding Class A Share. Any Class A Shares which correspond to Class B Shares held in dematerialised form (but not deposited into CREST) and ownership thereof is evidenced by reference to the Company's share register. Once a Class A Share is deposited into CREST or a share certificate is issued in respect of that Class A Share, its corresponding Class B Share will immediately cease to carry any entitlement to voting rights. Holders of Class A Shares that correspond to Class B Shares can deposit any or all of their Class A Shares into CREST, or request the issuance of a share certificate in respect of any or all of their Class A Shares, at any time, through the Registrar; a consequence of either action is that the corresponding Class B Shares will immediately cease to carry any entitlement to voting rights. When any Class B Share ceases to carry its entitlement to voting rights, the Registrar will perform a "true up" whereby it will calculate the outstanding voting rights in the Company following the reduction in the number of Class B Share votes. By maintaining such a control monitoring mechanism, Wise can effectively monitor the total outstanding votes in Wise following any Class B Shares ceasing to carry their entitlement to voting rights, with such updated positions to be announced to the market following each loss of voting rights.

3.8.3. Class B Shareholder voting caps

As detailed in the Articles, the voting entitlement of Class B Shareholders is capped so that, regardless of the number of Class B Shares that a Class B Shareholder holds, the votes attaching to those Class B Shares will only increase the votes such Shareholder has by virtue of its Class A Shares up to a maximum of one vote below the following thresholds:

- in the case of our Executive Founder, for so long as he remains Chief Executive Officer of the Company, one vote below 50% of total votes eligible to be cast in respect of a Shareholder resolution; and, should he cease to be Chief Executive Officer of the Company, one vote below 35% of votes eligible to be cast in respect of a Shareholder resolution;
- in the case of all other Class B Shareholders, one vote below 35% of total votes eligible to be cast in respect of a Shareholder resolution; and
- while the Residual Change in Control Approval condition is outstanding, in the case all Class B Shareholders (including our Executive Founder), one vote below 25% of total votes eligible to be cast in respect of a Shareholder resolution.¹

¹ The Group is regulated by a number of regulators throughout the world. As a result, certain approvals have been required in respect of the increased control levels of certain Shareholders resulting from the implementation of the Dual Class Share Structure. The Company has received the majority of these approvals, with one remaining outstanding as of the date of this document, namely approval from the regulatory authority of the State of Indiana in the United States, with such regulator requiring the Company to obtain approval prior to a Shareholder holding 25% or more of the voting rights in the Company. Such approval is expected to be granted shortly. Until this approval is granted and the grant of such approval is confirmed by the board of directors, or the Company's licensing arrangements mean that the approval is no longer required, this interim voting cap is required to ensure the Group complies with these regulatory obligations.

For the avoidance of doubt, there is no restriction on a Shareholder being entitled to exercise votes above the thresholds set out above by virtue solely of the Class A Shares they hold, the voting restrictions apply only in the context of the increase in votes afforded by Class B Shares.

3.8.4. How the Dual Class Share Structure supports our mission

We are on a mission to solve moving money across borders. We believe that our success to date has come about through our relentless focus on solving the problems facing our customers whilst building a sustainable and profitable business to support this mission. In doing this, and in particular, bringing transparency and fairness into how we price our products, we have found a common ground of creating value for our customers and also for our shareholders.

We also believe that our long-term success depends on continuing this focus, and that it is only through this long-term, as opposed to short-term, vision that the real alignment between customer and shareholder value is reached.

We attempt to be very clear on our mission and transparent on our approach; and we seek to attract long-term focused investors who share our vision and passion for solving this problem for the world.

The primary reason for implementing this Dual Class Share Structure is to preserve the stability and continuity of control and strategic direction in the hands of our existing shareholder base during an initial transitional period after our Direct Listing. In particular, we believe that our Class B Shareholders have been central in setting, and then executing against, this long term mission, and that our Dual Class Share Structure benefits our customers and in turn our Shareholders by:

- ensuring that the founder vision that has made Wise what it is today is retained, including in respect of its customer focused culture, and enabling us to continue to invest in building the fastest, cheapest and most convenient money-moving platform in the world;
- promoting Wise's long-term growth and hence long term value creation by enabling us to invest in our customers sustainably; and
- protecting Wise from events which may be contrary to its existing objectives, such as hostile takeover bids.

It is therefore intended that our Dual Class Share Structure promotes these objectives by providing enhanced voting rights to those who have been key to our development and have evidenced a commitment to our journey, and will help preserve the stability and continuity of strategic direction during an initial transitional period after our Direct Listing.

3.8.5. Consequences of a Standard Listing

The existing Class A Shares are admitted, and the New Class A Shares to be issued in connection with OwnWise will be admitted, to listing on the Official List of the FCA pursuant to Chapter 14 of the Listing Rules, which sets out the requirements for standard listings. A standard listing affords subscribers and purchasers of Class A Shares a lower level of regulatory protection than that afforded to investors in companies whose securities are admitted to the premium listing segment of the Official List of the FCA, which are subject to additional obligations under the Listing Rules.

An applicant that is applying for a standard listing of equity securities must comply with all the requirements listed in Chapter 2 of the Listing Rules, which specifies the requirements for listing for all securities, and there are a number of continuing obligations set out in Chapter 14 of the Listing Rules that are applicable to us.

These include requirements as to:

- the forwarding of circulars and other documentation to the FCA for publication through the national storage mechanism, and related notification to a Regulatory Information Service;
- the provision of contact details of appropriate persons nominated to act as a first point of contact with the FCA in relation to compliance with the Listing Rules and the Disclosure Guidance and Transparency Rules;
- the form and content of temporary and definitive documents of title;
- the appointment of a registrar;
- Regulatory Information Service notification obligations in relation to a range of debt and equity capital issues; and
- compliance with, in particular, Chapters 4, 5 (if applicable), and 6 of the Disclosure Guidance and Transparency Rules.

In addition, while the Company has a Standard Listing, it is not required to comply with the provisions of, among other things:

- Chapter 6 of the Listing Rules containing additional requirements for the listing of equity securities, which are only applicable for companies with a premium listing;
- Chapter 8 of the Listing Rules regarding the appointment of a listing sponsor to guide the Group in understanding and meeting its responsibilities under the Listing Rules in connection with certain matters. The Company has not and does not intend to appoint such a sponsor in connection with the Listing;
- Chapter 9 of the Listing Rules containing provisions relating to transactions, including, amongst other things, requirements relating to future issues of shares, the ability to issue shares at a discount in excess of 10% of market value, notifications and contents of financial information;
- Chapter 10 of the Listing Rules relating to significant transactions;
- Chapter 11 of the Listing Rules regarding related party transactions;
- Chapter 12 of the Listing Rules regarding purchases by the Company of its Class A Shares; and
- Chapter 13 of the Listing Rules regarding the form and content of circulars to be sent to Shareholders.

A company with a standard listing is not currently eligible for inclusion in any of the FTSE indices, including the FTSE 100, FTSE 250, FTSE 350 and FTSE All-Share, among others.

For a company seeking admission of its shares to the standard listing segment of the Official List of the FCA, there is no requirement for a reporting accountant to perform services in respect of the company's financial position and prospects procedures.

4. ABOUT WISE

4.1. Overview

People, businesses and enterprises pay tens of billions of pounds in fees, mostly in exchange rate markups, every year, for a slow and inconvenient service to move over £18 trillion around the world.

This is because the banking industry was constructed on domestic systems as nearly all of the world's banks themselves are inherently domestic. The correspondent banking model, which banks use to facilitate cross-border payments, has grown from this and is unable to keep pace with customer expectations.

And so, we set out on our mission to build money without borders: instant, convenient, transparent and eventually free.

To achieve this, we realised we had to replace this infrastructure.

Over ten years we have developed a network of local bank integrations around the globe that replaces this old, outdated system. Our infrastructure is made up of direct and indirect integrations with local payment systems globally, worldwide regulatory and compliance coverage and full-service customer support and operations.

Combined, this infrastructure solves the main pain points facing our customers:

- *Price*: Our prices are on average up to eight times cheaper than leading traditional UK banks.
- *Speed*: Over 38% of transfers are delivered instantly and about 87% in less than a day.
- *Convenience*: The Wise experience is fast, intuitive and simple.
- *Transparency*: We empower customers with up to the minute price comparison content, and by lobbying governments all over the world to change outdated laws.

So, whilst born in 2011 as an international transfer service for people, we have now expanded to become a global cross-border payments network which replaces traditional international banking for ten million personal and business customers.

People use Wise to send money across borders, get paid like a local in 30 different countries and spend money in more than 176 countries around the world.

Businesses use Wise to take their businesses global, and operate on an international scale.

Banks and enterprises use Wise Platform to pass on the benefits of Wise's faster, cheaper international transfer service to their own customers.

Our cross-border payments network processed £54 billion of volume in FY2021, saving customers over £1 billion in fees during the year. This volume translated into £421 million in revenues and resulted in a 26% Adjusted EBITDA margin in the same period.

In this section, "*section 4 - About Wise*", we'll set out: (1) the cross-border currency market and the problems we set out to solve; (2) the infrastructure we've built to achieve this; (3) the products and services we have built upon this infrastructure; and (4) our strategy for the future.

4.2. The Cross-Border Payments Market

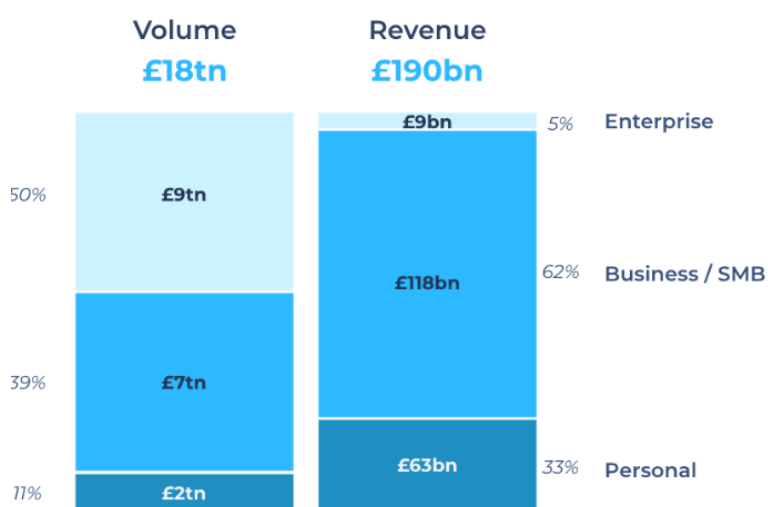
Traditional banks are reliant on an outdated network of correspondent parties and held back by complex infrastructure. This means that both people and businesses have been overpaying for

slow transfers, inconvenient customer experiences and are hit with opaque and hidden fees when moving money internationally.

<u>Traditional Banks Proposition</u>	
Expensive	3-7% average fee
Slow	Up to 2-5 business days
Inconvenient	Long, unfriendly CX
Opaque	Less transparent with their rates with only 4% of bank respondents identifying the true cost (according to an EDC survey)

The problem is also massive, with £18 trillion of volume moved across borders in 2020 according to EDC, with people and businesses charged £190 billion for this service.

Global cross-border payments market (2020)



People and businesses move money internationally for a wide variety of critical use cases, with cross-border flows a key enabler of the global economy.

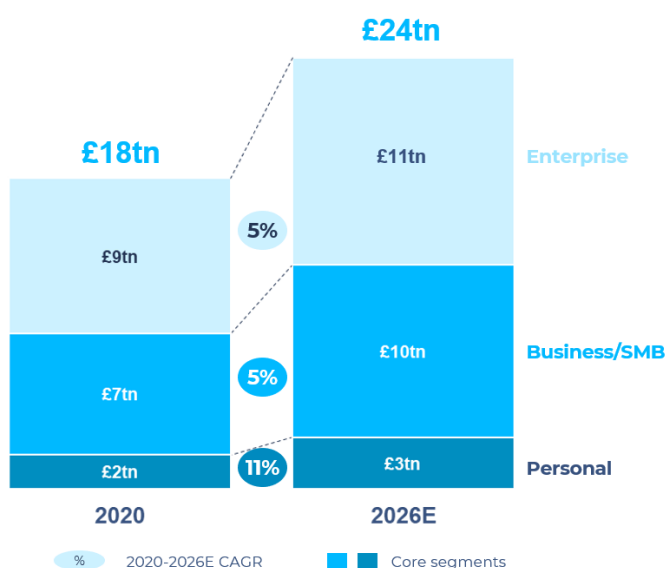
The personal segment consists of C2C (consumer-to-consumer) and C2B (consumer-to-business) payments capturing a broad set of cross-border use cases including personal remittances, eCommerce transactions, real estate investments and other bills, like tuition and healthcare payments.

The SMB and enterprise segments are composed of B2C (business-to-consumer) and B2B (business-to-business) payments capturing the cross-border payments of wages and salaries, freelancing and subcontracting payments, and accounts payables by businesses for merchandise and services imported from abroad.

Personal and micro/SMB customers make up approximately 50% of the overall market volume but they make up the majority (approximately 95%) of the fees paid, as estimated by EDC. Our focus to date has largely been on fixing the problem for these customers who are both underserved and charged the most.

The problem is also growing as people and businesses increasingly look to move money across borders, with EDC estimating £24 trillion of international flows by 2026 (5% CAGR from 2020 to 2026). Globalisation and internationalisation, increased migration and the rise of mobile and technological developments providing access to previously unbanked parts of the world are all underlying drivers for this growth.


Global cross-border payments market volume (£tn)



There are clear trends today indicating that this growing problem is waiting to be fixed. People and businesses are demanding transparency and cheaper fees alongside more convenient solutions with instant transfers ultimately becoming the norm.

But there are structural problems that are getting in the way of banks and traditional market participants. They are reliant on an outdated correspondent banking network for international transfers. Fees need to be high enough to cover the costs associated with this intermediary-heavy network which is also unreliable, hard to monitor and has manual or semi-automated processes. Further, the lack of transparency on fees means that there are limited pressures to solve this problem from within.

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

	<u>TRADITIONAL BANKS</u>
Cheap 0.7% avg. fee Cheaper with scale	Expensive 3-7% avg. fee
Fast 38% Instant 62% < 1 hr 83% < 24 hrs	Slow Up to 2-5 business days
Convenient A few taps to send	Inconvenient Long, unfriendly CX
Transparent No hidden fees	Opaque Less transparent with their rates with only 4% of bank respondents identifying the true cost (according to an EDC survey)

Personal customers trust us with moving approximately £1 in every £40 of the £2 trillion personal cross-border volumes processed in 2020. That represents approximately a 2.5% market share, making us a leading player in this fragmented market.

Micro and small businesses face the same problems when moving money internationally and our product and infrastructure works just as well for them as it does for personal customers. Our share of the SMB market is smaller, with banks holding approximately 95% of the market, but we are growing fast, with 23% of our FY2021 volume coming from micro and small businesses.

The cross-border money transfer market is enabled by a wide range of market players; however, banks still hold the largest share of the personal segment (66%), with traditional money transfer operators (13%) and other non-banks (18%) comprising the rest of the market. This provides a huge opportunity for us as we primarily compete against and take market share from these banks. Because incumbent banks rely on an outdated infrastructure for executing international payments, their services are slow, expensive and lack the ease of user experience that we offer. It's our infrastructure which truly defines our long term relative strengths in these fields. We expect to continue gaining further share as people and businesses seek out faster, cheaper and more convenient ways of moving and managing their money across borders.

4.3. What We Did and What We've Built

4.3.1. How Wise Began

Wise started as a money-saving arrangement between two friends.

Kristo Käärman and Taavet Hinrikus were two Estonian professionals living in London. Taavet worked for Skype in Estonia, so was paid in Estonian kroon. At Deloitte in the UK, Kristo was paid

in pounds but needed Estonian kroon to pay his mortgage back in Estonia. They devised a simple plan. Each month the pair checked that day's mid-market rate on Reuters to find a fair exchange rate. Kristo put pounds into Taavet's UK bank account, and Taavet topped up his friend's Estonian account. Both got the currency they needed, and neither paid a cent in hidden bank charges. They started to involve more friends in the plan, and in 2011, Kristo and Taavet launched their international transfer business which became TransferWise. Since then, over ten million customers, from more than 110 countries, have joined us on this journey. Following the development of our business far beyond international transfers for people, we rebranded to Wise in February 2021.

We've reached many important milestones along the way:



4.3.2. Our Infrastructure

In order to solve the structural problems in the cross-border payments market, we realised we needed to replace the outdated correspondent banking system. Our infrastructure does this by stitching together local payment systems, eliminating intermediaries and manual processes, and hence removing the high costs, lack of transparency, delays and inconvenience that come with it.

```

graph LR
    A[Sender's bank] --> B[US correspondent]
    B --> C[International correspondent]
    C --> D[Asia correspondent]
    D --> E[Thai correspondent]
    E --> F[Recipient's bank]
  
```

The diagram illustrates a payment chain. It starts with the 'Sender's bank' on the left, followed by a series of correspondents: 'US correspondent', 'International correspondent', 'Asia correspondent', and 'Thai correspondent'. The chain ends with the 'Recipient's bank' on the right. Each entity is represented by a grey circle, and they are connected by a horizontal line with arrows pointing from left to right, indicating the direction of the payment flow.

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issuance partnerships with Mastercard and Visa, and a cloud-based global connection with VisaNet.

Our industry-first integrations with local payment systems allow us to operate at faster speeds and lower costs. For example, by connecting directly to the FPS, we've been able to reduce our partner bank fees in the UK nine-fold and increase the speed of transfers to less than 20 seconds on average, which together has allowed us to drop our prices for customers sending to and from GBP. Similarly, when we integrated with Magyar Nemzeti Bank (the central bank of Hungary), customers sending to a Hungarian bank account saw a price drop of 14% on average and 82% of transfers to Hungarian Forint became instant (up from 17% in the third quarter of 2020). In Europe, we are an addressable BIC holder, enabling us to submit and receive payments within SEPA. In Singapore we are directly connected to FAST.

(b) Technology

Our infrastructure is powered by modern, purpose-built technology, allowing us to scale rapidly whilst maintaining the quality and convenience our customers have come to expect. We have over 500 engineers, distributed in six regions across the globe, constantly evolving and deploying our technology through over 90 production deployments per day (approximately 3,000 per month).

Our technological interface, which includes our website, mobile applications and third-party integrations, are built on the same open API, creating a seamless customer experience on any device or platform, anywhere in the world.

Our entire product suite is underpinned by a core engine of advanced payments technologies, including local payments systems integrations, a global real-time treasury management system, a smart, multi-currency ledger and automated KYC and AML verification and financial crime fighting.

Local payment system integrations are complex multi-step journeys, which usually start with integrating a local financial institution or an aggregator through a single API, and are broadened to include multiple API integrations to add partner redundancy. To deepen our technical integrations, we deploy physical data centres to connect with local payment networks where required by law.

Our proprietary global treasury management system provides real-time usage and liquidity predictions, smart fund routing, accounting and foreign exchange and financial risk management. This system gives us a global view of all liquidity flows and requirements throughout our entire network, allowing us to make efficient liquidity investment decisions. For example, the system enables us to cycle our funds around the world to meet different local payment system cut-off times and improve the speed of pay-outs across the network. Using this data set, we've built proprietary machine learning algorithms to help predict our customers' need for various currencies. Today, approximately 50% of traded volumes are predicted, enabling us to operate with low levels of working capital and keep our prices low.

We have also built a proprietary financial crime fighting engine which uses machine learning extensively to catch suspicious transactions and support our financial crime team. Given the magnitude of data points we process, our machine learning engine enables us to identify and prevent fraud while supporting instant SLAs. Combined, our financial crime team and KYC team comprise over 500 Wisers working across verification (KYC), fraud, AML, enhanced due

diligence, complaints, chargeback, requests for information and product compliance. These automated functions allow the teams to process over 21,000 ID checks per day.

Together, our technology delivers a scalable and highly resilient architecture with a 99.9% unadjusted uptime. Our infrastructure is cloud hosted and built to scale horizontally as our volumes grow. Our cloud-based operations also allow us to expand into new regions rapidly if our expansions require us to. -Today we operate with 5x headroom based on current average utilisation, allowing us to continue to grow our business.

(c) Regulatory

Our operations are supported by global licensing coverage. We hold 63 licences, across 12 different countries, supporting over 2,500 foreign exchange routes. We're on pace to keep increasing the number of licences, countries and currency routes we support. In FY2020 and FY2021, we added five licences, including in the UAE, Malaysia and Brazil, extending our currency routes across the Middle East, Asia and South America.

Our compliance team collaborates with regulators and law enforcement to access resources and tools, improve monitoring and keep pace with the latest local law developments. We have zero tolerance for the loss of any licences or public issuances from regulators that may inhibit our ability to serve our customers. As a result, we have never been the subject of an enforcement action.

(d) Operations and Customer Support

Moving money should be stress-free, no matter how far it is travelling. We know convenience is central to our customers, so we've developed a hybrid model to automate processes where and when we can and provide customer support through chat, phone and email, when it's needed.

We utilise various tools to optimise our operations, such as payment batching to optimise cut-off times, instant recipient account validation to minimise payment delivery failures and an accurate delivery estimator based on machine learning and recipient feedback. For example, as at 31 March 2021, 91% of personal document review was automated and our delivery estimates were accurate over 90% of the time, meaning less hassle for our customers, less contact with our customer service team and reduced internal costs.

When our customers do get in touch, we aim to resolve their queries quickly, with over 750 support agents split by product and language and more than 150 payments operators with local payments expertise. In FY2021, 80% of cases were solved in just one interaction and as at 31 March 2021, 57% of business customers were verified and 90% of fraud reviews were completed within 24 hours.

To deliver a truly customer-centred experience, our operations and customer support teams do not work in silos. They actively collaborate with our product engineering teams to ensure that our products operate smoothly for our customers without the interventions of their team and that fit-for-purpose tools are available to assist them when needed.

This model allows us to operate in a fast, scalable and secure manner and to provide our customers with excellent service, driving a high NPS score and word-of-mouth growth.

Over the last decade, our teams, across multiple disciplines, worked tirelessly to imagine an infrastructure capable of powering the world's money movement. The result - a global, highly integrated, technology-led infrastructure - is our core competitive advantage. It has allowed us

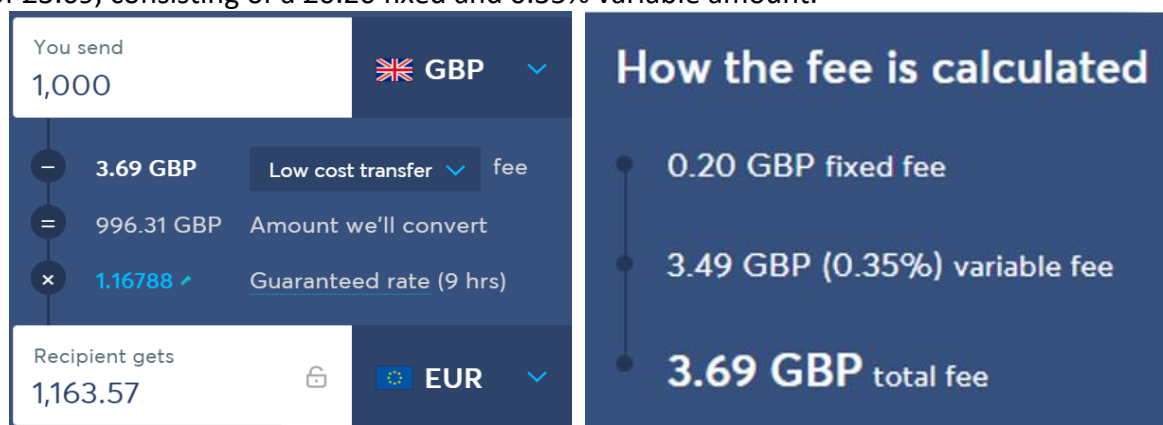
to create a superior product offering and a customer experience that people love, trust and recommend. As we grow, we'll continue to invest time and energy in this infrastructure.

(e) The Core of Our Proposition: Price, Speed, Convenience and Transparency

Grounded in our mission, our infrastructure is enabling us to redefine what is possible for price, speed, convenience and transparency, the four pillars that are critical to solving the problems facing our customers. While our lower prices are typically the reason why new customers try Wise, it is the combination of all four pillars that underpins our superior customer proposition, driving retention and growing engagement with our products and services over time.

(f) Lower Prices

Our superior infrastructure underpins our low unit costs, allowing us to charge eight times less than leading traditional banks and six times less than PayPal, thereby saving our customers more than £1 billion in FY2021. On most transactions, we charge a single upfront fee, consisting of a fixed fee and a variable fee. For example, a typical transfer of £1,000 into euros would have a fee of £3.69, consisting of a £0.20 fixed and 0.35% variable amount.



Our fees are set by adding a sustainable margin to our unit costs. Customers are able to choose the most cost-effective method of funding their transfers such as by bank transfer, direct debit, and, for customers with a Wise account, by paying out from a balance. Customers, including our business customers, also automatically receive lower pricing when sending large monthly volumes (over £100,000, or equivalent), with prices tiered, as low as 0.18%, depending on the amount transferred.

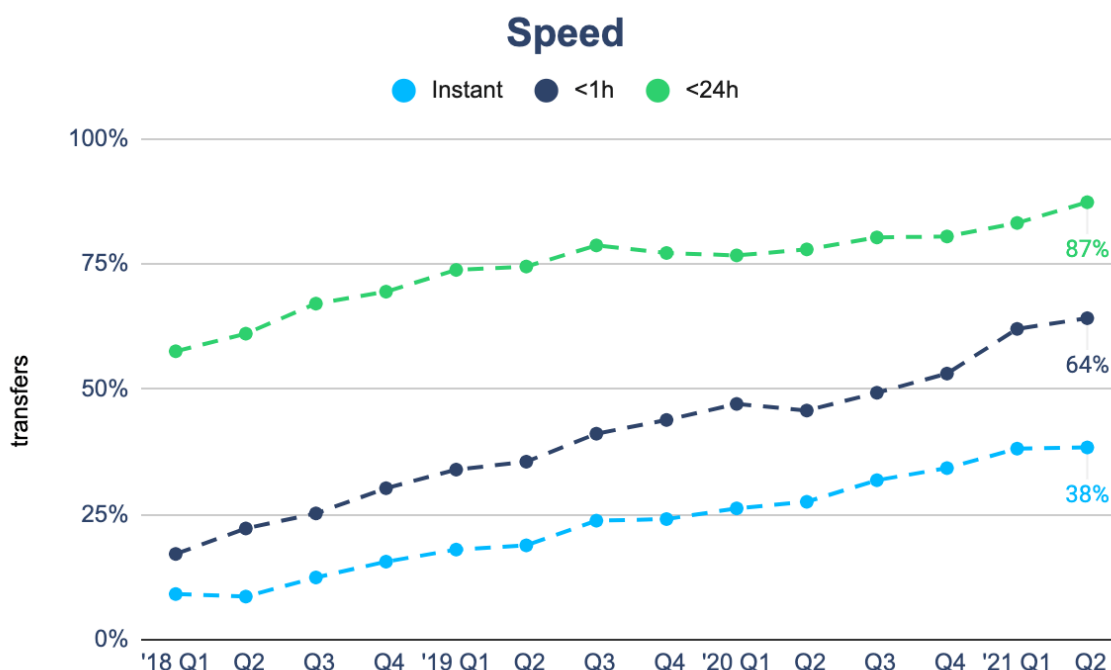
We believe customers should get what they pay for and so we aim not to cross-subsidise between customers, products or routes. We calculate exactly the costs involved in offering our various products and services, and we charge the customer that amount plus a small margin. When our costs go down, we aim to lower our prices. In FY2021, we lowered prices for certain currency routes used by 76% of our customers, with a decrease of 15% on average, and in a few cases up to 30%.

Eventually free means we're always working to decrease prices and over time, there are three ways we'll seek to lower prices further:

- *Scale*: As Wise gets bigger, we're able to increase the amount of money flowing through Wise while controlling costs and keeping them stable. When volume increases faster than costs, every transfer costs slightly less to process.
- *Reducing costs*: We cut out intermediaries by continuing to integrate directly with central payment systems, thereby lowering costs to process payments. We pass those savings back to customers.
- *Improving product and support*: We aim to automate how customers' money moves, which increases the quality of the product and reduces the amount it costs to run operations and support.

(g) Faster Speed

We move money at speeds previously thought impossible. As illustrated in the graphic below, we have continuously increased the speed of our transfers, and in 2021, 38% of our transfers were instantaneous, 64% were delivered in under one hour and 87% in under 24 hours.



This compares to an average of two to five business days it takes a traditional bank to complete an international transfer. We also believe that providing our customers with visibility to track their payments is critical, achieving more than 90% accuracy on our delivery estimates in 2021. We will continue to improve the speed of our transfers through further integrations and product innovation.

(h) Convenience

Our rapid growth has been, and continues to be, driven by a virtuous cycle of positive user experiences achieved by prioritising our mission and building the most convenient way of moving money internationally. We're committed to making Wise available to anyone, anywhere, any time, on any device. Our infrastructure enables our customers to send, receive, hold, convert and spend money in a growing number of currencies, all in one place with only a few taps or clicks. Our customer experience is constantly improving thanks to our ongoing investment in product and technology and our focus on NPS and customer satisfaction. 76% of customers are net promoters and approximately 67% of customer sign ups come from "word-of-mouth" marketing, joining Wise on the recommendation of their friends and family. Wise is rated 4.6/5 on Trustpilot with over 100,000 reviews and has a 4.8/5 rating on the Apple Store.

(i) Transparency

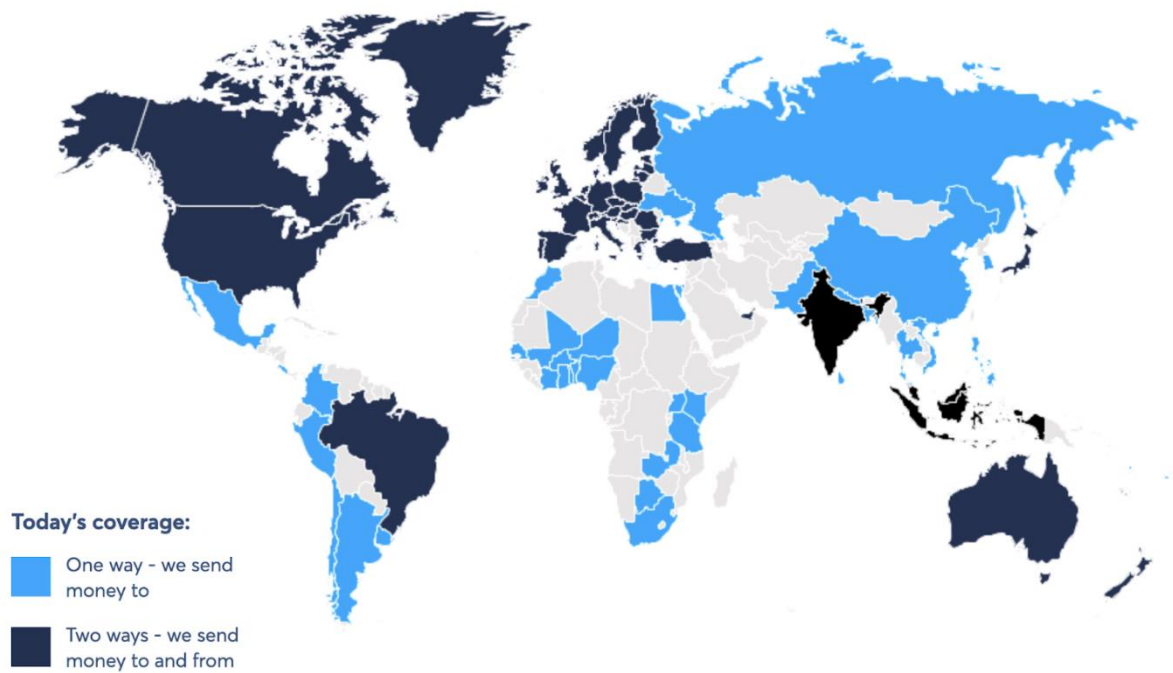
Customers rank transparency as one of the most important factors for international transfers, however, according to EDC, only 4% of bank customers know that the full cost for sending money abroad is composed of both an upfront fee and an exchange rate mark-up. We are also fighting for transparency around the world, both by working with regulators and by empowering customers through educational content and raising awareness. We believe it is critical that we drive change not just at Wise but on a global scale.

4.3.3. Our Products and Services

Our global payments infrastructure and core proposition power our four core products: Wise Transfer, Wise Account, Wise Business and Wise Platform.

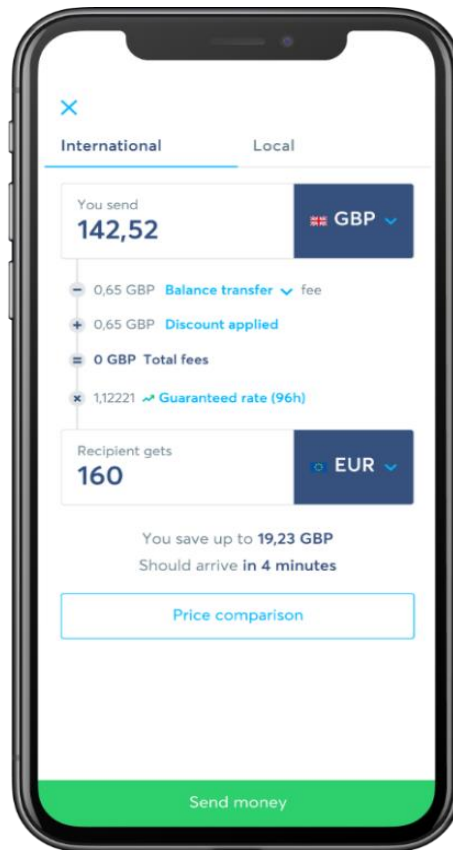
(a) Wise Transfer

Wise Transfer is a cheap, fast and convenient way to send money abroad. With Wise Transfer, our customers can send money to more than 80 countries, covering over 85% of the world's bank accounts as of June 2021.



Our infrastructure enables us to process Wise Transfers by utilising local pools of liquidity to help eliminate payment processing inefficiencies. Our accounts hold currency around the world from the local payments we receive from customers and we utilise our in-house treasury function to purchase currency in the open market at very low costs where needed.

As much as possible, money does not cross borders. That makes our transfers much faster and cheaper than most traditional providers. There are no additional foreign exchange fees and customers know exactly how much they will be charged before initiating the transaction.



A Wise Transfer works in three steps, beginning with a customer paying in funds to Wise, with the funds then “converted” and paid out by Wise to the recipient.

(i) *Pay in*

To send money, a customer – be it a personal customer or a business – sets up a transfer on our site or app by creating a payment order, and specifying the amount and the source and target currency. They then fund this transfer by making a domestic pay-in into our local Wise bank account. Customers can pay by a variety of methods, including bank transfers, card payment or through open banking, based on the payment currency.

(ii) *Conversion*

During the conversion step, we carry out the necessary verification (KYC), fraud, AML and enhanced due diligence checks which depend on the risk profile of the transaction. Once complete, and after the payment is received, we convert the money that was paid in. On most transfers, we guarantee our customers the mid-market rate, which is the midpoint between the price the market is willing to pay for a currency and the price at which the market is willing to sell a currency. We primarily source this rate from Refinitiv. When a customer initiates a Wise Transfer, in most cases, this rate is guaranteed for a limited period to allow the customer to fund their transfer.

(iii) *Pay-out*

Following conversion, we pay out from our local account to the recipient’s local account. The timing of the pay-out depends on the type of currency, availability of liquidity of the target

currency, the local currency cut-off time, local working hours, payment method, amount, any required verification and any requests for information, or requests for information from our banking partners about customers or recipients. Wise can facilitate multiple pay-out methods, including bank transfers and pay-outs to cards.

(b) Wise Account

We are breaking barriers to build the world's most international account. The Wise Account defines a new category to meet today's multi-currency needs for people.

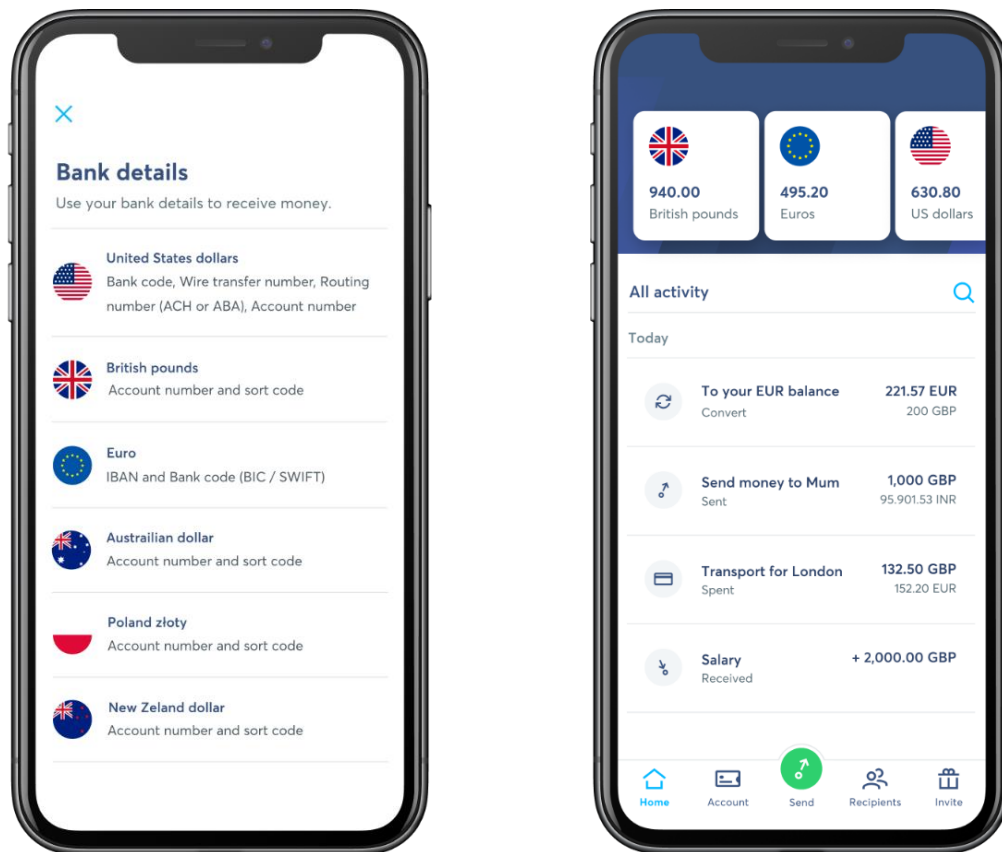
The account was designed for people living international lives, whether expats or travellers. It allows people to manage money around the world like a local bank account holder, cutting out traditional foreign transaction fees. It is free to sign up and there are no subscription fees.

(i) Add, Receive and Hold Money

With a Wise Account, people can add money in 19 currencies to their balance, which can be funded either through Wise or from a customer's bank account by creating a payment order, subject to certain exceptions.

Customers are able to receive money, with local account numbers in ten currencies: the pound, euro, US dollar, Australian dollar, New Zealand dollar, Canadian dollar, Hungarian Forint, Romanian Leu, Singapore dollar and Turkish lira, with more currency capabilities on the way. These account numbers allow people to get paid like a local in 30 countries.

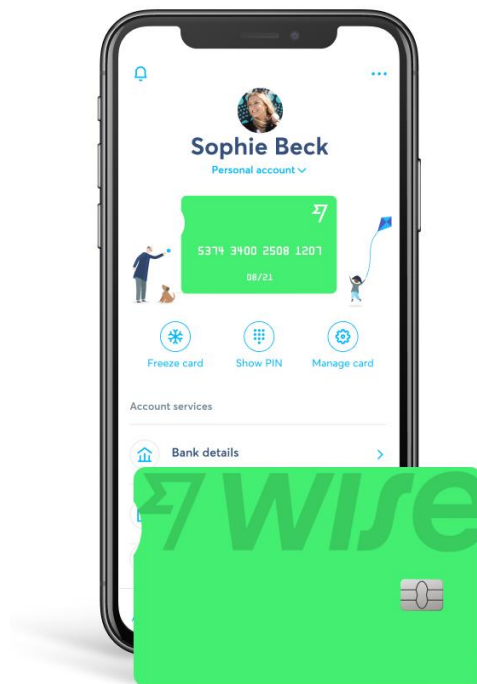
Further, customers can hold 56 different currencies in their account and convert money between any of these currencies at the mid-market rate. Money can be held as an everyday balance or separately in savings Jars. Money held in Jars provides customers with the ability to set aside money in any currency to use in the future.



(ii) *Wise Debit Card*

We partner with Mastercard and Visa to provide the Wise debit card. The debit card lets people spend money around the world at the mid-market rate, with low conversion fees and zero transaction fees. It's currently available for Wise customers in the UK, US, Australia, New Zealand, Singapore, Switzerland, Japan and EEA, with a small upfront charge for obtaining a physical debit card. So far, we have issued over 1.6 million Wise debit cards. The debit card can be used in more than 176 countries and it can be tapped or swiped anywhere it is accepted, supporting payments through Apple Pay, Google Pay, Fitbit Pay and Garmin Pay.

With the Wise debit card, if a customer holds a particular currency in their Wise Account, there is no transaction fee associated with spending money in that currency. If a customer spends using a currency that is not in their account, we charge a conversion fee (typically between 0.24% to 3.69%), which is the same fee that is applied to a Wise Transfer, and use the mid-market rate for the exchange. If a customer holds multiple currencies and spends money with the card, the system automatically spends in the currency with the best conversion rate at the time, saving the customer money. For ATM withdrawals, if a customer has the currency they are withdrawing on their Wise balance, we provide two free monthly withdrawals up to a certain amount, depending on where the debit card was issued.



(iii) *Invest money*

In February 2020, the FCA granted us a licence to carry out regulated investment activities in the UK. Under the licence granted by the FCA, we will be able to offer our UK customers the option to invest from multiple currency balances into simple, affordable funds from reputable providers, allowing them to earn a return on their balances. Money held as investments of a value up to £85,000 within the Wise Account is protected under the UK Financial Services Compensation Scheme.

(c) **Wise Business**

Wise Business provides all the benefits of Wise, tailored to freelancers, entrepreneurs and SMBs. As with Wise for personal customers, the Wise Business account provides business customers with international banking features, allowing businesses to manage money “locally” for a small fee.

Wise Business has scaled fast, replicating our success with personal customers, with over 300,000 active business customers in FY2021.

In addition to Wise Account features, Wise Business provides business-specific functionalities, all powered by our infrastructure. This includes invoicing, payment automation and accounting integration, multi-user accounts, enhanced spend money benefits through the Wise Business debit card, batch payments, recurring (scheduled) payments and API-based payment workflow automation.

The graphic below provides a comparison of the available features in the Wise Account and Wise Business.

	wirebusiness	wire
Money transfer	✓	✓
50+ currency balances	✓	✓
Debit card	✓	✓
Local account details	✓	✓
Direct debits	✓	✓
Business Onboarding	✓	
Business verification	✓	
Batch payments	✓	
Multi-user access with roles & permissioning	✓	
Accounting Syncs & reporting	✓	

(i) *Invoicing, Payment Automation and Accounting Integration*

Wise Business enables customers to pay suppliers and invoices using Wise Transfer or with the business debit card. See “section 4.3.3(c)(ii)—About Wise – What We Did and What We’ve built – Our Products and Services – Wise Business - Wise Business Debit Card”. We also offer our business customers free, professional invoice templates for invoicing and provide tools to automate invoice payments, make recurring transfers and set up standing orders. Our accounting integrations allow businesses to connect their accounts with Xero, QuickBooks and FreeAgent. This allows a business customer to automatically sync their business activities in Wise Business, including expenses and accounts to their accounting platforms. Business customers can control which currency accounts they sync, keep track of international transactions in multiple currencies and enable or disable sync of any Xero, QuickBooks or FreeAgent bank accounts. The integration enables daily syncing, removing the need to manually export or upload balance. These accounting integrations are based on our API, and 8.79% of Wise Business users who have a balance now integrate one of these accounting solutions.

(ii) *Wise Business Debit Card*

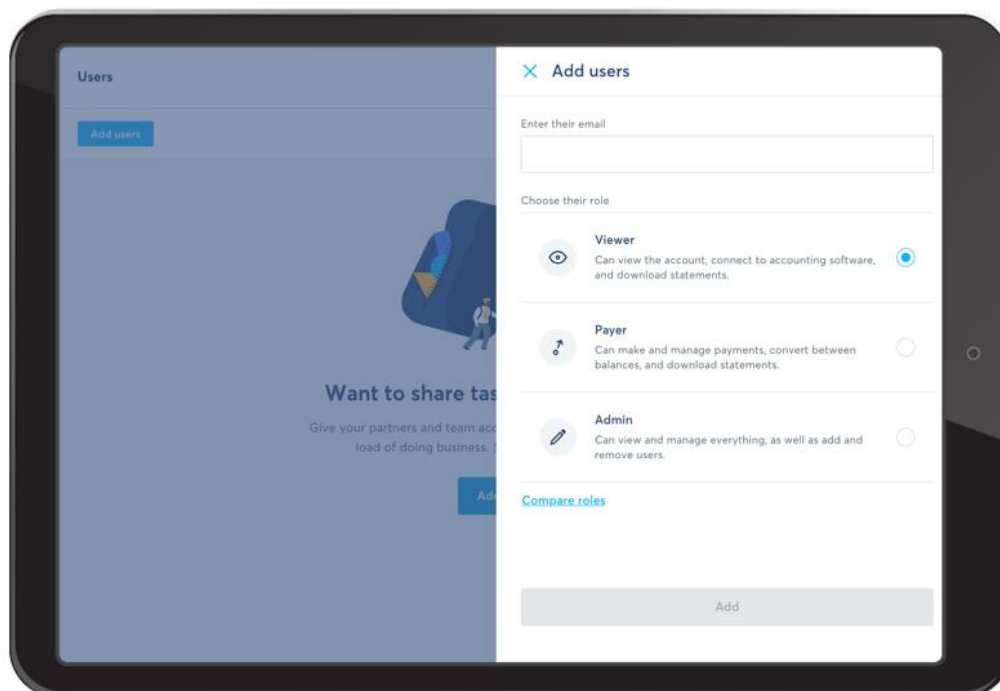
The Wise Business debit card operates in the same way as the personal debit card and enables multiple team members to spend directly from the business account - reducing the admin required for managing business expenses. The card can be used online, in shops and at ATMs, and team members can also add the card to their e-wallets for easy spending. In addition, ATM withdrawals in currencies held in a business account are free up to 200 GBP (or the currency equivalent) twice a month. After that, there is a 0.50 GBP fee (or the currency equivalent) per transaction. Over 200 GBP (or the currency equivalent) in one month, there is a 1.75% withdrawal fee.

(iii) *Batch Payments*

Batch payments is Wise's mass payments solution that allows business customers to make up to 1,000 payments with a single .CSV file rather than setting up one transfer at a time. It obviates the need to manually pay out to all vendors or employees. This is an attractive solution for businesses that need to make a large number of pay-outs to their customers, freelancers, employees, investors or suppliers around the world. There is no surcharge to use the batch payments tool, businesses get the same mid-market rate and low fee, and it works everywhere Wise does. Batch payments have already been adopted by Bolt, Hubstaff, Time Doctor and Wolt, among others.

(iv) *Multi-User Accounts and Real Time Notifications*

The multiple user function enables businesses to assign roles within their organisation and to manage all aspects of the account, including making payments on behalf of a business. "Admins" can make payments, add other users and manage the account, as if they were the owner. Finance managers, accounts payable pros, or purchase ledger clerks can be designated as "payers", and users can be designated as "viewers" to view the account, and download statements. Business customers also have access to real-time notifications.

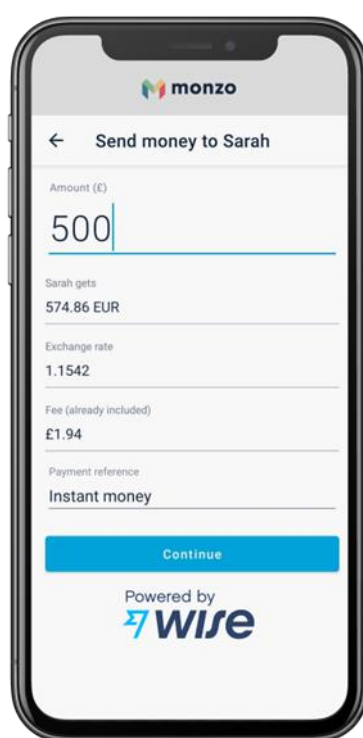


(d) **Wise Platform**

Wise Platform allows banks, including credit unions and financial institutions, and our enterprise partners to integrate Wise's payments network into their own mobile applications or online banking in order to provide their customers with faster, cheaper and more convenient international transfers, payments or disbursements. Wise Platform also allows distribution partners, such as core banking software and technology services providers, to enhance their own product offerings by pre-integrating Wise or facilitating easier integrations for banks. With Wise Platform, banks and our enterprise partners cut their operational costs and obtain access

to our technical support and compliance infrastructure. The integrations are free for Wise Platform clients and are built using our open API.

To date, we have completed Wise Platform integrations with 17 banks in 11 countries across four continents, partnering with both leading neobanks such as Monzo and N26, as well as traditional banks such as Shinhan Bank. We've also completed integrations with seven enterprise partners, including with Xero, Emburse and Google Pay, and work with 11 distribution partners, including Temenos and Thought Machine.



4.3.4. Our Growth Strategy

We have built an entirely new cross-border payment network that we believe will one day power money without borders for everyone, everywhere. We aim to achieve this by continuing to deliver on our mission and in turn profitably and sustainably grow our cross-border volumes. As we grow our volumes, our scale will deliver a lower unit cost. We will invest this in our growth by:

- investing in our products and infrastructure to improve our proposition and product set, in turn attracting more customers;
- investing in marketing to acquire more customers; and
- investing in lowering prices for our customers, further driving growth and reinforcing our position as a low cost, fairly priced provider to our customers.

As these investments drive growth, they in turn drive lower unit cost and deliver a sustainable growth model to support our mission. The product and infrastructure investments will support the following strategy:

(a) Continue to Build an Infrastructure that Can Move Money for Anyone, Anywhere

We have gained strong momentum in building our global payments infrastructure and have no plans to slow down. The rate at which we are directly integrating into underlying payments systems, expanding our regulatory coverage, optimising our operations and collaborating with local financial institutions and payment processing networks is accelerating, and with it, the rate at which we are launching new products and services in a growing number of countries. This momentum will sustain and set us apart as we continue to expand globally and increase our market share in both personal and business segments. We believe that by powering instant, convenient, transparent and cost-efficient cross-border payments, we will continue to provide a superior international account experience and by doing so help more people and businesses, in more countries across the world, operate financially without borders.

(b) Continue to Deliver on our Mission to Personal Customers

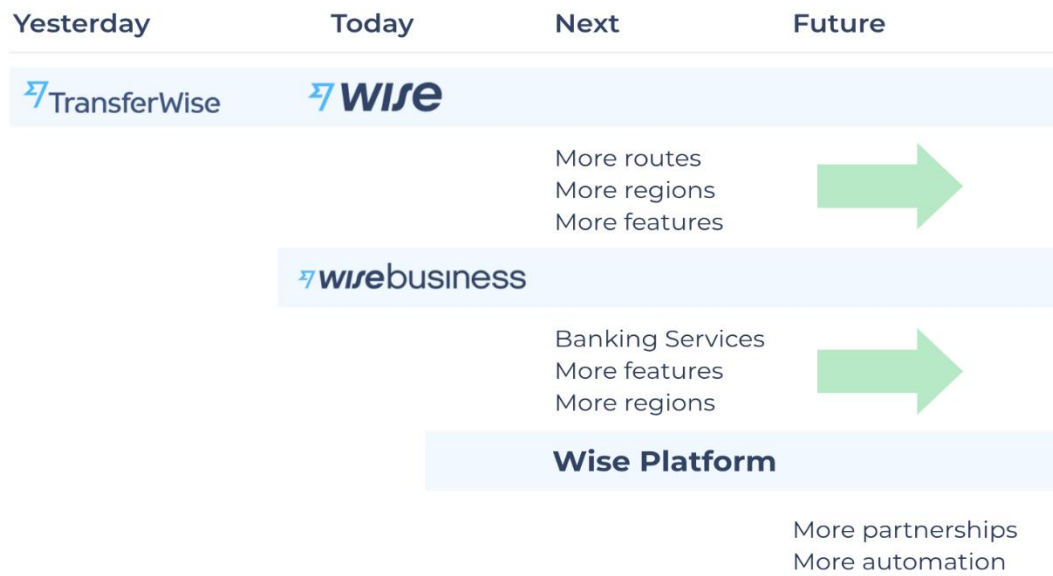
We will aim to grow the number of routes and regions we serve, allowing us to reach new customers. Following our rebrand, we will also continue to develop new features, driven by our customers' needs and feedback, to expand our offering and cement our position as the world's most international account. This will allow us to attract new customers in our existing markets and to continue to drive the engagement of our existing customer base. We see significant opportunities across multiple geographies and customer segments that we believe we are well-positioned to capture. We will continue to move money for people, wherever they are, whatever they are doing.

(c) Continue to Deliver our Mission to Business Customers

We're scaling Wise Business rapidly, and we intend to continue to leverage all of the features of Wise for personal use, while also further strengthening our offering to meet the unique demands and use cases of business users with additional business functionality and features. We've prioritised numerous requests for additional business features, adding to existing features such as accounting integration and multi-user accounts. We expect that such additional features, combined with our strategic focus on attracting business customers, will drive even greater engagement and frequency with our business customers, fuelling our growth and the recurring nature of our business.

(d) Continue to Deliver our Mission to Wise Platform Partners

We intend to further strengthen our existing relationships with our bank and enterprise partners. We also plan to build new strategic partnerships with other banks, enterprise and distribution partners in the different markets in which we operate, giving more people and businesses access to our low-cost global payments network.



5. OUR TEAM

5.1. Our People and Mission-Driven Culture

Wise is a group of more than 2,700 people, which we call Wisers, from more than 90 nationalities, who care deeply about our mission and share a set of common values:

- *This isn't just a job, we're a revolution:* We're making a positive, important change in the world. We're not just picking up a paycheck.
- *We get it done:* We break through walls to make amazing things happen. We take ownership of what we do. We take care of ourselves and each other.
- *Customers > team > ego:* We're working to create a better world for our customers – that's the whole point. The customer voice should always be the loudest. We listen to and serve them as a team.
- *No drama. Good karma:* We start by assuming everyone has good intentions. We respect each others' worldviews and challenge arguments, not individuals. We're open and honest – no hidden agendas here.

We are set up in autonomous teams that devolve decision making to those Wisers closest to the problems they are solving, such as AML, payment operations and government relations. Teams work across our 18 global offices.

Our culture is one of our most attractive features, and we strive to ensure that the people we recruit adhere to our values of putting the customer first and getting things done. In FY2021, we hired over 650 roles to help us make a positive, important change to moving money internationally, growing our average global headcount to 2,243 in FY2021, from 1,881 in FY2020 and 1,334 in FY2019. We maintained a rating of 4.4 on Glassdoor as at 31 March 2021. Going forward, we will continue to invest in our existing resources and in growing our team.

5.2. Our Directors

Wisers are supported by a highly experienced and entrepreneurial founder-led management team that is fully committed to delivering on our mission. The following sets out details about our Directors and Senior Managers.

Name	Age	Position
Kristo Käärmann	41	Chief Executive Officer
Matthew Briers.....	44	Chief Financial Officer
David Wells.....	50	Senior Independent Non-Executive Director
Clare Gilmartin	46	Independent Non-Executive Director
Taavet Hinrikus.....	40	Executive Chairman
Alastair Rampell	40	Non-Executive Director
Hooi Ling Tan.....	37	Independent Non-Executive Director
Ingo Uytdehaage	48	Independent Non-Executive Director

Kristo Käärmann (*Chief Executive Officer*)

Kristo is the Chief Executive Officer of the Company, which he co-founded in 2010. Prior to that, he was a consultant at Deloitte and PwC. He holds a bachelor's and master's degree from the University of Tartu.

Matthew Briers (*Chief Financial Officer*)

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

David Wells (*Senior Independent Non-Executive Director*)

David joined the Board as Non-Executive Director in 2019. Prior to this, he served as Netflix's CFO for eight years, retiring in early 2019 after nearly 15 years with the company and having served as VP of Financial Planning and Analysis prior to CFO. Prior to joining Netflix, David served in various roles at Deloitte Consulting from 1998 to 2004 and in the non-profit sector before getting his MBA. He holds a joint MBA/MPP Magna Cum Laude from The University of Chicago and a bachelor's degree in Commerce from the University of Virginia.

Clare Gilmartin (*Independent Non-Executive Director*)

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

Taavet Hinrikus (*Executive Chairman*)

Taavet is the Executive Chairman of the Company, which he co-founded in 2010. Prior to starting Wise, Taavet was Skype's director of strategy until 2008, starting as its first employee. He's also an active investor in Europe with 100+ technology investments companies including Bolt, Zego, Veriff, Gideon Brothers, Meatable, Farewill and many others. More recently he co-founded Jõhvi Coding School to provide greater access to coding skills and Certific to accelerate distributed medical testing. He holds an MBA from INSEAD and dropped out from computer science studies at Tallinn University of Technology.

Alastair (Alex) Rampell (*Non-Executive Director*)

Alex joined the Board as Non-Executive Director in 2018. Alex is a General Partner at Andreessen Horowitz where he focuses on financial services. He serves on the board of Branch, Brightside,

Descript, Divvy, Earnin, FlyHomes, Loft, Mercury, PeerStreet, Point, Propel, SentiLink, Super Evil Megacorp, Wise, and Very Good Security. Alex additionally led Andreessen Horowitz's investments in Opendoor (\$OPEN), Plaid, Quantopian (acquired by Robinhood), and Rival (acquired by LiveNation). Prior to joining Andreessen Horowitz, Alex co-founded multiple companies including Affirm (\$AFRM), which he co-founded with Max Levchin, FraudEliminator (acquired by McAfee in 2006), Point, TrialPay (acquired by Visa in 2015), TXN (acquired by Envestnet in 2019) and Yub (acquired by Coupons.com in 2013). He holds a BA in Applied Mathematics and Computer Science from Harvard University.

Hooi Ling Tan (*Independent Non-Executive Director*)

Hooi Ling joined the Board as an Independent Non-Executive Director in 2021. Hooi Ling Tan is the Co-Founder of Grab, Southeast Asia's leading super app that offers users a wide range of on-demand services in the region, including mobility, food, package and grocery delivery services, mobile payments and financial services. Based in Singapore, she oversees critical pillars of Grab's operations, including corporate strategy, technology (product, design, engineering and data), customer experience and people operations. Prior to joining Grab full-time in 2015, Hooi Ling led high priority strategic and operational projects at Salesforce, working at the company's San Francisco headquarters. There, she specialised in Corporate Strategy, Corporate Operations, Pricing Intelligence and Monetisation. Before joining Salesforce, Hooi Ling was a consultant at McKinsey & Company, advising global corporations in Southeast Asia, North America, Latin America and Australia on corporate strategy and operations. Hooi Ling is a member of the National University of Singapore (NUS) Board of Trustees, and sits on the board of the Economic Development Board (EDB). Hooi Ling has a Bachelor of Engineering (Mechanical) from the University of Bath, and a Master of Business Administration from Harvard Business School.

Ingo Uytdehaage (*Independent Non-Executive Director*)

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

5.3. Our Senior Managers

Name	Age	Position
Kristo Käärmann ⁽¹⁾	41	Chief Executive Officer
Matthew Briers ⁽¹⁾	44	Chief Financial Officer

Note:

(1) See "section 5.2 — Our Directors" above for Kristo's and Matthew's biographies.

5.4. Corporate Governance

The Directors are committed to the highest standards of corporate governance and believe that we have a strong corporate governance track record, as demonstrated by the support of the sophisticated investors that have invested in our Group to date, and our establishment of audit and risk, remuneration and nomination committees whilst a private company.

As a company with a standard listing, we will not be required to comply, or otherwise explain non-compliance, with the requirements of the Governance Code following Direct Listing. However, the Board places great emphasis on the importance of strong corporate governance and has decided, from Direct Listing, voluntarily to comply with certain aspects of the Governance Code that the Board considers appropriate in light of the nature of our business and our strategy going forward. In addition, the Board expects that over the short to medium term the Company will be fully compliant with the Governance Code in all respects.

As envisaged by the Governance Code, the Board has established an audit and risk committee, a nomination committee and a remuneration committee and has also established a separate market disclosure committee. If the need should arise, the Board may set up additional committees as appropriate.

The Governance Code recommends that at least half the board of directors, excluding the chair, should comprise non-executive directors determined by the board to be independent in character and judgement and free from relationships or circumstances which may affect, or could appear to affect, the director's judgement. The Governance Code also recommends that the board of directors should appoint one of the non-executive directors to be the senior independent director to provide a sounding board for the chair and to serve as an intermediary for the other directors when necessary. While the Company will not comply with these aspects of the Governance Code at Direct Listing, it is anticipated that the existing Chair, Taavet Hinrikus, will assist with the transition of the Company to a public context for up to one year following Direct Listing, after which he will step down and the Senior Independent Director, currently David Wells, will be appointed as Chair. In addition, the Board is aiming to recruit an additional independent director within six months of Direct Listing to ensure the composition of the Board is fully compliant with the Governance Code.

The Governance Code further recommends that directors should be subject to annual re-election. The Company intends to comply with this recommendation and such annual re-election is required.

5.4.1. Audit and Risk Committee

The audit and risk committee's role is to assist the Board with the discharge of its responsibilities in relation to financial reporting, including reviewing our financial statements and accounting policies, internal and external audits and controls, reviewing and monitoring the scope of the annual audit and the extent of the non-audit work undertaken by external auditors, advising on the appointment of external auditors and reviewing the effectiveness of our whistleblowing and fraud systems in place. The audit and risk committee will meet as often as it deems necessary and, in any case, at least three times a year.

The audit and risk committee is chaired by Ingo Uytdehaage and its other members are David Wells, Clare Gilmartin and Hooi Ling Tan. The Governance Code recommends that all members of the audit and risk committee be non-executive directors, independent in character and

judgment and free from any relationship or circumstance which may, could or would be likely to, or appear to, affect their judgment and that one such member has recent and relevant financial experience. The Board considers that the Company complies with the requirements of the Governance Code in this respect. The Governance Code also recommends that the Chair of the Board should not sit on the audit and risk committee. It is anticipated that, once appointed as Chair of the Board, David Wells will step down from the committee to ensure that the Group will comply with the requirements of the Governance Code in this respect.

5.4.2. Nomination Committee

The nomination committee assists the Board in reviewing the structure, size and composition of the Board. It is also responsible for reviewing succession plans for the Company's Directors, including the Chair, the Chief Executive Officer, and other senior executives. The nomination committee will meet as often as it deems necessary and in any case at least once a year.

The nomination committee is chaired by David Wells and its other members are the Executive Founder and Hooi Ling Tan. The Governance Code recommends that a majority of the nomination committee be non-executive directors, independent in character and judgment and free from any relationship or circumstance which may, could or would be likely to, or appear to, affect their judgment. The Board considers that the Company complies with the requirements of the Governance Code in this respect. In respect of decisions taken by the nomination committee regarding the independence of potential nominees, the Executive Founder will recuse himself from such decision-making processes.

5.4.3. Remuneration Committee

The remuneration committee determines the Group's policy on executive remuneration, determines the levels of remuneration for Executive Directors, the Chair, the Company Secretary and members of the Company's senior management, and prepares an annual remuneration report for approval by the Shareholders at the AGM. The Remuneration Committee will meet as often as it deems necessary and, in any case, at least twice a year.

The remuneration committee is chaired by David Wells and its other members are Ingo Uytdehaage and Clare Gilmartin. The Governance Code recommends that all members of the remuneration committee be non-executive directors, independent in character and judgment and free from any relationship or circumstance which may, could or would be likely to, or appear to, affect their judgment. The Board considers that the Company complies with the requirements of the Governance Code in this respect. The Governance Code also recommends that the Chair of the Board should not sit on the remuneration committee. It is anticipated that once appointed Chair of the Board, David Wells, who currently chairs the remuneration committee, will step down from the committee in due course, with an alternative independent non-executive Director appointed to the committee instead, to ensure that, from that time, the Group will comply with the requirements of the Governance Code in this respect.

5.4.4. Market disclosure committee

The Board has established a market disclosure committee in order to ensure timely and accurate disclosure of all information that is required to be so disclosed to the market to meet the legal and regulatory obligations and requirements arising from the listing of our securities on the

London Stock Exchange, including the Listing Rules, the Disclosure Guidance and Transparency Rules and the UK Market Abuse Regulation.

The market disclosure committee will meet at such times as shall be necessary or appropriate, as determined by the Chair of the market disclosure committee or, in his or her absence, by any other member of the market disclosure committee. The market disclosure committee must have at least three members, at least one of which must be an Executive Director. The members of the market disclosure committee are the Chief Financial Officer (Chair), General Counsel/Company Secretary, global financial controller, head of financial planning and analysis, head of investor relations, head of public relations and vice president of product.

5.4.5. Share dealing code

We have adopted, with effect from Direct Listing, a code of securities dealings in relation to the Class A Shares which is based on the requirements of the UK Market Abuse Regulation. The code adopted will apply to our Directors and all employees of the Group.

5.4.6. Conflicts of interest

There are no potential conflicts of interest between any duties owed by our Directors or Senior Managers and their private interests or other duties.

6. OUR OPERATING AND FINANCIAL REVIEW

6.1. Overview

As the Company is set up as the ultimate holding company of the Group and the business of the Group is primarily carried on by Wise Payments Limited (the former holding company of the Group) and its subsidiaries, the operating and financial review of Wise Payments Limited is discussed in the following section of the Prospectus in order for the investors to make an informed assessment.

We are on a mission to solve moving money across borders.

We started off in 2011 with international transfers for people and have since expanded to build a global cross-border payments network, helping millions of personal and business customers worldwide replace traditional international banking. We have now spent 10 years building a replacement for the existing correspondent banking infrastructure. This infrastructure is enabling us to redefine what is possible for our customers on price, speed, convenience and transparency and our goal is to one day power money without borders for everyone, everywhere.

Our success to date has come about through a relentless focus on solving the problems facing our customers whilst building a sustainable and, since 2017, profitable business to support our mission. We have done this while also bringing transparency into an opaque industry, thereby finding a common ground and creating value for both our customers and our shareholders.

Today, we are solving a massive problem, at scale, growing fast and profitably. All financial information contained in this section has been extracted without material adjustment from the Group's accounting records and audited financial information.

In FY2021, we moved £54.4 billion across borders, for 6.0 million active customers, representing a volume CAGR of 42% between FY2019 and FY2021. Our revenues increased by a CAGR of 54% over the same period, reaching £421.0 million in FY2021. We saw strong growth not just at a Group level but also across all geographies we operate in and with both personal and business customers. Our gross profit margin was stable at approximately 62% throughout this period. In FY2021, Adjusted EBITDA margin reached 25.8% and Cash Conversion was 95.6%.

Our growth has been fuelled by building products and features that customers love. We re-invest our margins into creating a better customer experience by improving our products, investing into marketing to help spread the word, and sustainably lowering prices. We believe that the best infrastructure will win in the long-term.

This focus on our mission will not change as we continue to grow and scale, and neither will our approach to investment and focus on building a strong, sustainable and cash generating business that is best placed to address the evolving needs of our customers over the long term. All the figures in the tables below, to the extent they are within the scope of the consolidated financial statements of the Group, have been extracted without material adjustment from the Group's audited financial information, the 2020 Restated Comparative Information or the 2019 Restated Comparative Information (as applicable). For more information on the 2020 Restated Comparative Information and 2019 Restated Comparative Information see "*section 10.26.1 - Presentation of Information*".

6.2. Key Factors Affecting Our Results of Operations

As part of our transparent business model, we earn revenues from the upfront fees we charge our customers who use Wise to send, spend, receive and hold money globally. The vast majority of these fees are earned when customers send or convert foreign currency. In addition, we earn fees on domestic same currency transactions, for example when customers pay out to local currency bank accounts, or spend domestically on their Wise debit cards.

So our fees are largely charged on the volume that moves over our network, and this volume is a function of the number of active customers transacting on Wise, including both new and returning customers, and the average volume moved by each customer. Following this, our revenue is a function of our volumes and take rates, which are based on the fees we charge on cross-border payments and other fees.

This revenue covers our cost of sales which includes bank and partner fees, as well as foreign exchange and other product costs. Our gross profit is revenue less our cost of sales and net credit losses on financial assets, which pays for employee expenses, including investment in our product engineering teams and spend on outsourced services such as paid marketing. Adjusted EBITDA is what we are left with after we have covered all our administrative expenses. Our Free Cash Flow further takes into account capital expenditure, lease payments and changes in working capital.

The key factors affecting our results include our growing personal and business customer bases, their consistent and highly recurring volumes per customer, and the fees we charge, which together underpin our revenue growth. Furthermore, our focus on controlling costs including cost of sales, employee expenses and spend on outsourced services supports our profitability and our ability to generate cash and capital.

6.2.1. Key factors affecting our revenue and growth

(a) Our two high quality, high growth customer bases

Overall, our active customers grew at a CAGR of 35% from 3.3 million in FY2019 to 6.0 million in FY2021. Our active customers include both people and businesses. The growth of both our personal and business customer bases rests on building products that customers love and recommend, which is made possible by investments in our infrastructure and product engineering teams.

The following table sets out our active customers for the periods indicated.

	Year ended 31 March		
	2021	2020	2019
Active customers (<i>million</i>).....	6.0	4.7	3.3
Personal (<i>million</i>)	5.7	4.5	3.2
Business (<i>thousand</i>)	304.9	193.5	119.2

(i) *Our Proposition for Personal Customers*

Our personal active customers grew at a CAGR of 33% between FY2019 and FY2021, increasing from 3.2 million to 5.7 million over the same period.

This has been supported by continual improvements to our proposition, centred on pricing, transparency, speed, convenience and coverage. This includes the introduction of the Wise Account in 2017, which enables our customers to receive and hold foreign currency and to spend from their accounts using the Wise debit card. See “*section 4.3.3(b)(ii) - About Wise—Our Products and Services—Wise Account – Wise Debit card*”.

(ii) *Our Proposition for Business Customers*

We are solving the same problems for business customers, leveraging the infrastructure and products that we built for people. We began to focus on businesses in 2016, and with the launch of the Wise Business in 2017 we developed a tailored international account solution for freelancers, entrepreneurs and SMBs. See “*section 4.3.3(c)—About Wise—Our Products and Services—Wise Business*”. Businesses are especially engaged on their Wise accounts, with approximately half of our active business customers in FY2021 using their Wise Business account.

Our active business customers grew at a CAGR of 60% between FY2019 and FY2021 from approximately 119,000 to approximately 305,000. We believe that offering an international account and features to our business customers, which can be integrated into their daily operations, will continue to drive growth.

In FY2021, Wise account holders (including Wise Account and Wise Business) were approximately 50% more active and converted twice as much volume as our Wise Transfer customers. Customers held a total of £3.7 billion in deposits in their Wise accounts as at 31 March 2021, up from under £1 billion as at 31 March 2019.

(b) Our Geographic Coverage

International expansion has been a key focus for us as we aim to serve customers globally. In the period under review, we continued to add new currency routes and to roll-out our product suite to personal customers, businesses, banks and enterprise partners around the world.

(i) *Our Viral Model and Customer Acquisition Activities*

The rapid growth in our active customers has been driven by high levels of engagement and virality among customers, who have joined and helped spread the word about Wise, supplemented by our paid marketing efforts. This virality is underpinned by the strength of our customer proposition, which is constantly improving thanks to our ongoing investment in product and technology.

In FY2021, we had a net promoter score of 76, and 67% of new customers joined Wise based on the recommendation of their friends and family. Our paid marketing efforts focus on social media, search engines and audio and visual channels to run advertisements and share news and product updates about Wise. Another important component of our marketing approach is our public campaigning and communications, with 47,000 of our customers signing our petition to make fees transparent in the UK and 13,000 customers helping campaign governments to change laws on behalf of everyone. Transparency on our progress through regular mission updates further engages customers to support our mission.

(c) Our Proposition for Banks and Enterprise Partners

We want to take the benefits of Wise to as many customers as we can. In some cases, this means embedding our proposition directly in the apps that people and businesses already use today. We do this through our Wise Platform, which is our proposition for banks and enterprise partners. See “*section 4.3.3(d)—About Wise—What We Did and What We’ve Built—Our Products and Services—Wise Platform*”. To ensure sustainability in the long-term, we aim to price Wise Platform to have broadly similar economics as compared to customers who use us directly. This means we are impartial as to whether we grow from customers coming directly to us through our applications or website or through the Wise Platform. As at 31 March 2021, the annualised volume run-rate of Wise Platform was over £1 billion. The customer activity from the Wise Platform is reported in either the personal or the business segments depending on the underlying customer profile.

Banks are waking up to the challenge of offering their customers the international payment service they deserve. This is good news. Whilst some are trying to develop these services themselves, and some are even dropping their prices, many will still require the help of a partner like Wise. The more forward thinking of these banks are the ones we are helping first. Our distribution partners, which include core banking software and technology service providers, promote the use of Wise Platform by pre-integrating Wise into their offerings or facilitating easier integrations for banks. Our ability to continue partnering with banks, enterprise and distribution partners will depend on a number of factors, including the desire of potential partners to integrate with third-party platforms for cross-border solutions, rather than develop these capabilities in-house.

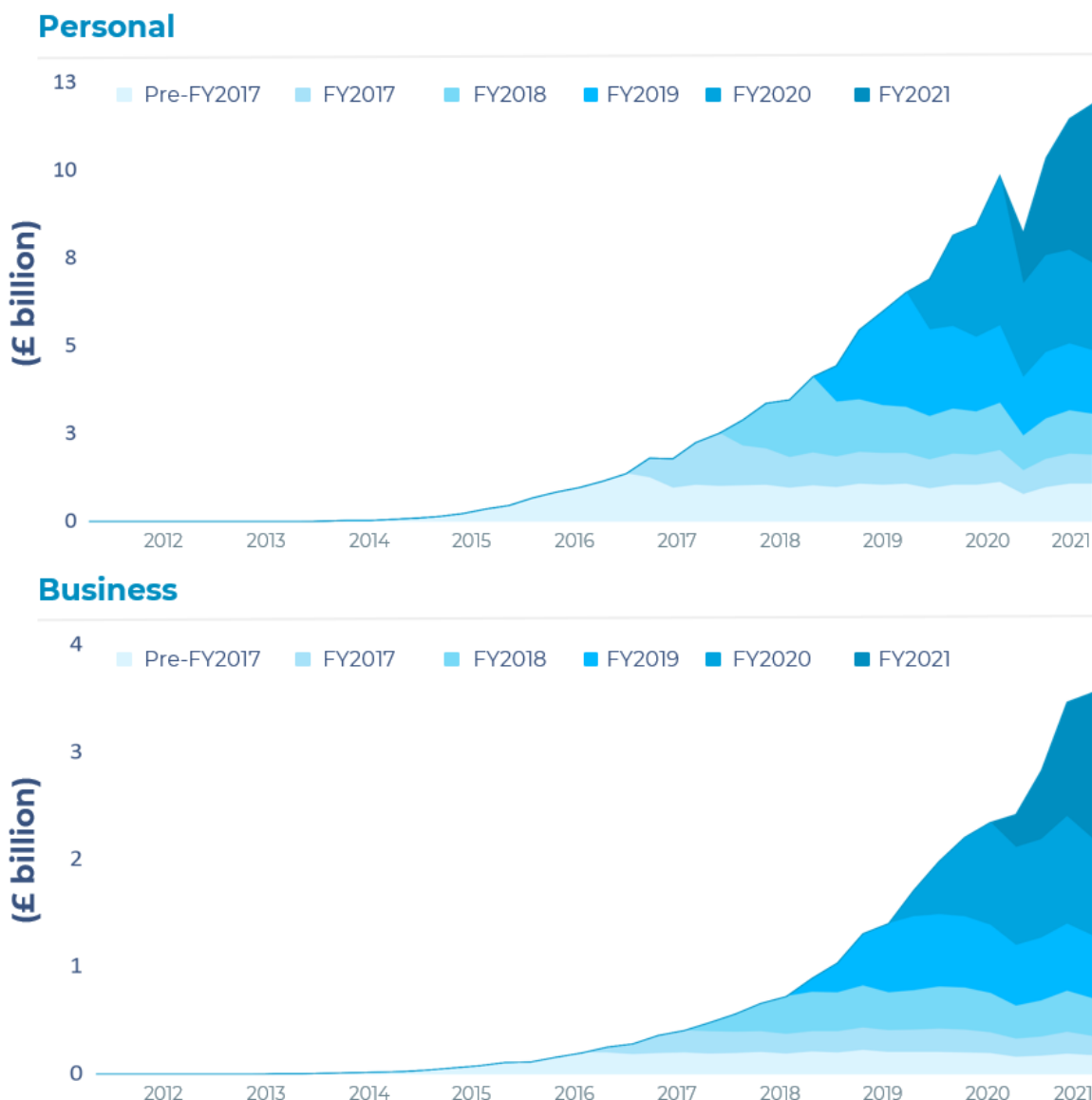
(d) The stable usage and consistent repeat behaviour of our customer cohorts

The average volume transacted by personal and business customers has remained relatively stable over the period under review, reflecting the consistent and recurring usage behaviour of our customer cohorts.

Customers typically join Wise for our low and transparent prices. Once they join, they continue using us as our price, speed, convenience and coverage provides them with a product which is an order of magnitude better than alternatives. As a result, we have consistent cohorts across both personal and business customers, which generate stable and highly recurring volumes.

The following graphs present the quarterly volume for personal and business customers by financial year cohort. These graphs demonstrate that in addition to the highly recurring volume from each personal and business cohort, our cohorts have got progressively larger each year.

Quarterly volume by cohort



The overall average volume per customer grew from 8,200 in FY2019 to 9,100 in FY2021, driven mainly by an increase in the proportion of business customers who send larger volumes on average. In FY2021, the average annual volume per active business customer was £40,400 compared to £7,400 for personal customers. During the same period, the average revenue per active customer was £261 per business customer and £60 per personal customer.

The following table sets out the average volume per customer for the periods indicated.

	Year ended 31 March		
	2021	2020	2019
	(£ thousands)		
Volume per customer.....	9.1	8.9	8.2
Personal			
.....	7.4	7.4	7.1

	Year ended 31 March		
	2021	2020	2019
	<i>(£ thousands)</i>		
Business	40.4	42.7	39.1

(e) The predictability and growth of our volume

In FY2021, we processed a volume of £54.4 billion representing a CAGR of 42% between FY2019 and FY2021. Our personal customers generated £42.1 billion in volumes in FY2021, growing at a CAGR of 37% between FY2019 and FY2021. Wise Business generated £12.3 billion in volumes in FY2021, growing at a CAGR of 62% between FY2019 and FY2021.

This volume growth across both personal and business customers corresponds to the increase in active customers as the average volume per customer has remained broadly stable over the period. As a result of the faster pace of growth in our business customers, the volume from business customers as a proportion of total volume increased from 17% in FY2019 to 23% in FY2021.

The following table sets out our volume for the periods indicated.

	Year ended 31 March		
	2021	2020	2019
	<i>(£ billions)</i>		
Volume	54.4	41.7	27.1
Personal	42.1	33.4	22.4
Business	12.3	8.3	4.7

(f) The resilience of our business model

The COVID-19 pandemic has had and continues to have a significant impact on the global economy and markets in which we operate. Since the outbreak of the pandemic, our main priority has been offering a disruption-free service to our customers, whilst maintaining the wellbeing and productivity of our employees.

The onset of the COVID-19 pandemic caused significant market and exchange rate volatility. For example, the US dollar to euro exchange rate reached both a 12 month high and low in a single week. Customer activity is impacted by exchange rate volatility. On average, we see customers move money internationally when rates are favourable and hold back volumes when rates are unfavourable. While exchange rate volatility and the associated customer behaviour may have an impact in the short term, to date these fluctuations have not materially affected our volumes on an annual basis.

COVID-19 related exchange rate volatility drove strong volume growth in March 2020, which was followed by a decrease in volatility and volumes in April and May 2020. This volatility was in particular seen in the average volume per customer, rather than the level of active customers.

From May 2020, we experienced a more stable and steady increase in volumes versus the corresponding periods in FY2020. In the second half of FY2021, we averaged over £5 billion in monthly transaction volume. The following graphs show our active customers, volume per customer, and total volumes for each quarter of the period under review.

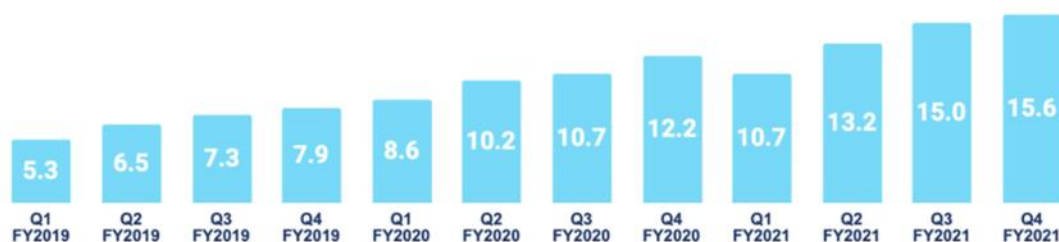
Active customers (million)



Quarterly volume per customer (£ thousand)



Volume (£ billion)



Overall, our performance remained resilient during extraordinary macroeconomic uncertainty, volatility and disruption due to the pandemic. This demonstrates the value of our products and services to our customers and the resilience of our business model.

(g) The fees we charge

We are committed to being transparent with the fees we charge, showing customers upfront the total fee for any transfer or service. For international transfers, we charge a single upfront fee per transaction, consisting of a fixed and variable amount. For example, a typical transfer of

£1,000 sterling into euros would have a fee of £3.69, consisting of a £0.20 fixed and 0.35% variable amount.

The amount of both the fixed and the variable portion of the fee depends on a number of factors, including the currency route, the transfer size, the type of transaction being undertaken and the payment method used.

We aim to price our products, services and features sustainably without cross-subsidising between customers, products or routes. Our fees are set by adding a sustainable margin to our underlying unit costs on a transaction level. We lower prices where and when we can sustainably reduce costs, for example, by directly integrating with local payment networks or by renegotiating lower unit costs. This is a major difference between Wise and many other businesses. As an example, when we integrated with Magyar Nemzeti Bank (the central bank of Hungary), customers sending to a Hungarian Forint bank account saw a 14% price drop on average as our costs of processing transfers to Hungary decreased. We have a team dedicated to understanding and reviewing the price of each of our more than 2,500 currency routes and other services. We have seen that, as volumes for a specific currency route grow, we are able to reduce our costs per transfer and therefore lower our average fees, while maintaining our margins. However, whilst we lower prices when our costs go down, sometimes our costs, and therefore our prices, can also increase.

A majority of our revenue is made up of fees on international transfers. Additionally, we also generate fees from other customer activities. This includes fees from same currency transactions, interchange fees from spend on our debit cards and other fees from product features related to the adoption of the Wise account.

Our total take rate is calculated as total fees across all customer activity as a proportion of volume, and was 0.77%, 0.73% and 0.66% for FY2021, FY2020 and FY2019, respectively. Our take rates have increased in line with the increase in the cross-currency take rate fees and the growth of other fees, driven in part by the introduction of the Wise Account.

The following table sets out our total take rate, cross-currency take rate and other fees as a proportion of volume for the periods indicated.

	Year ended 31 March		
	2021	2020	2019
		(%)	
Total take rate	0.77	0.73	0.66
Cross-currency take rate	0.70	0.68	0.64
Other fees.....	0.07	0.05	0.02

(i) *Cross-Currency Take Rate*

Our cross-currency take rate, calculated as the total fees on international transfers as a proportion of our volume was 0.70%, 0.68% and 0.64% for FY2021, FY2020 and FY2019, respectively.

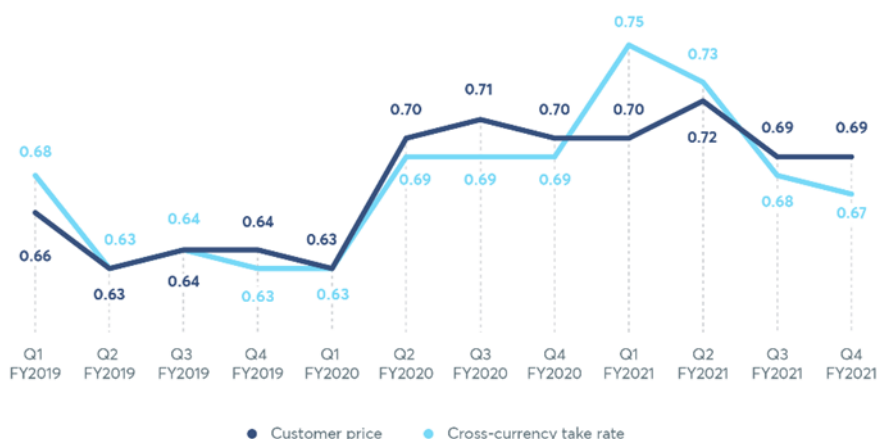
This increased in FY2020 following a price increase for our customers as our unit costs increased, primarily from accelerated investments in our underlying infrastructure such as cloud storage.

In FY2021, we lowered prices for currency routes used by 76% of our customers, with a price decrease of 15% on average, and in a few cases up to 30%. Furthermore, in FY2021, we introduced volume-based tiered pricing, allowing customers sending large monthly volumes to benefit from lower fees.

Despite this, our average cross-currency take rate increased in FY2021. Our fees depend on a number of factors including the currency pair, transfer size and payment method used. Certain currency routes are more expensive to operate due to higher local bank and partner fees, higher foreign exchange costs and tax costs. In FY2021, we experienced relatively higher customer activity on more expensive routes. This increased our average cross-currency take rate and offset the impact price drops had on our take rate.

The price we report to our customers in our quarterly mission updates is based on a fixed basket of representative currencies which reduces the effect from route mix and other factors, making it a more accurate representation of our progress in reducing the cost of international transfers. The following graph compares our cross-currency take rate against the price we report to our customers.

Cross-currency take rate (%)

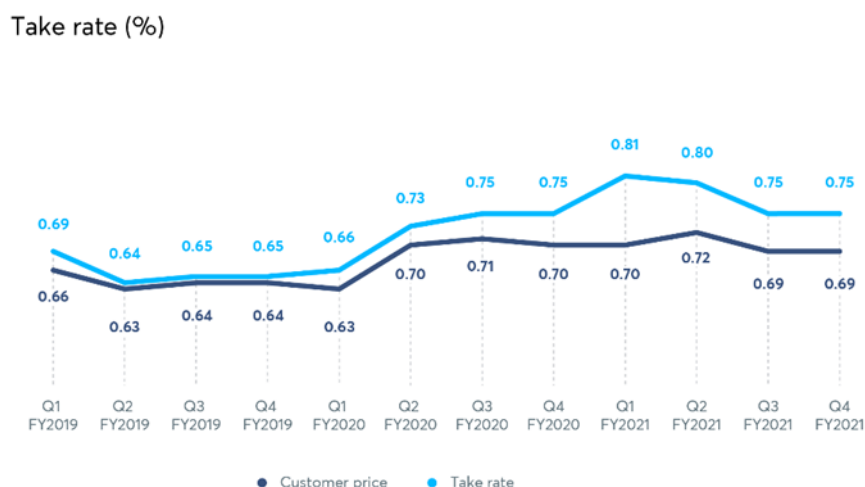


This shows that after increasing in FY2020, our customer price has been slowly decreasing, and highlights that lowering prices sustainably is hard and will take us time. That said, historically, we have made significant progress even in our more established routes. For example, the price we charged for a £1,000 sterling into euros transfer in 2016 was more than a third higher than our current price.

(ii) Other Fees

In addition to fees on international transfers, we have seen an increase in fees generated from other customer activity largely linked to the adoption of our Wise accounts, with 1.6 million debit cards issued and customer deposits having grown at a CAGR of 112% to £3.7 billion as at 31 March 2021. For example, we earn fees on domestic same currency transactions, such as transactions paid out to local currency bank accounts, and interchange fees when customers spend with their Wise debit cards. Our other fees as a proportion of volume were 0.02% in FY2019, and have increased to 0.05% and 0.07% in FY2020 and FY2021, respectively, resulting in a corresponding increase in the total take rate over the same period.

The following graph compares our total take rate against the price we report to our customers and demonstrates that our total take rate has increased over the period under review, despite recent progress on reducing customer fees and price.



(h) The growth and diversification of our revenues

Our revenue, which is a function of our volumes and take rate, has increased by a CAGR of 54% from £177.9 million to £421.0 million over the period under review. This growth has been driven by more customers sending more volume with Wise, and the increase in our take rate. See “*section 6.2.1(g)—Our Operating And Financial review—Key Factors Affecting Our Results of Operations—Key factors affecting our revenue and growth—The predictability and growth of our volume*” and “*section 6.2.1(g)—Our Operating And Financial review—Key Factors Affecting Our Results of Operations—Key factors affecting our revenue and growth—The fees we charge*”. Revenue from personal customers has increased to £341.3 million in FY2021, at a CAGR of 50% over the period. Revenue from business customers has grown faster, at a CAGR of 72%, to reach £79.7 million in FY2021. Furthermore, as a result of our geographic expansion, our revenues are well diversified and growing rapidly across all geographical regions. See “*section 0—Our Operating And Financial review—Results of Operations—Results of Operations by Geographical Regions*”.

The following table sets out our revenue for the periods indicated.

	Year ended 31 March		
	2021	2020	2019
	(£ millions)		
Revenue.....	421.0	302.6	177.9
Personal			
.....	341.3	251.7	151.0
Business			
.....	79.7	50.9	26.9

6.2.2. Key factors affecting our profitability

(a) Our focus on controlling cost of sales and net credit losses

Cost of sales are costs that are directly associated with our revenue generating activities. This primarily relates to bank and partner fees and net foreign exchange and other product costs. Additionally, we recognise net credit losses on financial assets pursuant to IFRS 9.

We are continuously working to control our costs and achieve scale. We have built highly integrated payment rails in local markets, comprising integrations with local payment systems, central banks, local exchanges, inter-bank payment schemes and local financial institutions, with the aim of improving the speed and lowering the cost of our services. This includes direct integrations with four local payment systems in the UK, Europe, Hungary and Singapore. We will continue to pursue similar integrations to offer an even faster and cheaper service to our customers. For more information on our payment rails, see “*section 4.3.2(a)—About Wise—What We did and What We’ve Built—Our Infrastructure—Expansions and Integrations*”.

The table below presents a breakdown of our cost of sales for the periods indicated.

	Year ended 31 March		
	2021	2020	2019
	(£ millions)		
Bank and partner fees	117.8	84.2	52.2
Net foreign exchange and other product costs	33.9	27.2	14.3
Total cost of sales	151.7	111.4	66.5
Net credit losses on financial assets	8.8	3.1	1.0
Total costs of sales and net credit losses	160.5	114.5	67.5

Our bank and partner fees are incurred in processing incoming and outgoing transfers, including required liquidity movements and interchange fees. Our bank and partner fees increased by a CAGR of 50% from £52.2 million in FY2019 to £117.8 million in FY2021 driven by a corresponding increase in revenue growth.

Our results have been and will continue to be impacted by foreign exchange exposure and volatility. We are exposed to foreign exchange rate movement from holding assets and liabilities in different currencies and guaranteeing customers a foreign exchange rate on their international transfers for a limited period of time.

Our net foreign exchange and other product costs increased by a CAGR of 54% from £14.3 million in FY2019 to £33.9 million in FY2021, driven by a corresponding increase in revenue growth. Our net foreign exchange costs relate to the difference between the published mid-market rate offered to customers and the rate obtained in acquiring currency as required. When a customer initiates a Wise Transfer, in most cases, this rate is guaranteed for a limited period to allow the customer to fund their transfer. If foreign exchange rates change between the time a transaction is booked (at which time the exchange rate is set) and when the recipient is paid out, we could incur a foreign exchange gain or loss, if this position was unhedged. We also enable our customers to utilise our services when markets are closed, including on weekend days and outside of normal trading hours, and are hence exposed to exchange rate fluctuations

during periods when international transfers cannot be exchanged immediately. In addition to limiting the time period for which a guaranteed rate is available, to further reduce the impact of foreign exchange losses we actively monitor foreign exchange risk, and our exposures are managed through a combination of natural hedging and treasury products hedging. Some of the measures that our in-house treasury function undertakes to manage our market risk include limiting our exposure to certain predefined parameters and engaging in corrective controls to reduce and limit exposure for large value at risk amounts.

The risk of incurring a foreign exchange related loss is most acute during periods of significant short-term fluctuations in foreign exchange rates. This has typically occurred following geopolitical events such as natural disasters, acts of war, terrorism, political instability and public health issues. See “*section 6.2.1(f)—Our Operating And Financial review—Key Factors Affecting Our Results of Operations—Key factors affecting our revenue and growth—The resilience of our business model*”. However, while the increased volatility has increased our exposure to a foreign exchange loss, it has also, at times, driven increased volumes, which contributed to our growth.

Product losses are directly generated from customer transactions where these transactions are potentially subject to chargebacks, insufficient funds or other collection impediments, such as customer fraud.

Additionally, we may also incur credit related losses and recognise bad debt expenses pursuant to IFRS 9. Historically, these costs have been minimal outside of FY2021 which included a specific provision relating to its funds being improperly withheld by a Brazilian financial institution, MS Bank. For more information, see “*section 10.17—Additional Information—Litigation*” and “*section 2.1.7—Risk Factors—We face a number of risks that may impact our growth—We may have disputes with counterparties, including with local financial institutions, which may prove costly and time consuming to resolve*”.

(b) Our stable gross profit margin

Our focus on controlling unit costs and sustainably lowering prices for our customers has resulted in a stable gross profit margin of approximately 62% of revenue, meaning that our gross profits have grown in line with revenue.

The following table sets out our revenue for the periods indicated.

	Year ended 31 March		
	2021	2020	2019
	<i>(£ millions, unless otherwise indicated)</i>		
Gross profit.....	260.5	188.1	110.4
Gross profit margin (%)	61.9%	62.2%	62.1%

(c) Our investment in product engineering and scaling of other functional costs

Our business strategy relies on improving and expanding our product offering to address customer needs and achieve our mission of money without borders. Key to this is our continued

investment in our product engineering teams that develop features and products that improve the cost, speed, convenience and transparency of our proposition for our personal, business and Wise Platform customers.

In the period under review, we increased our investment in product engineering by a CAGR of 49% from £22.4 million in FY2019 to £49.8 million in FY2021, broadly in line with our revenue growth of 54% CAGR. This was driven by the increase in the average number of product engineering Wisers over the same period.

At the same time, we have scaled costs in other areas by ensuring that these costs grew slower than our volume and revenue growth. The employee costs in relation to our other functions increased by a CAGR of 36% from £29.1 million in FY2019 to £53.7 million in FY2021, predominantly driven by the increase in the average number of Wisers in other functions over the same period. As a result of our ability to control employee costs in other functions and grow revenue at a faster pace, we have been able to gain operating leverage.

The table below presents a breakdown of our employee benefit expense, excluding share-based compensation, for the periods indicated. Employee costs include salaries, social security costs, pension costs, employment taxes and insurance costs.

	Year ended 31 March		
	2021	2020	2019
	<i>(£ millions)</i>		
Product engineering.....	49.8	35.8	22.4
Other functions	53.7	42.9	29.1
Total employee benefit expense excluding share-based compensation	103.5	78.7	51.5

In addition, we have capitalised the following staff costs related to the development of intangible assets.

	Year ended 31 March		
	2021	2020	2019
	<i>(£ millions)</i>		
Capitalised staff costs.....	19.5	14.7	11.3

Product engineering employee costs, excluding share-based compensation, that are directly attributable to the development of product software controlled by us are recognised as intangible assets when certain criteria are met. During the periods under review, we capitalised £19.5 million, £14.7 million and £11.3 million of software development costs in FY2021, FY2020 and FY2019, respectively. These costs, classified as intangible assets for the period under review, were largely associated with enhancing our infrastructure to offer ever faster, cheaper and more convenient solutions, including to our API, Wise Account and Wise Business.

The following table details the average number of Wisers by function for the periods indicated.

	Year ended 31 March		
	2021	2020	2019
Product engineering.....	671	537	368
Other functions	1,572	1,344	966
Total	2,243	1,881	1,334

We expect to continue to expand our overall headcount in the near to mid-term.

(d) Our focus on paid marketing payback and scaling of other outsourced services

Our principal outsourced expenses include paid marketing, IT, compliance services, legal consulting and hiring and recruitment, as set out in the table below for the periods indicated.

	Year ended 31 March		
	2021	2020	2019
		(£ millions)	
Paid marketing	21.6	13.6	13.5
Other outsourced services and administrative costs.....	52.1	46.6	32.5
Total outsourced services and other administrative costs	73.7	60.2	46.0
Exceptional items	(4.0)	—	—
Total excluding exceptional items	69.7	60.2	46.0

On paid marketing, we aim to acquire as many customers as we can while maintaining a payback period of less than 12 months in each of our paid marketing channels. Over the period under review, we have increased our investment in paid marketing at a CAGR of 26% whilst achieving an overall payback in paid channels of less than nine months.

Whilst paid marketing helps drive additional traffic from high-intent prospective customers, the strength of the Wise brand and the high percentage of word-of-mouth referrals allows us to be less reliant on paid marketing. Approximately two-thirds of customers who joined Wise in FY2021 did so through a referral, with the remaining one-third from paid marketing.

Other outsourced services, excluding exceptional items of £4.0 million in FY2021 related to the listing, have increased at a CAGR of 22% since FY2019 due to increases in headcount-related costs (e.g. office costs and hiring costs) and costs related to supporting our customer growth. These include IT platform costs and use of verification and other product-focused suppliers.

(e) Our Adjusted EBITDA margin and reinvestment strategy

This operating leverage resulted in a sustainable Adjusted EBITDA margin of 25.8% in FY2021, which corresponds to £108.7 million Adjusted EBITDA.

The following table sets out our Adjusted EBITDA and Adjusted EBITDA margin for the periods indicated.

	Year ended 31 March		
	2021	2020	2019
	<i>(£ millions, unless otherwise indicated)</i>		
Adjusted EBITDA.....	108.7	68.2	25.5
Adjusted EBITDA margin (%)	25.8%	22.5%	14.3%

Over the period under review, we have continued to build better customer experiences, which have driven more volume and more scale and, together with the optimisation of our cost structure, resulted in a lower unit cost.

We have re-invested this scaling effect by:

- investing in our products and infrastructure to improve our proposition and product set, in turn attracting more customers;
- investing in marketing to acquire more customers; and
- sustainably investing in lower prices for our customers, further driving growth and reinforcing our position as a low cost, fairly priced provider.

As these investments drive growth, they in turn drive lower unit cost and deliver a sustainable growth model to support our mission. See “*section 4.3.4—About Wise—What We Did and What We’ve Built—Our Growth Strategy*”. We will continue to make investments in these three areas. In FY2021, costs were lower than planned due to cautious hiring in the face of initial uncertainty at the onset of the COVID-19 pandemic, combined with a reduction in spend on certain services (e.g. travel) resulting in higher than planned Adjusted EBITDA margin. Refer to “*section 0—Our Operating and Financial Review—Key Factors Affecting Our Results of Operations—Key Operating and financial metrics—Outlook*” for our medium-term and near-term outlook.

6.2.3. Key factors affecting our liquidity and capital resources

(a) Our high Cash Conversion

The quality of our Adjusted EBITDA is reflected in the high Cash Conversion we have experienced. In FY2021, the Adjusted EBITDA of £108.7 million resulted in £103.9 million Free Cash Flow, which represents a 95.6% Cash Conversion. The Cash Conversion was higher than FY2020 (74.8%) due to a positive corporate working capital change (excluding collaterals) of £23.1 million primarily due trade and other payables. See “*section 6.2.5—Our Operating And Financial Review – Key Factors Affecting Our Results of Operations—Key operating and financial metrics*”.

Our corporate cash position increased by £188.4 million over the period under review, from £97.7 million in FY2019, to £286.1 million in FY2021, with the predominant driver being our ability to generate Free Cash Flow. See “*section 6.2.9—Our Operating And Financial Review - Key Factors Affecting Our Results of Operations - Corporate cash*”.

The following table sets out our Free Cash Flow and Cash Conversion for the periods indicated.

	Year ended 31 March		
	2021	2020	2019
	<i>(£ millions, unless otherwise indicated)</i>		
Free Cash Flow	103.9	51.0	13.3
Cash Conversion (%).....	95.6%	74.8%	52.2%

(b) Our customer balances and safeguarding

We have customer related liabilities, primarily, driven by the Wise account deposits having grown at a CAGR of 112% to £3.7 billion as at 31 March 2021, reflective of the continued customer growth and uptake of Wise accounts. We ensure that our customers' funds are safe by keeping them in segregated and safeguarded cash accounts and in highly liquid and low risk investments. Refer to "section 6.2.10—Our Operating and Financial Review—Key Factors Affecting Our Revenue and Growth—Customer balances and safeguarding".

6.2.4. Key factors affecting comparability of our results

(a) Adoption of IFRS 16

IFRS 16 sets out the principles for the recognition, measurement, presentation and disclosure of leases. IFRS 16 eliminates the classification of leases as either operating leases or finance leases as is required by IAS 17 and, instead, introduces a single lessee accounting model. We adopted IFRS 16 retrospectively from 1 April 2019. The impact of adoption of the new standard was therefore recognised in the opening balance sheet on 1 April 2019, as permitted under the specific transition provisions in the standard. The impact affected the presentation of assets, liabilities and the income statement. Specifically, the right of use assets and lease liabilities associated with existing leases were recognised in the amount of £15.7 million, and a decrease in provisions of £0.6 million, respectively, in each case, as at 1 April 2019. The net impact on our retained earnings on 1 April 2020 was an increase of £0.6 million.

6.2.5. Key operating and financial metrics

The following table sets out certain of our key operating and financial metrics, for the periods indicated.

	Year ended 31 March ⁽¹⁾		
	2021	2020	2019
Active customers (<i>million</i>).....	6.0	4.7	3.3
Personal (<i>million</i>).....	5.7	4.5	3.2
Business (<i>thousand</i>)	304.9	193.5	119.2
Volume per customer (<i>£ thousands</i>).....	9.1	8.9	8.2
Personal (<i>£ thousands</i>).....	7.4	7.4	7.1

	Year ended 31 March ⁽¹⁾		
	2021	2020	2019
Business (£ thousands)			
.....	40.4	42.7	39.1
Total volume (£ billions).....	54.4	41.7	27.1
Personal (£ billions)	42.1	33.4	22.4
Business (£ billions)	12.3	8.3	4.7
Total take rate (%).....	0.77%	0.73%	0.66%
Cross-currency take rate (%).....	0.70%	0.68%	0.64%
Other fees (%).....	0.07%	0.05%	0.02%
Revenue (£ millions).....	421.0	302.6	177.9
Personal (£ millions).....	341.3	251.7	151.0
Business (£ millions)	79.7	50.9	26.9
Gross profit (£ millions).....	260.5	188.1	110.4
Gross profit margin (%)	61.9%	62.2%	62.1%
Adjusted EBITDA (£ millions) ⁽²⁾	108.7	68.2	25.5
Adjusted EBITDA margin (%) ⁽²⁾	25.8%	22.5%	14.3%
Free Cash Flow (£ millions) ⁽²⁾	103.9	51.0	13.3
Cash Conversion (%) ⁽²⁾	95.6%	74.8%	52.2%

Notes:

- (1) For more information on the definition and calculation of the key financial and operating metrics, see “section 12—Definitions and Glossary”.
- (2) The following table provides a reconciliation from profit for the year to Adjusted EBITDA, Adjusted EBITDA margin, Free Cash Flow and Cash Conversion for the periods indicated.

	Year ended 31 March		
	2021	2020	2019
<i>(£ millions, unless otherwise indicated)</i>			
Reconciliation of Adjusted EBITDA and Adjusted EBITDA margin			
Profit for the year	30.9	15.0	10.3
<i>Adjusted for:</i>			
Income tax expense/(credit)	10.2	5.4	(0.2)
Finance expense	3.8	3.2	2.1
Depreciation and amortisation	21.7	20.6	6.3

Share-based payment compensation expense.....	38.1	24.0	7.0
Exceptional items	4.0	—	—
Adjusted EBITDA	108.7	68.2	25.5
Revenue.....	421.0	302.6	177.9
Adjusted EBITDA margin	25.8%	22.5%	14.3%

Reconciliation of Free Cash Flow and Cash Conversion

Adjusted EBITDA	108.7	68.2	25.5
Adjusted for:			
Payments for lease liabilities.....	(4.7)	(4.1)	—
Capital expenditure - Property, plant and equipment	(2.3)	(3.1)	(2.3)
Capital expenditure – Intangibles	(20.9)	(15.0)	(11.3)
Change in corporate working capital (excluding change in collaterals)	23.1	5.0	1.4
Free Cash Flow	103.9	51.0	13.3
Adjusted EBITDA.....	108.7	68.2	25.5
Cash Conversion.....	95.6%	74.8%	52.2%

(a) Outlook

The following sets out our medium-term and near-term outlook and current trading.

(i) Medium-term

While the impact of the COVID-19 pandemic will remain difficult to predict, we expect revenue to grow in the medium-term at a CAGR of over 20%.

Volume growth is expected to be the key driver of our revenue growth. Both personal and business customer volumes are expected to continue to grow, with business volumes expected to continue to grow at a faster pace, given the significant market opportunity and the smaller base from which we are starting.

Growth in volumes is expected, in turn, to be driven by active customer growth. Volumes per customer are expected to remain stable for people and businesses in line with what we have observed historically. Faster growth in business volume is expected to increase overall average volume per customer.

Revenue growth is expected to track volume growth as we expect total take rate to be broadly flat over the mid-term. While we are focused on sustainably reducing prices and expect to drop prices where we can, new routes and other fees are expected to counterbalance price decreases, leaving the take rate broadly stable.

We expect gross profit margin to remain stable. We plan to continue to invest in product, paid marketing and price to improve our products and drive longer-term volume growth, with Adjusted EBITDA margin expected to remain above 20% in the medium-term. Share-based payment compensation expense is expected to be mid to high single digits percentage of revenue in the medium-longer term.

Capital expenditure as a proportion of revenue is expected to remain stable.

(ii) *Near-term and current trading*

For FY2022, we expect revenue growth in the low to mid-twenties on a percentage basis, driven by similar dynamics to the medium-term with regard to volume growth and total take rate.

We have continued to perform strongly in the start of FY2022, in terms of personal and business volumes and revenues. Year over year growth in the first quarter is expected to be above our full FY2022 expectation, primarily due to the impact that the COVID-19 pandemic had on volume and revenue growth in the first quarter of FY2021.

6.2.6. Results of Operations

(a) Consolidated income statement

The table below presents our results of operations for the periods indicated, which have been extracted without material adjustment from Group's audited financial information, the 2020 Restated Comparative Information or the 2019 Restated Comparative Information (as applicable).

	Year ended 31 March		
	2021	2020	2019
	(£ millions)		
Revenue.....	421.0	302.6	177.9
Cost of sales	(151.7)	(111.4)	(66.5)
Net credit losses on financial assets	(8.8)	(3.1)	(1.0)
Gross profit	260.5	188.1	110.4
Administrative expenses	(217.5)	(168.8)	(99.5)
Interest income from investments and operating assets	1.9	5.4	0.9
Interest expense from operating assets	(3.8)	(1.3)	—
Other income	3.8	0.2	0.4
Operating profit.....	44.9	23.6	12.2
Finance expense.....	(3.8)	(3.2)	(2.1)
Profit before tax	41.1	20.4	10.1
Income tax (expense)/credit	(10.2)	(5.4)	0.2
Profit for the year	30.9	15.0	10.3

	Year ended 31 March		
	2021	2020	2019
	<i>(£ millions)</i>		
Other comprehensive income:			
Fair value (loss)/gain on investment	(3.0)	1.1	1.2
Currency translation differences	(3.8)	0.5	0.4
Total comprehensive (loss)/income	(6.8)	1.6	1.6
Total comprehensive income for the year	24.1	16.6	11.9

(b) Results of Operations by Customer Type

Our revenue is split across personal customers and business customers. The table below presents our revenue by customer type for the periods indicated.

	Year ended 31 March		
	2021	2020	2019
	<i>(£ millions)</i>		
Personal.....	341.3	251.7	151.0
Business.....	79.7	50.9	26.9
Total revenue	421.0	302.6	177.9

(c) Results of Operations by Geographical Regions

The table below presents our revenue by region for the periods indicated.

	Year ended 31 March		
	2021	2020	2019
	<i>(£ millions)</i>		
Europe	136.3	94.5	49.7
United Kingdom.....	95.8	72.7	51.0
Asia-Pacific.....	89.2	47.4	24.4
North America	73.0	62.9	39.0
Rest of the world	26.7	25.1	13.8
Total revenue	421.0	302.6	177.9

(d) Results of operations for the year ended 31 March 2021 compared to the year ended 31 March 2020

(i) Revenue

Revenue increased by £118.4 million, or 39.1%, to £421.0 million in the year ended 31 March 2021 from £302.6 million in the year ended 31 March 2020. This increase was primarily driven by an increase in total volume of 30.5%.

Revenue from personal customers increased by £89.6 million, or 35.6%, to £341.3 million for the year ended 31 March 2021 from £251.7 million in the year ended 31 March 2020, driven by an increase in personal volume of 26.0%. Revenue from personal customers represented 81.1% of total revenue for the year ended 31 March 2021 (83.2% for the year ended 31 March 2020). Revenue from business customers increased by £28.8 million, or 56.6%, to £79.7 million for the year ended 31 March 2021 from £50.9 million in the year ended 31 March 2020, driven by an increase in business volume of 48.2%. Revenue from business customers represented 18.9% of total revenue for the year ended 31 March 2021 (16.8% for the year ended 31 March 2020).

(ii) Cost of sales

Cost of sales increased by £40.3 million, or 36.2%, to £151.7 million in the year ended 31 March 2021 from £111.4 million in the year ended 31 March 2020. This increase was primarily a result of the volume and corresponding continued revenue growth in the business and the corresponding increase in the costs of the products sold.

(iii) Net credit losses on financial assets

Net credit losses on financial assets increased by £5.7 million to £8.8 million in the year ended 31 March 2021 from £3.1 million in the year ended 31 March 2020. This increase was primarily driven due to a specific provision related to our funds being improperly withheld by a Brazilian financial institution, MS Bank. For more information, see “*section 10.17—Additional Information—Litigation*” and “*section 2.1.3—Risk Factors—We face a number of risks that may impact our growth—We may fail to operate in new or existing markets and/or expand our product and service offering in our existing markets*”.

(iv) Gross profit

Gross profit increased by £72.4 million, or 38.5%, to £260.5 million in the year ended 31 March 2021 from £188.1 million in the year ended 31 March 2020. This increase was primarily due to revenue growth and corresponding increase in cost of sales. Gross profit margin marginally decreased to 61.9% for the year ended 31 March 2021 from 62.2% for the year ended 31 March 2020, which reflected our continued focus on pricing and controlling product costs.

(v) Administrative expenses

Administrative expenses increased by £48.7 million, or 28.9%, to £217.5 million in the year ended 31 March 2021 from £168.8 million in the year ended 31 March 2020. This increase was primarily due to the increase in our employee costs and outsourced services, which reflects our continued investment in our people and service to support revenue growth.

(vi) *Interest income from investments and operating assets*

Interest income from investment and other operating assets decreased by £3.5 million, or 64.8%, to £1.9 million in the year ended 31 March 2021 from £5.4 million in the year ended 31 March 2020. The decrease was primarily due to lower yields on our listed bond portfolio and lower interest on cash deposits.

(vii) *Interest expense from operating assets*

Interest expense from operating assets and other operating assets increased by £2.5 million, or 192.3%, to £3.8 million in the year ended 31 March 2021 from £1.3 million in the year ended 31 March 2020. The increase was primarily due to the higher euro cash balances which had negative interest rates during the period.

(viii) *Other income*

Other income increased by £3.6 million to £3.8 million in the year ended 31 March 2021 from £0.2 million in the year ended 31 March 2020. The increase was due to income from government support schemes in respect to research and development expenditure and card issuance partners incentive programmes.

(ix) *Operating profit*

As a result of the above, operating profit increased by £21.3 million, or 90.3%, to £44.9 million in the year ended 31 March 2021 from £23.6 million in the year ended 31 March 2020.

(x) *Finance expense*

Finance expense increased by £0.6 million, or 18.8%, to £3.8 million in the year ended 31 March 2021 from £3.2 million in the year ended 31 March 2020. This increase was primarily due to higher drawdown of our revolving credit facility during the period.

(xi) *Profit before tax*

As a result of the above, profit before income tax increased by £20.7 million, or 101.5%, to £41.1 million in the year ended 31 March 2021 from £20.4 million in the year ended 31 March 2020.

(xii) *Income tax*

Income tax expense increased by £4.8 million, or 88.9%, to £10.2 million in the year ended 31 March 2021 from £5.4 million in the year ended 31 March 2020. This increase was primarily due to increased profit.

(xiii) *Profit for the year*

As a result of the above, profit for the year increased by £15.9 million, or 106.0%, to £30.9 million in the year ended 31 March 2021 from £15.0 million in the year ended 31 March 2020.

(xiv) *Total comprehensive income for the year*

As a result of the above, and other comprehensive income due to fair value loss on investments and currency translation differences, total comprehensive income for the year increased by £7.5

million, or 45.2%, to £24.1 million in the year ended 31 March 2021 from £16.6 million in the year ended 31 March 2020.

(e) Results of operations for the year ended 31 March 2020 compared to the year ended 31 March 2019

(i) Revenue

Revenue increased by £124.7 million, or 70.1%, to £302.6 million in the year ended 31 March 2020 from £177.9 million in the year ended 31 March 2019. This increase was primarily driven by an increase in total volumes of 53.9%.

Revenue from personal customers increased by £100.7 million, or 66.7%, to £251.7 million for the year ended 31 March 2020 from £151.0 million in the year ended 31 March 2019, driven by an increase in personal volume of 48.4%. Revenue from personal customers represented 83.2% of total revenue for the year ended 31 March 2020 (84.9% for the year ended 31 March 2019). Revenue from business customers increased by £24.0 million, or 89.2%, to £50.9 million for the year ended 31 March 2020 from £26.9 million in the year ended 31 March 2019, driven by an increase in business volumes of 76.6%. Revenue from business customers represented 16.8% of total revenue for the year ended 31 March 2020 (15.1% for the year ended 31 March 2019).

(ii) Cost of sales

Cost of sales increased by £44.9 million, or 67.5%, to £111.4 million in the year ended 31 March 2020 from £66.5 million in the year ended 31 March 2019. This increase was primarily a result of the volume and corresponding continued revenue growth in the business and the corresponding increase in the costs of the products sold.

(iii) Net credit losses on financial assets

Net credit losses on financial assets increased by £2.1 million to £3.1 million in the year ended 31 March 2020 from £1.0 million in the year ended 31 March 2019. This increase was primarily driven due to higher volumes and respective increase in financial assets.

(iv) Gross profit

Gross profit increased by £77.7 million, or 70.4%, to £188.1 million in the year ended 31 March 2020 from £110.4 million in the year ended 31 March 2019. This increase was primarily due to revenue growth and corresponding increase in cost of sales.

(v) Administrative expenses

Administrative expenses increased by £69.3 million, or 69.6%, to £168.8 million in the year ended 31 March 2020 from £99.5 million in the year ended 31 March 2019. This increase was primarily due to the increase in our employee costs and outsourced services costs, which reflects our continued investment in our people and service to support revenue growth.

(vi) Interest income from investments and operating assets

Interest income from investment and other operating assets increased by £4.5 million to £5.4 million in the year ended 31 March 2020 from £0.9 million in the year ended 31 March 2019.

This increase was primarily due to full year interest earned on our investment in listed bonds acquired in the year ended 31 March 2019.

(vii) Interest expense from operating assets

Interest expense from operating assets and other operating assets increased by £1.3 million to £1.3 million in the year ended 31 March 2020 (no expense in the year ended 31 March 2019). The increase was primarily due to the introduction of negative interest rates on euro cash balances.

(viii) Other income

Other income decreased by £0.2 million, or 50.0%, to £0.2 million in the year ended 31 March 2020 from £0.4 million in the year ended 31 March 2019. The decrease was due to lower sublease income as compared to the previous year.

(ix) Operating profit

As a result of the above, operating profit increased by £11.4 million, or 93.4%, to £23.6 million in the year ended 31 March 2020 from £12.2 million in the year ended 31 March 2019.

(x) Finance expense

Finance expense increased by £1.1 million, or 52.4%, to £3.2 million in the year ended 31 March 2020 from £2.1 million in the year ended 31 March 2019. This increase was as a result of an increase in borrowings during the year, specifically comprising our revolving credit facility.

(xi) Profit before tax

As a result of the above, profit before income tax increased by £10.3 million, or 102.0%, to £20.4 million in the year ended 31 March 2020 from £10.1 million in the year ended 31 March 2019.

(xii) Income tax expense

Income tax expense increased by £5.6 million to £5.4 million in the year ended 31 March 2020 from an income tax credit of £0.2 million in the year ended 31 March 2019. This increase was primarily due to increased profit and a one off adjustment to taxable profit in the year ended 31 March 2019.

(xiii) Profit for the year

As a result of the above, profit for the year increased by £4.7 million, or 45.6%, to £15.0 million in the year ended 31 March 2020 from £10.3 million in the year ended 31 March 2019.

(xiv) Total comprehensive income for the year

As a result of the above, and other comprehensive income due to fair value gain on investments and currency translation differences, total comprehensive income for the year increased by £4.7 million, or 39.5%, to £16.6 million in the year ended 31 March 2020 from £11.9 million in the year ended 31 March 2019.

6.2.7. Liquidity and Capital Resources

Our primary sources of liquidity are the cash flows generated from our operations, along with our revolving credit facility and equity contributions. The primary use of this liquidity is to fund our operations.

(a) Borrowings

The table below presents a breakdown of our interest-bearing loans and borrowings as at the dates indicated, including IFRS 16 balances.

	As at 31 March ⁽¹⁾		
	2021	2020	2019
	(£ millions)		
Current			
Revolving credit facility	—	0.2	—
Lease liabilities	3.5	4.0	—
Total current borrowings	3.5	4.2	—
Non-current			
Revolving credit facility	78.6	49.0	13.9
Lease liabilities	16.6	10.6	—
Total non-current borrowings	95.2	59.6	13.9
Total borrowings.....	98.7	63.8	13.9

Note:

- (1) The undrawn and uncommitted amounts of the revolving credit facility (MRFA) as at 31 March 2021 were £80 million and £90 million, respectively. For more information on the MRFA, see “section 10.15.1—Additional Information—Material Contracts—Multicurrency Revolving Facilities Agreement”.

(b) Regulatory Capital Requirements

We are subject to certain regulatory capital requirements in various countries in which we operate. We monitor each licensed entity to ensure the entity’s capital is sufficiently above the local regulatory capital requirements. As at 31 March 2021, our Group eligible capital of £170.2 million, was significantly above the minimum requirements set by our regulators around the world.

6.2.8. Commitments and Contingent Liabilities

(a) Commitments

Our commitments relate principally to our infrastructure subscriptions and our contracted office space capital expenditure. The table below presents an summary of our commitments as at the dates indicated.

	As at 31 March		
	2021	2020	2019
	<i>(£ millions)</i>		
Infrastructure subscription			
No later than one year	2.5	1.1	0.9
Later than one year and no later than five years	2.0	2.9	3.9
Total	4.5	4.0	4.8
Significant capital expenditure contracted			
No later than one year	2.1	—	—
Total	2.1	—	—

(b) Contingent liabilities

We had no material contingent liabilities as at 30 June 2021.

(c) Cash flows

The tables below present a summary of our cash flows for the periods indicated, which has been extracted without material adjustment from the Group's audited financial information, the 2020 Restated Comparative Information or the 2019 Restated Comparative Information (as applicable).

The following table sets out our Group cash flow data, including customer cash flows, for the periods indicated.

(d) Consolidated cash flow statement data

	As at 31 March		
	2021	2020	2019
	<i>(£ millions)</i>		
Cash flows from operating activities			
Cash flows generated from operations.....	2,076.3	1,187.8	687.0
Interest received	7.6	6.4	1.1
Income expense paid	(6.0)	(3.4)	(1.8)

	As at 31 March		
	2021	2020	2019
	(£ millions)		
Corporate income tax paid.....	(4.0)	(2.4)	(2.5)
Net cash generated from operating activities.	2,073.9	1,188.4	683.8
Cash flows from investing activities			
Purchase of property, plant and equipment.....	(2.3)	(3.1)	(2.3)
Payment for intangible assets	(20.9)	(15.0)	(11.3)
Payments for financial assets at FVOCI	(723.9)	(46.5)	(117.5)
Proceeds from sale and maturity of financial assets at FVOCI	75.3	43.7	8.1
Net cash used in investing activities	(671.8)	(20.9)	(123.0)
Cash flows from financing activities			
Proceeds from issues of shares and other equity.....	0.9	0.3	—
Proceeds from borrowings.....	118.6	101.4	33.6
Repayments of borrowings	(90.0)	(66.4)	(40.2)
Payments for lease liabilities.....	(4.7)	(4.1)	—
Net cash flows generated from/(used in) financing activities	24.8	31.2	(6.6)
Net increase in cash and cash equivalents	1,426.9	1,198.7	554.2
Cash and cash equivalents at beginning of year.....	2,077.6	856.1	301.2
Exchange gains on cash and cash equivalents ..	(145.9)	22.8	0.7
Cash and cash equivalents at end of year	3,358.6	2,077.6	856.1

(e) Net cash generated from operating activities

Net cash generated from operating activities was £2,073.9 million, £1,188.4 million and £683.8 million in the years ended 31 March 2021, 2020 and 2019, respectively. For each period, the net cash generation was primarily due to the customer deposits in Wise accounts which have increased each year, reflective of the continued customer growth and uptake of Wise accounts.

(f) Net cash used in investing activities

Net cash used in investing activities increased by £650.9 million to £671.8 million in the year ended 31 March 2021 from £20.9 million in the year ended 31 March 2020. This increase was primarily due to the investments in listed bonds made during the year as a result of the continued increase of customer deposits in Wise accounts. See “section 6.2.10—Our Operating

And Financial Review—Key factors Affecting Our Results of Operations—Customer balances and safeguarding”.

Net cash used in investing activities decreased by £102.1 million to £20.9 million in the year ended 31 March 2020 from £123.0 million in the year ended 31 March 2019. This decrease was primarily due to a lower amount of investments made in listed bonds in the year ended 31 March 2020 than the previous year.

(g) Net cash flows generated from/(used in) financing activities

Net cash flows generated from financing activities decreased by £6.4 million to £24.8 million in the year ended 31 March 2021 from £31.2 million generated from financing activities in the year ended 31 March 2020. This decrease was primarily due to the net drawdown of our revolving credit facility of £28.6 million in FY2021 which was lower than the £35.0 million net drawdown in FY2020.

Net cash flows generated from financing activities increased by £37.8 million to £31.2 million in the year ended 31 March 2020 from £6.6 million used in financing activities in the year ended 31 March 2019. This increase was primarily due to the £35.0 million net draw down of our revolving credit facility in FY2020 as compared to the £6.6 million net repayment made in FY2019.

6.2.9. Corporate cash

The following tables set out our corporate cash position for the periods indicated.

	Year ended 31 March		
	2021	2020	2019
	<i>(£ millions)</i>		
Cash flows from operating activities			
Profit for the year	30.9	15.0	10.3
Adjustments for non-cash transactions	76.5	50.1	15.3
Change in corporate working capital	38.7	(22.2)	(4.9)
Payment of income tax and interest charges.	(9.7)	(2.7)	(4.2)
Net corporate cash generated from operating activities	136.4	40.2	16.5
Net corporate cash used in investing activities	(23.2)	(17.3)	(13.6)
Net corporate cash generated from/(used in) financing activities.....	24.8	31.1	(6.5)
Total increase in corporate cash	138.0	54.0	(3.6)
Corporate cash at beginning of year	155.1	97.7	100.1
Effect of exchange rate differences on corporate cash.....	(7.0)	3.4	1.2
Corporate cash at end of year	286.1	155.1	97.7

Our corporate cash position increased by £186.0 million over the period under review, from £100.1 million at the start of FY2019, to £286.1 million at the end of FY2021. The primary driver was our total Adjusted EBITDA of £202.4 million, which generated £168.2 million of Free Cash Flow.

As set out in “*section 6.2.5—Our Operating And Financial Review—Key factors Affecting Our Results of Operations—Key operating and financial metrics*”, Adjusted EBITDA primarily corresponds to our profit after tax, adding back depreciation and amortisation and share-based payment compensation expenses which are included within adjustments for non-cash transactions. Further adjustments to Adjusted EBITDA required to calculate Free Cash Flow include the change in corporate working capital (excluding collaterals), capital expenditure and payments for lease liabilities. Changes in corporate working capital due to change in collateral balances were £15.6 million, (£27.2) million and (£6.3) million in FY2021, FY2020 and FY2019, respectively. The temporary collateral balance increase in FY2020 corresponded to the exchange rate volatility we experienced at year-end, as explained in “*section 6.2.1(f)—Our Operating And Financial Review—Key Factors Affecting Our results of Operations—Key factors affecting our revenue and growth—The resilience of our business model*”.

In addition to Free Cash Flow generation, other corporate cash position drivers during the period under review included the increase in borrowings and the payment of tax and interest charges.

6.2.10. Customer balances and safeguarding

	As at 31 March		
	2021	2020	2019
	(£ millions)		
Customer related assets			
Cash and cash equivalents excluding corporate cash.....	3,072.5	1,922.5	758.4
Financial assets at fair value through other comprehensive income	737.5	114.1	109.7
Receivables payment processors and customers.....	47.3	53.3	88.1
Total customer related assets	3,857.3	2,089.9	956.2
Customer related liabilities			
Wise account liabilities.....	(3,712.7)	(1,967.3)	(829.6)
Outstanding money transmission liabilities and other customer liabilities	(144.6)	(122.6)	(126.6)
Total customer related liabilities	(3,857.3)	(2,089.9)	(956.2)

We recognise a liability for funds customers deposit in their Wise accounts and funds collected from the customers for Wise Transfers that have not yet been processed. Liability is recognised upon receipt of cash or capture confirmation (depending on the pay-in method) and is derecognised when cash is delivered to the beneficiary. Principles to determine the moment of

delivery are the same as applied in revenue recognition. Cash that has been paid out but has not yet been settled to the beneficiary account is reflected as cash in transit to customers. We are subject to various regulatory safeguarding compliance requirements with respect to customer funds we hold. However, as safeguarding requirements may vary across different jurisdictions we operate, we hold customer funds in segregated, safeguarded accounts and other high quality liquid assets such as money market funds and investment grade bonds.

6.2.11. Capital expenditure

The table below presents a breakdown of our capital expenditure for the periods indicated.

	Year ended 31 March		
	2021	2020	2019
		(£ millions)	
Purchase of property, plant and equipment.....	2.3	3.1	2.3
Payments for intangible assets	20.9	15.0	11.3
Total capital expenditure	23.2	18.1	13.6

The most significant element of our capital expenditure during the period under review was the capitalisation of internal development costs as intangible assets.

6.2.12. Off-balance sheet arrangements

We do not use off-balance sheet arrangements.

6.2.13. Quantitative and Qualitative Disclosures about Market Risks

For a description of our management of liquidity, credit and market risks, see the Group's annual report and consolidated financial statements for FY2021 incorporated by reference into this Prospectus under "*section 8—Our Historical Financial Information*".

6.2.14. Critical Accounting Policies and Estimates

For a description of our critical accounting judgements and key sources of estimation uncertainty, see the Group's annual report and consolidated financial statements for FY2021 incorporated by reference into this Prospectus under "*section 8—Our Historical Financial Information*".

6.2.15. Current Trading

In the first quarter of this financial year, being the period from 31 March 2021 until 30 June 2021 ("Q1 FY2022"), Wise continued to take important steps forwards towards its goal of making moving and managing money across borders faster, easier, cheaper and more transparent for everyone, everywhere, while also successfully listing Wise on the London Stock Exchange.

Since 31 March 2021, the Group has been trading in line with its expectations with revenues of £123.5m in Q1 FY2022, representing a growth of 43% year on year compared to the first quarter of the 2021 financial year. The Group was also able to reduce pricing in Q1 FY2022 by 2 basis points to 0.67%, dropping prices for 19 currencies while also delivering 38% of all transfers instantly. Wise expects to continue trading in line with its forward-looking guidance, including for revenue growth of low to mid 20s on a percentage basis in the 2022 financial year.

In addition:

- 3.7m customers transacted on Wise in Q1 FY2022. Despite ongoing lockdowns across many countries worldwide, the number of personal customers grew by 28% year on year to reach 3.4m. Business customers, who typically use Wise for a broader range of needs such as paying and receiving funds from suppliers, vendors and customers, grew by 56% compared to the prior year;
- volume grew by 54% year on year to £16.4bn, faster than the growth in customers. This was mainly driven by the average volume per customer, which was significantly lower (19%), in the first quarter of last year due to the impact of the COVID-19 pandemic on customer demand for international payments, but quickly rebounded and has been broadly stable since;
- the growth in revenue in Q1 FY2022 was outpaced by year on year volume growth as certain higher-priced routes returned to longer-term average levels of activity and a lower proportion of overall volumes and this is reflected in the 6 basis points reduction in the take rate;
- compared to the prior quarter, the number of active personal customers using Wise grew by 3%, while the growth in business customers maintained its strong momentum, increasing 9% quarter on quarter. With a greater proportion of business customers sending larger and more frequent payments, the overall volume per customer for Wise increased by 2% quarter on quarter; and
- as a result of the growth in customers and uptick in average volume per customer, volume increased by 5% quarter on quarter and revenue by 6%. The take rate was stable compared to the prior quarter as a 2 basis points reduction in conversion fees was offset by additional fees from the adoption of our Wise account.

	Q1 FY2022	YoY Movement %	QoQ Movement %
Active customers (million)	3.7	29%	3%
Personal (million)	3.4	28%	3%
Business (million)	0.22	56%	9%
Volume Per Customer (£k)	4.5	19%	2%
Personal (£ thousand)	3.6	18%	0%

Business (£ thousand)	18.6	6%	3%
Volume (£ billion)¹	16.4	54%	5%
Personal (£ billion)	12.4	50%	3%
Business (£ billion)	4.0	66%	12%
Revenue (£ million)	123.5	43%	6%
Personal (£ million)	96.9	37%	3%
Business (£ million)	26.6	72%	15%
Take rate (%)²	0.75%	-6bps	0bps

1. Cross-border volume only

2. Revenue as a % of Volume

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

Wise's coverage also took an important step forward as we launched in India, allowing Indian residents to send money to 40+ countries at the real exchange rate, with lower and more transparent fees.

Wise also made it more convenient for customers to receive money: over 1 million customers have opted to receive money with just their email address. Whilst it is still early in the development of our platform proposition, we are also delighted to have recently announced partnerships with Google Pay, Shinhan Bank, Temenos and Thought Machine, allowing many more people and businesses to conveniently access Wise's cheap, fast and transparent international money transfers.

On 18 August 2021 Wise announced it has taken steps to establish a level 1 American Depositary Receipt (ADR) program in the US by filing a registration statement on Form F-6 with the US Securities and Exchange Commission. It is expected that Wise's ADRs will begin trading on the over-the-counter (OTC) market on 8 September 2021, under a ticker symbol that will be announced closer to the program's effective date.

The ADR program will complement Wise's existing primary listing on the London Stock Exchange. One Wise ADR will represent one underlying Class A Share. The ADR program does not involve the issuance of new shares or the raising of new capital by Wise. ADRs allow US investors to buy shares in foreign companies without the need for cross-border or cross-currency transactions. They are priced in US dollars and can be traded like shares of US-based companies listed on the OTC market. J.P. Morgan has been appointed as the depositary bank for the Level 1 ADR program.

7. OUR CAPITALISATION AND INDEBTEDNESS

7.1. Capitalisation and indebtedness

The following tables set out the Group's consolidated capitalisation and indebtedness as at 30 June 2021. The capitalisation and indebtedness information as at 30 June 2021 is unaudited and has been extracted without material adjustment from our unaudited management accounts as at 30 June 2021, which have been prepared using policies that are consistent with those used in preparing the Group's consolidated financial statements for FY2021 incorporated by reference into this Prospectus under "section 8—Our Historical Financial Information".

Wise Plc consolidated

Statement of capitalisation:

	As at 30 June 2021
	(£ millions)
	(unaudited)
Total current debt	
Guaranteed.....	—
Secured.....	0.5
Unguaranteed/unsecured ⁽¹⁾	3.6
Total non-current debt (excluding current portion of long-term debt)	
Guaranteed.....	—
Secured.....	103.5
Unguaranteed/unsecured ⁽¹⁾	15.6
Total Shareholder's equity⁽²⁾	
Share capital	—
Share premium.....	9.9
Other reserves ⁽³⁾	133.9
Total	267.0

Notes:

- (1) - all unguaranteed/unsecured debt releases to lease liabilities
- (2) - excludes retained earnings
- (3) - includes share-based payment reserve other reserves

With the exception of the impact of the direct listing which triggered exercise of share options resulting in £6.2 million movement from share-based payment reserves to retained earnings and £25 million debt paydown there has been no material change in the capitalisation of the Group since 30 June 2021.

The following table sets out the Group's net indebtedness as at 30 June 2021.

Statement of Indebtedness:

	As at 30 June 2021
	<i>(£ millions)</i>
	<i>(unaudited)</i>
A + B. ⁽¹⁾ Cash and cash equivalents ⁽²⁾	344.9
C. Other current financial assets	—
D. Liquidity (A + B + C)	344.9
E. Current financial debt (including debt instruments, but excluding current portion of non-current financial debt) ⁽³⁾	3.6
F. Current portion of non-current financial debt.....	0.5
G. Current financial debt (E + F).....	4.1
H. Net current financial indebtedness (G – D)	(340.8)
I. Non-current financial debt (excluding current portion and debt instruments) ⁽⁴⁾	15.6
J. Debt instruments	103.5
K. Non-current trade and other payables.....	—
L. Non-current financial indebtedness (I + J + K)	119.1
M. Total financial indebtedness (H + L)	(221.7)

Notes:

- (1) - Wise does not separate cash and cash equivalents as its accounting systems are designed to report these metrics on a combined basis and the IFRS permit Wise to combine corporate cash with customer cash for reporting purposes.
- (2) - corporate cash balance represents internal funds unrelated to customer funds which are held on Wise deposits or collected from customers for Wise transfers that have not yet been processed.
- (3) - current portion of lease liability.
- (4) - non-current portion of lease liability.

With the exception of £25 million debt paydown, there has been no material change in the Group's indebtedness since 30 June 2021.

The Group has no indirect and contingent indebtedness.

8. OUR HISTORICAL FINANCIAL INFORMATION

As the Company is set up as the ultimate holding company of the Group and the business of the Group is primarily carried on by Wise Payments Limited (the former holding company of the Group) and its subsidiaries, the historical financial information of Wise Payments Limited is referred to in this section of the Prospectus in order for the investors to make an informed assessment.

The Group's financial statements as at and for the financial years ended 31 March 2021, 2020 and 2019 are incorporated into this document by reference to the 2021, 2020 and 2019 Annual Report and Consolidated Financial Statements.

See "*section 11—Documentation Incorporated By Reference*" of this Prospectus for further details about information that has been incorporated by reference into this Prospectus.

9. OUR REGULATORY INFORMATION

9.1. Overview

We are subject to numerous laws and regulations in the various jurisdictions in which we operate. Our regulatory environment varies from jurisdiction to jurisdiction. Depending on the local set-up, we may require local licences or a local partnership with a financial institution to operate. For certain types of set-up (principally countries into which money is received), we generally do not require a licence or any other authorisation or registration.

We hold 63 licences, in 12 countries, enabling operations in more than 40 countries, including 30 EEA member states, and 49 US states, supporting over 2,500 foreign exchange routes. We are regulated by many different authorities, which oversee, among other topics, financial crime prevention, consumer protection, licensing, corporate governance and capital requirements.

We have comprehensive regulatory and compliance functions which proactively and transparently engage with regulators globally. Ongoing compliance is our priority in order to maintain the trust of customers, regulators and partners. Our global compliance function comprises over 500 verification (KYC), fraud, financial crime prevention, enhanced due diligence, complaints, chargeback, requests for information and product compliance staff responsible for compliance with all applicable regulations. The regulatory team processes over 21,000 ID checks per day and our in-house fraud and risk systems use machine learning algorithms to constantly monitor activity and adjust thresholds based on our operational data. We are also working to shape the future regulation of our industry. In our fight to bring transparency to the international payments industry, we regularly meet with legislators, regulators and other stakeholders to raise awareness of unfair market practices that hurt people and businesses.

The following are summaries of the regulatory regimes in the most significant jurisdictions (based on our FY2021 financial results) in which we operate, namely, the UK, Europe (Belgium and the EEA), the United States and Australia.

9.2. The United Kingdom

9.2.1. Regulatory Status

Our UK regulated entities are Wise Payments Limited (formerly TransferWise Ltd) (FRN 900507) (TWL) and TINV Ltd (FRN 839689) (TINV).

TWL was authorised by the FCA as an EMI on 4 January 2016 and updated its regulatory permissions on 7 June 2018 in line with the updated EMRs as amended by PSRs. TWL has permissions under the EMRs to provide payment services and issue electronic money, the conduct of which is subject to the PSRs.

TINV is authorised by the FCA to carry out various investment services (under Part IV of the FSMA) including dealing in units as principal for retail clients, subject to such activities meeting the “matched principal exemption” conditions (as defined in the FCA’s Glossary).

TINV is subject to the CRR on both a solo and consolidated basis. In accordance with the discretion afforded to the FCA by the CRR, the FCA has confirmed that it has granted TINV permission to classify the Class A Shares as Common Equity Tier 1 instruments on a consolidated basis only, with such permission taking effect on 22 June 2021. The eligibility of the Class A

Shares to qualify as Common Equity Tier 1 instruments is subject to the firm continuing to meet the relevant regulatory requirements and the firm is required under SUP 8.5 of the FCA Handbook to notify the FCA immediately if it becomes aware of any altered circumstances that could affect the continuing relevance or appropriateness of the granted permission.

9.2.2. Regulatory Authorities

(a) The FCA

TWL and TINV are each authorised and regulated by the FCA. Their being regulated under differing regulatory regimes means that the applicability of FCA rules and guidance, and the basis upon which regulatory supervision is exercised, is slightly different for each firm.

As an EMI, TWL is required to comply with the PSRs and EMRs as well as the FCA's Principles for Business. The FCA is established as the competent authority to authorise or register (as the case may be) an entity seeking to undertake activities regulated under the PSRs and EMRs, and is responsible for supervising an EMI's compliance with the applicable conduct of business rules, authorisation and registration requirements (which include initial and ongoing capital requirements, safeguarding and the appointment and registration of agents), and AML and CTF obligations. Supervision and monitoring is exercised through a variety of mechanisms, requiring both regular and ad hoc reporting from firms, and the FCA has wide enforcement powers in respect of EMIs.

Meanwhile, as an investment firm, the FCA imposes requirements on TINV through a combination of its Principles for Businesses and more detailed provisions contained in the FCA Handbook. The FCA has wide supervisory powers, requiring both regular and ad hoc reporting from firms, and has broad enforcement powers given to it under the FSMA.

(b) The Payment Systems Regulator

The Payment Systems Regulator is the regulator and concurrent competition authority for payment systems and all participants in payment systems in the UK. The Payment Systems Regulator operates under the FCA but has separate duties and powers, including the ability to issue rules, written guidance and decisions.

The Payment Systems Regulator has three statutory objectives: (1) to promote effective competition in the markets for payment systems and for services provided by those systems, including between operators, payment service providers and also infrastructure providers, in the interest of service-users; (2) to promote the development of innovation in payment systems, in the interest of service-users; and (3) to ensure that payment systems are operated and developed in a way that considers and promotes the interests of service-users.

TWL falls within the Payment Systems Regulator's jurisdiction as a direct participant in the Bank of England's FPS, which is designated as a relevant payments system by HM Treasury. As a participant, TWL is required to deal with the Payment Systems Regulator in an open and cooperative way and must appropriately disclose to it anything relating to TWL's business which could have a material adverse impact on its statutory objectives and duties.

(c) Financial Ombudsman Service

FSMA established the FOS, which determines complaints by eligible complainants in relation to authorised financial services firms and certain other businesses in respect of activities and

transactions under its jurisdiction. Complaints about payment services and electronic money are within the jurisdiction of the FOS.

Since TWL is active in both the wholesale payments and retail payments segments, a large number of our UK customers fall within the definition of “eligible complainants” and therefore the FOS’s jurisdiction, on the basis that they are “consumers” or “micro-enterprises”. The FOS determines complaints on the basis of what, in its opinion, is fair and reasonable in all the circumstances of the case and can authorise awards of up to £355,000 plus interest and costs (although a lower maximum award may be applicable, depending upon the date a complaint is referred to the FOS). The FOS may also make directions awards which direct the relevant business to take steps which the FOS considers just and appropriate.

9.2.3. Applicable Law

TWL and TINV are subject to legal requirements and applicable regulatory rules and guidance with respect to prudential requirements, client money protection, conduct of business and AML. Further details on key legal obligations and rules that relate to our UK entities are set out below.

(a) TWL – EMRs

The EMRs implement the Second Electronic Money Directive (2009/110/EC) in the UK. TWL is authorised under the EMRs to issue electronic money (as defined in the EMRs) and provide both related and unrelated payment services.

The EMRs also set out the authorisation and conduct of business requirements for EMIs such as TWL, including rules covering pre-and-post contract information requirements, notice of variation of terms, the safeguarding of customers’ funds, redemption of funds, and termination rights. The payment services-related activities involved in the issuing of electronic money are governed by the PSRs.

As an authorised EMI, TWL must meet certain conditions. Such conditions include having:

- robust governance arrangements for its e-money issuance and payment service business, including a clear organisational structure with well-defined, transparent and consistent lines of responsibility;
- effective procedures to identify, manage, monitor and report any risks to which it might be exposed; and
- adequate internal control mechanisms, including sound administrative, risk management and accounting procedures.

TWL is also under an initial and ongoing duty to meet certain minimum capital (“own funds”) requirements under the EMRs (see below). Other initial and ongoing requirements include, among others:

- having fit and proper controllers;
- having directors and management of good repute and with the appropriate knowledge and experience to issue e-money and provide payment services;
- having adequate measures in place to safeguard e-money holders’ and payment service users’ funds, which includes the requirement to segregate relevant funds from any other funds that it holds; and

- ensuring that any close links with another person are not likely to prevent the FCA's effective supervision of the firm.

(b) TWL – PSRs

Any UK business that provides payment services as a regular occupation or business activity in the UK must be authorised by the FCA as a payment institution, a small payment institution or a registered account information service provider unless it is already authorised in a different category of payment service provider (for example an EMI such as TWL or a bank) or exempt. It is a criminal offence to provide payment services in the UK without the requisite authorisation or a relevant exemption.

When TWL performs payment services, it is subject to the conduct requirements set out in the PSRs. Parts 6 and 7 of the PSRs set out the obligations relating to the conduct of business in providing payment services, which fall into two main categories:

- information to be provided to the customer before and after execution of a payment transaction; and
- the rights and obligations of both TWL and customers in relation to payment transactions.

The information requirements differ depending on whether the transaction concerned is carried out as part of an ongoing relationship under a “framework contract” (essentially where there is an ongoing relationship with a customer) or as a single payment transaction. There are also different requirements for payment instruments that are limited to low value transactions. However, in broad terms, the PSRs cover conduct of business requirements covering pre-and-post contract information requirements, notice of variation of terms, termination rights and information on transactions. Other provisions address authorisation procedures for payments, refunds, liability for unauthorised or incorrect payments, procedure for execution and value dating.

(c) TWL – Safeguarding Regimes

TWL is subject to separate safeguarding requirements under the EMRs (in relation to the e-money issued through Wise Account) and the PSRs (in relation to Wise Transfer).

Under regulation 20 of the EMRs, TWL is required to safeguard funds received in exchange for e-money it has issued. Any unrelated payment services TWL provides are separately subject to the safeguarding provisions set out in regulation of the PSRs. Pursuant to these requirements, TWL holds relevant funds (as defined in the EMRs and PSRs respectively, as applicable) in separate accounts from all other funds it holds (including its working capital and other proprietary funds) so that, in the event of its insolvency, claims of e-money holders or payment service users are paid from the asset pool formed from the segregated relevant funds in priority to all other creditors (other than in respect of the costs of distributing the asset pool). TWL is required to safeguard funds received for both e-money issuance and unrelated payment services and is not permitted to hold the funds in the same safeguarding account.

(d) TWL – Capital Requirements

As an authorised EMI, TWL is required, at all times, to hold own funds equal to or in excess of the greater of:

- the amount of initial capital required for its business activity (i.e. €350,000); or
- the amount of the own funds requirement calculated in accordance with Method D as set out in the EMRs (i.e. an amount equal to 2% of the average outstanding e-money issued by TWL) in respect of any activities carried on that consist of the issuance of e-money and payment services related to the issuance of e-money (subject to any adjustment the FCA may require).

TWL is required to meet separate and additional ongoing capital requirements in relation to its unrelated payment services (i.e. those not related to its e-money issuing activities) as set out in paragraph 13(a) of Schedule 2 of the EMRs.

TWL complies with Method C of the PSRs and Method D of the EMRs in calculating its capital requirements.

In terms of quality of capital, according to Schedule 2 of the EMRs, TWL complies with the eligibility requirements for CET1/AT1/T2 under CRR.

(e) TWL – PSD2

The PSD2, which is described in “—*Belgium and EEA—Applicable Law—PSD2*”, also applies to TWL under the UK implementation of PSD2.

(f) TINV – FSMA

FSMA establishes a framework for financial services legislation in the UK. It provides the basis for the regulatory perimeter, prohibiting persons from carrying on a regulated activity in the UK unless they are authorised or exempt. FSMA also gives the FCA powers to make rules and guidance for firms within the scope of the FSMA regulatory regime, which includes TINV.

(g) TINV – Capital Requirements

In accordance with the FCA’s prudential rules, TINV is classified as an IFPRU 125k firm for base own funds requirements, as it is subject to a limitation on its permissions preventing it from holding or dealing in financial instruments for its own account, unless it meets the conditions for matched principal trading. This classification dictates that TINV’s own funds must not fall below €125,000 (which is its initial capital requirement).

IFPRU firms are generally subject to CRR/CRD IV. However, TINV is classified as an IFPRU limited licence firm. Accordingly, TINV is excluded from the CRD IV-derived requirements on large exposures, capital buffers, leverage ratios and liquidity.

With effect from 1 January 2022, the UK will introduce a new prudential regulatory regime for non-systemic investment firms, which includes less onerous rules than CRR but more granular rules on capital, liquidity and large exposures than the current rules in the FCA Handbook. TINV will become subject to that regime.

(h) TINV - SM&CR

The SM&CR seeks to improve individual responsibility and accountability within financial services firms. TINV is a core firm for the purposes of the SM&CR and has designated senior managers under the SM&CR. SM&CR comprises:

- a Senior Managers Regime for individuals who are subject to FCA approval;

- a Certification Regime, which requires relevant firms to assess the fitness and propriety of certain employees carrying out a "significant harm" function; and
- a set of Conduct Rules applicable to most employees.

TINV is a core firm for the purposes of the SM&CR. The following individuals in TINV are registered as senior managers under the SM&CR:

- Kristo Käärman (SMF3 Executive Director);
- Matthew Briers (SMF3 Executive Director); and
- Ben Steyn (SMF 16 Compliance Oversight, SMF 17 Money Laundering Reporting Officer).

(i) Sanctions

From 31 December 2020, the UK has operated a sanctions regime that is autonomous from the EU, primarily governed by the Sanctions and Anti-Money Laundering Act 2018.

There are a number of relevant regulators and authorities in the UK with sanctions related responsibilities. The Foreign and Commonwealth Office is responsible for formulating overall UK government policy on international sanctions, while OFSI is responsible for ensuring that financial sanctions are properly understood, implemented and enforced. OFSI handles applications for financial sanctions licences and associated notifications and authorisations. The Department for International Trade is responsible for trade sanctions and licensing related to the same (through the Export Control Joint Unit). Breaches of the UK's sanctions regime can result in criminal penalties, including potentially considerable fines.

(j) MLRs and the Proceeds of Crime Act 2002

The UK's AML and CTF legal and regulatory framework, as applicable to TWL and TINV, comprises two parts:

- the criminal offences of money laundering and terrorist financing, which are applicable to all individuals and entities in the UK, not just those in the regulated sector for money laundering purposes. The primary offences are set out in the POCA and TACT. The key offences in POCA include concealing or removing the proceeds of crime from the jurisdiction, arranging for the acquisition or use of the proceeds of crime, possessing or using the proceeds of crime and failing to disclose knowledge or suspicion of the activity of money laundering. Both corporate entities and individual officers can be prosecuted for these offences. As the proceeds of crime may derive from conduct occurring in the UK or abroad if the conduct occurring overseas would have been unlawful had it occurred in the UK, the UK's AML regime will have a certain degree of extra-territorial effect; and
- the MLRs, which place administrative requirements on persons carrying on certain types of business in the UK, including in the financial services industry, to conduct customer due diligence and to keep records to help detect and counter (and wherever possible prevent) money laundering, terrorist-financing and fraud. Such firms must

take a risk-based approach in establishing procedures to meet the requirements of the MLRs.

The FCA's expectations for businesses such as TWL to comply with their anti-financial crime obligations are set out at Chapter 19 of the FCA's Approach Document for Payment Services and Electronic Money, and include implementing measures such as having appropriate internal policies and procedures for dealing with the risk of financial crime, as well as complying with industry standards such as those set out in the Joint Money Laundering Steering Group guidance.

The FCA Handbook meanwhile also contains the regulatory requirements for FSMA-authorised firms (such as TINV) to take reasonable care to establish and maintain effective systems and controls for compliance with the MLRs and for countering the risk that the firm might be used to further financial crime, as set out in the FCA's Systems and Controls sourcebook.

9.3. Belgium and EEA

Wise's Belgian and EEA regulated entity is TransferWise Europe SA (Wise Europe), with registration number 0713629988. Wise Europe is regulated as a PI in Belgium by the NBB, and with this authorisation has passporting rights to provide its services to EEA clients on a cross-border basis.

Wise Europe is authorised by the NBB to provide the following payment services:

- execution of payment transactions, including transfers of funds on a payment account with the user's payment service provider or with another payment service provider, including execution of direct debits, including one-off direct debits; execution of payment transactions through a payment card or a similar device; and execution of credit transfers, including standing orders;
- issuing of payment instruments and/or acquiring of payment transactions; and
- money remittance.

Wise Europe is also authorised to provide its services across the EEA through its passporting rights.

9.3.1. Regulatory Authorities

(a) NBB

Wise Europe's primary regulator in Belgium and across Europe is the NBB. The NBB is responsible for prudential supervision of credit institutions, insurers, stockbrokers, and other financial organisations, and, alongside the Belgian Financial Services and Markets Authority, the NBB supervises Belgian financial markets and financial service providers (including PIs and EMIs). Its authority includes oversight of the financial information that Wise Europe disseminates and the products it offers to people and its compliance with the rules of business conduct. The NBB and Belgian Financial Services and Markets Authority Act in concert with the European Banking Authority, an independent EU authority that provides prudential regulation and supervision across the European banking sector.

9.3.2. Applicable Law

(a) PSD2

The PSD2 came into force in Belgium, replacing the original Payment Services Directive, on 13 January 2018. It introduced new requirements aimed at enhancing online security and regulating online payment services, in addition to creating a more integrated and seamless payments experience for payment institution customers across the EEA. PSD2 captures Wise Europe as a payment institution. The primary aims of the regulation are to improve consumer protection, create a more secure payment environment and lower the costs of payment services.

PSD2 builds on the original Payment Service Directive (which allowed institutions other than banks to provide payment services across Europe and required those providing such services to provide transparency in respect of their fees) by requiring Wise Europe to:

- issue and use strong customer authentication solutions, allowing for authorisation to be linked to the specific amount and payee;
- offer transaction and device monitoring to identify unusual payment patterns; and
- provide standardised and reliable access interface to payment accounts (i.e. an API) which makes it possible to identify third-party payment service providers in a secure way and secures all related communication between all parties involved.

In respect of strong customer authentication requirements, under PSD2 Wise Europe was required to implement an identity verification process with two or more of the following elements:

- knowledge (something only the user knows, e.g. a password or a PIN);
- possession (something only the user possesses, e.g. the card or an authentication code generating device); and
- inherence (something the user is, e.g. the use of a fingerprint or voice recognition).

In respect of unauthorised transactions, PSD2 requires Wise Europe to issue immediate refunds in the event of loss resulting from the theft or misappropriation of the payment instrument (e.g. data breaches, hacking attacks, copied payment cards).

PSD2 also extended provisions on transparency and information requirements to all currencies (as opposed to only those in the EEA), broadened the definition of “payment services” to include payment initiation services and account information services and amended certain exemptions and conduct of business rules.

(b) Interchange Fee Regulation

In April 2015, the Interchange Fee Regulation was adopted to address collectively-agreed inter-bank fees on card-based transactions. The Interchange Fee Regulation introduced ceilings for such fees and rules limiting the ability of retailers to market their cards on the basis of lower interbank fees. The regulations set caps at 0.2% of the transaction value for debit cards for people, and 0.3% for credit cards. Business cards are excluded and the caps apply only to transactions where both the customer and the card issuer are located within the EEA.

(c) Capital Requirements

Under PSD2, authorised PIs are required to hold a minimum amount of capital as a buffer in the event of unexpected losses or to satisfy first losses if it were to be wound up. Minimum capital requirements (referred to as “Own Funds” by the NBB) are calculated in accordance with the Royal Decree of 27 April 2018. As a result, Wise Europe is required, at all times, to hold Own Funds equal to or in excess of the greater of:

- the amount of initial capital required (€125,000); or
- an amount calculated as a percentage of total annual payment volumes according to the following tranches: 4% of average monthly payment volumes up to €5 million; 2.5% of average monthly payment volumes above €5 million up to €10 million; 1% of average monthly payment volumes above €10 million up to €100 million; 0.5% of average monthly payment volumes above €100 million up to €250 million; and 0.25% of average monthly payment volumes above €250 million.

(d) Sanctions

The sanctions regimes applicable in Belgium are imposed at different levels: internationally by the UN Security Council and the EU and nationally by the Belgian government and Belgian National Security Council. The General Administration of the Treasury is authorised to carry out the administration and compliance inspection for these sanctions. In addition to its implementation of the UN and EU sanctions regimes, Belgium has taken measures to draw up its National List, adopted and modified by a Royal Decree of 28 December 2006. The decree requires the immediate freezing of all funds and economic assets of the persons and entities mentioned in the national list and forbids, directly or indirectly, facilitating the funds and economic assets of these persons and entities. Financial institutions, including Wise, must forward information regarding the implementation of the Decree, including information about bank accounts and other assets and economic resources of the aforementioned, to the General Administration of Treasury. Breaches of these restrictive measures are enforced under Belgian Law of 11 May 1995.

9.4. United States

Our regulated entity in the United States is Wise US Inc. (formerly TransferWise Inc.). It is registered as a MSB (Money Services Business) and Prepaid Access Provider with FinCEN. It is licensed to operate as a money transmitter in 48 states, the District of Columbia, and three territories Puerto Rico, Guam and US Virgin Islands, and is supervised by regulatory authorities in each of those states and territories. In other US states and/or territories, money transmission services are offered by our partner financial institution Community Federal Savings Bank, which is supervised by the Office of the Comptroller of Currency.

9.4.1. Regulatory Authorities

(a) FinCEN

FinCEN is the U.S. federal regulatory authority established “to safeguard the financial system from illicit use, combat money laundering and promote national security”. FinCEN’s regulations

under Section 314(a) of the USA PATRIOT Act of 2001 enable federal, state, local, and foreign, such as the EU, law enforcement agencies, through FinCEN, to reach out to more than 34,000 points of contact at more than 14,000 financial institutions to locate accounts and transactions of persons that may be involved in terrorism or money laundering. MSBs are subject to FinCEN's regulatory oversight and enforcement with respect to AML, terrorist-financing reporting and record-keeping laws and regulations.

(b) OFAC

OFAC is responsible for enforcing the U.S. economic and trade sanctions against targeted foreign countries, terrorists, drug cartels and others. OFAC maintains a list of individuals, businesses, non-profits and government agencies called the SDN list. All businesses are required to check their customers against the OFAC list, and ensure that transactions are not otherwise in violation of OFAC sanctions regulations.

9.4.2. Applicable Law

(a) Money Transmitter Laws and Regulations

Most US states require us to be licensed to process money transfer and stored value transactions for their residents. To date, we have obtained money transmitter licences in 48 U.S. states, the District of Columbia, Puerto Rico, Guam and US Virgin Islands. In Nevada, remittance services are offered by Community Federal Savings Bank, for which Wise Inc. (formerly TW Inc.) acts as a service provider, and in Montana no money transmitter licence is required. Licensing requirements generally include minimum net worth requirements, provision of surety bonds, compliance with operational procedures and the maintenance of reserves or "permissible investments" in an amount equivalent to outstanding payment obligations, as defined by our various regulators. The types of securities that are considered "permissible investments" vary across jurisdictions, but generally include cash and cash equivalents, U.S. government securities and other highly-rated debt instruments. Most states require us to file reports on a regular basis to verify our compliance with their requirements. Many states and other regulators also subject us to periodic examinations and require us to comply with AML and other laws and regulations similar to the BSA/PATRIOT Act.

(b) The BSA/PATRIOT Act

The BSA/PATRIOT Act requires MSBs to develop and implement risk-based AML programmes, verify the identity of customer accounts, report suspicious activity and maintain transaction records. Financial institutions, including non-bank financial institutions such as MSBs, are subject to the BSA/PATRIOT Act. Under its terms, all MSBs have a FinCEN obligation to report suspicious activity related to large transactions, insider activity and other qualifying "cyber events" within 30 days of the date of the initial determination for the necessity of filing the report.

In addition to the foregoing, BSA/PATRIOT Act regulated entities must also designate a compliance officer, provide employees with training on money laundering prevention, and undergo an annual, independent audit to assess the effectiveness of its AML programme.

(c) OFAC Controls & Sanctions

We are required to remain in compliance with the sanctions laws and regulations administered by OFAC and may be required to remain in compliance with sanctions regimes established in certain countries in which we or our disbursement partners operate. In order to address those requirements, we must:

- ensure that we are not engaging in any transactions in, relating to, or involving, directly or indirectly, countries *subject* to U.S. economic sanctions, including Cuba, Iran, and Syria, or that otherwise would be prohibited if performed by U.S. persons or entities, unless authorised by the appropriate U.S. government agency;
- screen transactions, customers, affiliates, directors, officers or employees to ensure that none are listed on government watch-lists such as: the SDN list, maintained by OFAC; any lists of restricted persons or entities maintained by any other U.S. government authority or pursuant to any Executive Order of the President of the United States of America; and lists maintained by other governments as applicable;
- block funds of SDNs; and
- prepare and submit blocking and other reports, and maintain blocked funds as required by OFAC laws and regulations.

Wise US has policies and procedures for screening OFAC sanctions lists and utilises its proprietary software to screen each customer and each transaction to identify potential OFAC matches. Country-based and SDN lists update every 24 hours and automatically cross-reference the names of all correspondents, counterparties and their owners against the updated lists.

(d) Electronic Fund Transfers

Wise is subject to various laws and regulations governing the electronic transfer of funds, including: (1) the EFTA; and (2) Regulation E, issued by the Consumer Financial Protection Bureau pursuant to Regulation E. The EFTA establishes the conditions for any transfer of funds initiated by electronic means to debit or credit an account held by a consumer in a financial institution. Regulation E provides additional detail with respect to the rights and remedies set forth in the EFTA as applied to consumer customers, including but not limited to disclosures, pricing guidelines and error resolution procedures.

(e) Data Protection and Information Technology

In the United States, the GLBA sets out the federal privacy and data protection framework to which we are subject. The GLBA: (1) restricts the collection, processing, storage, use, and disclosure of consumer personal information; (2) requires notice to individuals of privacy practices; and (3) provides individuals with certain rights to prevent the use and disclosure of protected information. The GLBA also imposes requirements for the safeguarding of consumer personal information. Certain state laws also restrict the ability to collect and utilise certain types of information, such as Social Security or driver's licence numbers.

9.5. Australia

Our Australian regulated entity is Wise Australia Pty Ltd (Wise Australia).

It is regulated by ASIC as an AFS licensee pursuant to section 913B of the Australian Corporations Act. As an AFS licensee, Wise Australia is authorised to carry on a financial services business in Australia and to provide certain financial services specified under its AFS licence. Under its AFS licence, Wise Australia is authorised to provide general financial product advice and deal in financial products (in respect of deposit and payment products limited to non-cash payment products) and to make a market for foreign exchange contracts. Wise Australia is authorised to provide these financial services to both retail and wholesale clients.

Wise Australia is also regulated by the APRA under an ADI licence. This licence permits Wise Australia to carry on banking business in Australia under subsection 9(3) of the Australian Banking Act, limited to providing PPF.

Further, Wise Australia is regulated by AUSTRAC as a designated independent remittance dealer and account provider in accordance with the Australian AML/CTF Act. It is enrolled on the AUSTRAC Reporting Entities Roll and registered on the AUSTRAC Remittance Sector.

9.5.1. Regulatory Authorities

(a) ASIC

ASIC is Australia's regulator for corporations, financial markets, financial services and consumer credit. The principal law governing corporations and the provision of financial services in Australia is the Australian Corporations Act and its regulations under the Corporations Regulations 2001 (Cth).

ASIC maintains broad supervisory powers in respect of companies and AFS licensees. These include the imposition of any criminal or civil liability for breaches of relevant provisions in the Australian Corporations Act. Under certain circumstances, ASIC also has, for example, the power to deregister proprietary companies, to cancel an AFS licence and to issue a banning order which prohibits the person from providing any financial services or specified financial services in specified circumstances or capacities.

(b) APRA

The APRA is the prudential regulator of the financial services industry in Australia. It licenses and supervises banking, insurance and superannuation businesses. The APRA establishes prudential standards that regulated institutions must comply with. These standards set out a range of requirements in relation to financial soundness, risk management, and governance.

The licence obtained by Wise Australia from the APRA permits it to carry on banking business in Australia, limited to providing PPF. Wise Australia must meet certain prudential requirements applicable to providers of PPF, as set out in Prudential Standard APS 610. Specifically, pursuant to the terms of its licence, Wise Australia is required, at all times, to hold Tier 1 capital, which is the greater of: (a) A\$3 million; or (b) 5% of total outstanding stored value liabilities. Wise Australia must not pay interest on amounts held for the benefit of its customers. In addition, it is not authorised to conduct general banking business in Australia.

After an institution is licensed by the APRA, it is subject to ongoing supervision to ensure it is meeting the APRA's prudential requirements. If the APRA has concerns about a supervised institution's prudential strength or risk management, it will work with the institution to have those issues promptly addressed. If the institution is uncooperative, or the APRA otherwise

considers it necessary, the APRA can take a range of enforcement actions against an institution, or individuals associated with that institution, to protect the interests of depositors.

(c) AUSTRAC

AUSTRAC administers the AML and CTF laws in Australia, and is also the primary regulator of remittance service providers in Australia. AUSTRAC maintains ongoing oversight of reporting entities. This includes the imposition of any criminal or civil liability against such entities for breach of relevant provisions in the Australian AML/CTF Act. In addition, AUSTRAC has the power to cancel a person's registration on the AUSTRAC Remittance Sector Register (i.e. require the person to cease providing registrable designated remittance services) in certain circumstances, including breaches of a condition of registration.

(d) DFAT

DFAT is a department of the Federal Government of Australia. DFAT administers Australia's sanctions regime and may impose criminal liability against persons for breach of relevant sanctions provisions.

9.5.2. Applicable Law

(a) Australian Corporations Act

In respect of financial services, the Australian Corporations Act requires a person, subject to applicable exemptions, to hold an AFS licence, or be an authorised representative of a person who holds an AFS licence, if they carry on a financial services business in Australia. ASIC maintains oversight of the AFS licensing regime.

The Australian Corporations Act imposes overriding general obligations on AFS licensees, including the requirement to do all things necessary to ensure that the financial services covered by the relevant AFS licence are provided efficiently, honestly and fairly. In addition to the general obligations, AFS licensees are otherwise required to comply with certain requirements relevant to the financial services and products that they provide to their clients (such as disclosure requirements in the form of a Product Disclosure Statement in specified situations involving the issue of a financial product to a retail client).

(b) Australian Banking Act

Under the Australian Banking Act, it is an offence to conduct banking business in Australia without the proper authority. A company that intends to conduct any business that can be classed as banking business, needs to obtain an ADI licence from the APRA giving it the authority to conduct banking business in Australia.

ADIs must also comply with BEAR, which is set out in the Australian Banking Act. BEAR, which is administered by the APRA, establishes accountability obligations for ADIs and their senior executives and directors, including, among other things, deferred remuneration, key personnel and notification obligations for ADIs. It also requires ADIs to appoint accountable persons to the responsibilities covered under the regime.

(c) Capital Requirements

Prudential Standard APS 610 requires ADIs that have obtained an authority to provide PPF to meet prudential requirements commensurate with their risk profile. These ADIs form a class of ADI known as PPF providers. PPF providers are not authorised to conduct general banking business in Australia.

Prudential Standard APS 610 sets out the ADI prudential standards that apply to PPF providers, as well as additional requirements applying to PPF providers that have stored value at risk. The key requirements of this prudential standard for PPF providers with stored value at risk are:

- minimum Tier 1 Capital requirement that is the larger of (a) the minimum start-up capital as determined by APRA, or (b) 5% of stored value liabilities;
- to hold, at all times, high quality liquid assets equal to its stored value liabilities; and
- to meet certain operational risk requirements.

A PPF provider has a notification obligation to inform the APRA of any actual or potential breach of the capital adequacy requirements, and any breach of its minimum liquidity holdings, or concerns over the adequacy of its liquidity holdings.

(d) Other Prudential Requirements

Prudential Standard APS 610 also requires Wise Australia to comply with several other prudential standards in relation to risk management (CPS 220), governance (CPS 510), fit and proper (CPS 520), business continuity management (CPS 232), outsourcing (CPS 231) and audit (APS 310).

(e) Australian AML/CTF Act

Australian proprietary companies that carry out certain activities, including remittance and currency exchange services, must enrol with AUSTRAC as reporting entities and comply with certain requirements under the Australian AML/CTF Act and AML/CTF Rules. Remittance and currency exchange services are deemed to be designated services under the Australian AML/CTF Act, and providers of designated remittance services must separately register on the AUSTRAC Remittance Sector Register.

Reporting entities are required to develop and maintain an AML/CTF programme. The purpose of an AML/CTF programme is to specify how the reporting entity will identify, mitigate and manage risk that it might reasonably face that the provision of designated services at or through a permanent establishment of the entity in Australia might involve or facilitate money laundering or financing of terrorism, and to set out applicable customer identification procedures for customers of the reporting entity.

In addition to developing and maintaining an AML/CTF programme, some other key requirements for reporting entities include compliance with reporting obligations (including the reporting of suspicious matters to AUSTRAC) and record-keeping (for example, regarding applicable customer identification procedure).

(f) Sanctions Laws

The United Nations Act, which implements the United Nations Security Council sanctions, and the Autonomous Sanctions Act establish the sanctions regime in Australia. Both laws are administered by DFAT. These laws impose particular sanctions measures (including undertaking

a sanctioned supply or sanctioned import) in respect of specific countries or particular groups of people (such as persons who commit terrorism).

It is an offence under the United Nations Act for any person to engage in conduct that would contravene a UN sanction enforcement law. Contravention of a United Nations sanction enforcement law is punishable by imprisonment (for individuals) or by imposition of a fine (for both individuals and corporations).

The Autonomous Sanctions Act prohibits persons from engaging in conduct that would contravene a sanction law. Sanction laws are specified by the Minister for Foreign Affairs by legislative instrument, and include autonomous sanctions that have been legislated under the Autonomous Sanctions Regulations.

(g) Privacy Laws

The Privacy Act outlines the Australian Privacy Principles that companies need to meet to ensure protection of privacy for individuals. Currently there are 13 privacy principles which cover collection, disclosure, security, access, and management of personal information as well as direct marketing and anonymity requirements.

10. ADDITIONAL INFORMATION

10.1. Incorporation

The Company was incorporated and registered in England and Wales on 18 February 2021 as a public limited company under the Act with the name 456 Newco plc and with the registered number 13211214. On 17 June 2021, we changed our name to Wise plc. The Company is the ultimate holding company of the Group and was inserted into the Group pursuant to the Group Reorganisation on 22 June 2021. Further details on the Group Reorganisation are set out in the “*section 10.3—Additional Information—Group Reorganisation*” below.

Our registered office and principal place of business is at 6th Floor Tea Building, 56 Shoreditch High Street, London E1 6JJ, United Kingdom, our LEI number is 213800LD9XCHIC1C4V71 and our website is www.wise.com. Information contained on our website or application, or the contents of any website accessible from hyperlinks on our website are not incorporated into and do not form part of this Prospectus.

The principal laws and legislation under which the Company operates and the Shares have been created are the UK Companies Act 2006 and regulations made thereunder.

10.2. Share Capital

As at the latest practicable date prior to publication of this Prospectus (being 20 August 2021), the Company’s current share capital was 994,589,856 Class A Shares of £0.01 each and 398,889,814 Class B Shares of £0.000000001 each, being £9,945,898.96 in aggregate.

On incorporation, the Company’s share capital was one ordinary share of £1.00, namely the Subscriber Share, which was allotted to Hackwood Secretaries Limited and credited as fully paid in return for cash. On 28 April 2021, the Subscriber Share was transferred to the Executive Founder; and a further 50,000 non-voting redeemable preference shares of £1.00 each were issued by the Company, all of which were allotted to the Executive Founder and credited as fully paid on the basis of an undertaking to pay given by the Executive Founder to the Company.

On 22 June 2021, the Subscriber Share was re-designated as a Class A Share, its share class rights were varied accordingly and it was subsequently sub-divided into 100 shares with a nominal value of £0.01 each. Subsequently, and also on 22 June 2021, the Existing Shareholders entered into a share for share exchange agreement with the Company pursuant to which the Company acquired the entire issued share capital of TWL in exchange for the issue by the Company to the Existing Shareholders of Class A Shares, Class B Shares and a single non-voting redeemable preference share in the Company (the “Share for Share Exchange”). Following the Share for Share Exchange, the share capital of the Company was made up of: (1) 994,589,856 Class A Shares of £0.01, being £9,945,898.56 in aggregate; (2) 398,889,814 Class B Shares of £0.000000001, being £0.398889814 in aggregate; and (3) 50,001 non-voting redeemable preference shares of £1.00, being £50,001 in aggregate.

On 22 June 2021, the following shareholder resolutions were passed by the Initial Subscriber as sole shareholder of the Company:

- that the one existing ordinary share of £1.00 in the share capital of the Company be and is hereby re-designated as a class A ordinary share, such class A ordinary share having the same rights and being subject to the same restrictions as the Class A Shares in the capital of the Company as set out in the Articles;
- that the one existing class A ordinary share of £1.00 in the share capital of the Company be and is hereby sub-divided into 100 new class A ordinary shares of £0.01 each in the capital of the Company, such shares having the same rights and being subject to the same restrictions (save as to nominal value) as the existing Class A Shares;
- that the Articles as further described in paragraph 10.4 (Articles of Association) be adopted as the articles of association of the Company in substitution for, and to the exclusion of, the previous articles of association;
- that the Directors be generally and unconditionally authorised pursuant to and in accordance with Section 551 of the Act to exercise all the powers of the Company to allot shares in the Company or grant rights to subscribe for or to convert any security into shares in the Company up to an aggregate nominal amount of £9,945,898.95888981, such authority to apply in substitution for all previous authorities pursuant to Section 551 of the Act and to expire on 31 December 2021 but so that the Company may, before such expiry, make offers and enter into agreements which would, or might, require shares to be allotted or rights to subscribe for or to convert any security into shares to be granted after the authority given by this resolution has expired;
- that the Directors be empowered to allot equity securities (as defined in Section 560(1) of the Act) wholly for cash pursuant to the authority in paragraph 2.4 above up to an aggregate nominal amount of £9,945,897.95888981 as if Section 561(1) of the Act did not apply to any such allotment;
- that, conditional upon Direct Listing, the Company be and is hereby unconditionally and generally authorised for the purpose of Section 701 of the Act to make market purchases (as defined in Section 693 of that Act) of Class A Shares, provided that:
 - the maximum number of Class A Shares which may be purchased is equal to 10% of the amount of Class A Shares in issue in the capital of the Company immediately following Direct Listing;
 - the minimum price (exclusive of expenses) which may be paid for each Class A Share is the nominal value of a Class A Share;
 - the maximum price (exclusive of expenses) which may be paid for each Class A Share is an amount equal to the higher of: (a) 105% of the average of the closing price of the Class A Shares as derived from the London Stock Exchange Daily Official List for the five business days immediately preceding the day on which such share is contracted to be purchased; and (b) the higher of the price of the last independent trade and the highest current bid as stipulated by Regulatory Technical Standards as referred to in article 5(6) of the Market Abuse Regulation (as it forms part of UK law); and

- such authority shall expire at the conclusion of the AGM of the Company held in 2022 or, if earlier, at the close of business on 30 September 2022 (except in relation to the purchase of shares the contract for which was concluded before the expiry of such authority and which might be executed wholly or partly after such expiry) unless such authority is renewed prior to such time;
- that, conditional upon Direct Listing, the Directors be generally and unconditionally authorised pursuant to and in accordance with Section 551 of the Act to exercise all the powers of the Company to allot Class A Shares in the Company or grant rights to subscribe for or to convert any security into Class A Shares in the Company:
 - up to an amount equal to one third of the number of Class A Shares in issue in the capital of the Company immediately following Direct Listing;
 - comprising equity securities (as defined in Section 560(1) of the Act) up to a further amount equal to one third of the number of Class A Shares in issue in the capital of the Company immediately following Direct Listing in connection with an offer by way of a rights issue,
 - pursuant to Section 551 of the Act and to expire at the end of the next AGM or at the close of business on 30 September 2022, whichever is the earlier, but, in each case, so that the Company may, before such expiry, make offers and enter into agreements which would, or might, require shares to be allotted or rights to subscribe for or to convert any security into shares to be granted after the authority given by this resolution has expired;
- that, conditional upon Direct Listing, the Directors be authorised to allot Class A Shares comprising equity securities (as defined in Section 560(1) of the Act) wholly for cash:
 - pursuant to the authority given by paragraph 2.7.1 above or where the allotment constitutes an allotment of equity securities by virtue of Section 560(3) of the Act in each case:
 - in connection with a pre-emptive offer; and
 - otherwise than in connection with a pre-emptive offer, up to an amount of equal to 5% of the Class A Shares in issue in the capital of the Company immediately following Direct Listing; and
 - pursuant to the authority given by paragraph 2.7.2 of resolution 2.7 above in connection with a pre-emptive rights issue, as if Section 561(1) of the Act did not apply to any such allotment, such authority to expire at the end of the next AGM of the Company or at the close of business on 30 September 2022, whichever is the earlier but so that the Company may, before such expiry, make offers and enter into agreements which would, or might, require equity securities to be allotted and treasury shares to be sold after the authority given by this resolution has expired and the Directors may allot equity securities and sell treasury shares under any such offer or agreement as if the authority had not expired;

- that, conditional upon Direct Listing, and in addition to any authority granted under paragraph 2.8 above, the Directors be authorised to allot Class A Shares comprising equity securities (as defined in Section 560(1) of the Act) wholly for cash pursuant to the authority given by paragraph 2.7 above or where the allotment constitutes an allotment of equity securities by virtue of Section 560(3) of the Act as if Section 561(1) of the Act did not apply to any such allotment, such authority to be:
 - limited to the allotment of equity securities or sale of treasury shares up to an amount equal to 5% of the Class A Shares in issue in the capital of the Company immediately following Direct Listing; and
 - used only for the purposes of financing (or refinancing, if the authority is to be used within six months after the original transaction) a transaction which the Board of Directors of the Company determines to be an acquisition or other capital investment of a kind contemplated by the Statement of Principles on Disapplying Pre-Emption Rights most recently published by the Pre-Emption Group prior to the date of this notice,
 - such authority to expire at the end of the next AGM of the Company or at the close of business on 30 September 2022, whichever is the earlier, but so that the Company may, before such expiry, make offers and enter into agreements which would, or might, require equity securities to be allotted and treasury shares to be sold after the authority given by this resolution has expired and the Directors may allot equity securities and sell treasury shares under any such offer or agreement as if the authority had not expired;
- that, conditional upon Direct Listing, the Directors be, in connection with the granting of New Class A Shares:
 - authorised to capitalise a sum of up to £25,000 from the retained profits and/or reserves of the Company and to apply such sum in paying up in full new Class A Shares to be allotted and issued to certain customers of the Company participating in OwnWise (who may or may not be shareholders of the Company) in such proportions as they may be entitled to under the terms of OwnWise from time to time;
 - generally and unconditionally authorised pursuant to and in accordance with Section 551 of the Act to exercise all the powers of the Company to allot Class A Shares in the Company or grant rights to subscribe for or to convert any security into Class A Shares in the Company up to 2,500,000 Class A Shares; and
 - generally and unconditionally authorised to make market purchases (as defined in the Act) of Class A Shares, provided that:
 - the maximum number of Class A Shares which may be purchased is 2,500,000;
 - the minimum price (exclusive of expenses) which may be paid for each Class A Share shall be equal to the nominal value in respect of such share; and

- the maximum price (exclusive of expenses) which may be paid for each Class A Share is an amount equal to the higher of: (i) 105% of the average of the closing price of the Class A Shares as derived from the London Stock Exchange Daily Official List for the five business days immediately preceding the day on which such Class A Share is contracted to be purchased; and (ii) the higher of the price of the last independent trade and the highest current bid as stipulated by EU Commission adopted Regulatory Technical Standards pursuant to article 5(6) of the Market Abuse Regulation (as it forms part of UK retained law pursuant to the European Union (Withdrawal) Act 2018),
 - such authorities shall expire at the conclusion of the Company's first AGM or, if earlier, at the close of business on 30 September 2022; and
 - that the rules of the Wise plc Long Term Incentive Plan be approved and that the directors be authorised to do all such other acts and things as they may consider appropriate to implement the LTIP and establish further plans based on the LTIP but modified to take account of local tax, exchange controls or securities laws outside the UK, provided that any new issue or treasury shares made available under such further plans are treated as counting against the plan limits in the LTIP.

On 7 July 2021, as part of our Direct Listing, admission occurred and the Class A Shares were listed on the standard segment of the Official List of the FCA and trading in the Class A Shares commenced.

Save as disclosed above and in “*section 10.6—Directors’ Terms of Employment*”, “*section 10.8—Legacy Employee Share Plans*” and “*section 10.9—New Employee Share Plans*”:

- no share or loan capital of the Company has, within three years of the date of this Prospectus, been issued or agreed to be issued, or is now proposed to be issued, fully or partly paid, either for cash or for a consideration other than cash, to any person;
- no commissions, discounts, brokerages or other special terms have been granted by the Company in connection with the issue or sale of any share or loan capital of the Company; and
- no share or loan capital of the Company is under option or has been agreed conditionally or unconditionally to be put under option.

10.3. Group Reorganisation

In connection with the Direct Listing, the Group implemented certain steps on or around 22 June 2021 as a part of a reorganisation of its corporate structure, collectively referred to as the “Group Reorganisation”. Under the Group Reorganisation, the Existing Shareholders and the Company entered into an agreement for the Share for Share Exchange, pursuant to which the Company acquired the entire issued share capital of TWL in exchange for the issue of Class A Shares, Class B Shares and a non-voting redeemable preference share to the Existing Shareholders and, as a result, the Company became the ultimate holding company of the Group, as reflected in the structure chart at “*section 10.3—Additional Information—Group Reorganisation*” below.

10.4. Articles of Association

The Articles include provisions to the following effect:

10.4.1. Shares and special rights

Without prejudice to any rights attached to any existing shares, the Company may issue shares with such rights or restrictions as determined by either the Company by ordinary resolution or, if the Company passes a resolution to so authorise them, the Directors.

The Company may issue any shares which are to be redeemed, or are liable to be redeemed, at the option of the Company or the holder, save for Class A Shares which shall be not redeemable. Each Class A Share shall be fully paid up upon issue. Any redeemable non-voting preference shares in issue following the Share for Share Exchange may be redeemed at their nominal amount and cancelled by the Directors at any time.

10.4.2. Share certificates

The Company shall, on request, issue a share certificate to every person whose name is entered in the Company's share register in respect of shares in certificated form.

The Company shall not issue a share certificate to any person in respect of Class B Shares. Class B Shares are to be held in uncertificated form with the registered ownership of Class B Shares to be evidenced by reference to the Company's share register.

Class A Shares that correspond to Class B Shares are to be held in uncertificated form and their ownership is to be evidenced by reference to the Company's share register. Registered holders of such Class A Shares can request the issuance of a share certificate in respect of such Class A Shares in accordance with the first paragraph above. As set out in "*section 10.4.6—Additional Information—Articles Of Association—Class B Share allotment and transfers*" below, each Class B Share will immediately cease to carry any entitlement to voting rights on the issuance of a share certificate in respect of its corresponding Class A Share.

10.4.3. Voting rights

On a poll each Class A Shareholder who is present in person or by proxy shall have one vote for every Class A Share of which such member is the holder.

The Class B Shares shall carry no entitlement to voting rights unless: (a) the registered holder is an initial holder of Class B Shares issued in connection with the Share for Share Exchange; and (b) the Class A Shares have been admitted to listing and/or trading on a regulated market. The entitlement to voting rights held exclusively by such Class B Shareholders is non-transferable and may only be exercised by the named holders of Class B Shares issued initially in connection with the Share for Share Exchange.

Subject to the restrictions set out in "*section 10.4.4—Additional Information—Articles Of Association—Class B Share voting restrictions*" below, on a poll each Class B Shareholder who is present in person or by proxy shall have nine votes for every Class B Share of which such member is the holder.

A proxy shall not be entitled to vote on a poll where the member appointing the proxy would not have been entitled to vote on the resolution had such member been present in person.

10.4.4. Class B Share voting restrictions

Subject to the provisions below, each Class B Shareholder shall be entitled to attend and speak at any general meeting of the Company or any meeting of the holders of any class of Shares or to vote at any such meeting and the rights to attend (whether in person or by proxy), to speak and to demand and vote on a poll.

The number of votes that each Class B Shareholder group (as set out in the Articles, including the Executive Founder when he is not Chief Executive Officer of the Company and excluding the Executive Founder while he is Chief Executive Officer of the Company) is entitled to exercise by virtue of its consolidated holding of Class B Shares shall be capped on the following basis and in the following circumstances in respect of each Shareholder resolution:

- each member of the relevant Class B Shareholder group shall be entitled to all votes attaching to the Class A Shares held by it;
- in addition, each member of the relevant Class B Shareholder group shall be entitled to any and all votes attaching to the Class B Shares held by it, provided always that the total number of votes exercisable by the Class B Shareholder group (in aggregate, across all members of the Class B Shareholder group and including all votes attaching to Class A Shares and Class B Shares) shall not exceed the Non-CEO Permitted Maximum, by reference to the total eligible votes in respect of that Shareholder decision (and not, for the avoidance of doubt, by reference to the total voting rights in the Company at that time); and
- where any restriction above applies, the excess votes in respect of Class B Shares (over the Non-CEO Permitted Maximum) that are not exercisable shall be deducted from the number of votes that would otherwise be exercisable by the members of the relevant Class B Shareholder group, in each case pro rata to their holdings of Class B Shares.

The number of votes that each member of the Executive Founder's Class B Shareholder group (as set out in the Articles) is entitled to by virtue of its consolidated holding of Class B Shares shall be capped on the following basis and in the following circumstances, while the Executive Founder is Chief Executive Officer of the Company, in respect of each Shareholder resolution:

- each member of the Executive Founder's Class B Shareholder group shall be entitled to all votes attaching to the Class A Shares held by him or it;
- in addition, each member of the Executive Founder's Class B Shareholder group shall be entitled to any and all votes attaching to the Class B Shares held by him or it, provided always that the total number of votes exercisable by the Class B Shareholder group (in aggregate, across the Class B Shareholder group and including all votes attaching to Class A Shares and Class B Shares) shall not exceed the CEO Permitted Maximum, by reference to the total *eligible* votes in respect of that Shareholder decision (and note, for the avoidance of doubt, by reference to the total voting rights in the Company at that time); and
- where any restriction above applies, the excess votes in respect of Class B Shares (over the CEO Permitted Maximum) that are not exercisable shall be deducted from the number of votes that would otherwise be exercisable by the members of the Executive Founder's Class B Shareholder group, in each case pro rata to their holdings of Class B Shares.

Nothing in the above provisions shall prevent a Shareholder or Class B Shareholder group from being entitled to exercise votes attaching to Shares in the Company in excess of the CEO Permitted Maximum or the Non-CEO Permitted Maximum (as applicable) by virtue solely of the votes attaching to the Class A Shares.

At any time when the aggregate number of a Class B Shareholder group's votes attaching to Shares in the Company exceeds the Non-CEO Permitted Maximum or, in the case of the Executive Founder's Class B Shareholder group, the CEO Permitted Maximum or the Non-CEO Permitted Maximum (as applicable), in respect of a Shareholder decision the Directors may deal with such votes attaching to Class B Shares as are in excess as affected votes. The Directors shall give an affected votes notice to the registered holder of any Class B Share which they determine to deal with as an affected vote and shall state that the provisions of the provisions set out above (all of which shall be set out in the affected vote notice) are to be applied in respect of such affected votes.

A registered holder of Class B Shares upon whom an affected vote notice has been served shall not be entitled to exercise or cast their affected votes at the general meeting of the Company or any meeting of the holders of any class of Shares at which such affected votes have been deemed effective. In the case of a general meeting of the Company or any meeting of the holders of any class of Shares, the affected votes shall vest in the Chair of such meeting who shall abstain from exercising or casting the affected votes.

On a Shareholder resolution, votes attaching to Class B Shares shall be capped so that the number of votes eligible to be cast by a Class B Shareholder group shall not exceed the CEO Permitted Maximum or the Non-CEO Permitted Maximum (as applicable) as a proportion of all votes eligible to be cast in respect of that Shareholder resolution. This is as opposed to capping such voting rights by reference to the *total* voting rights in the Company at that time, as to do so would not take into account those votes being excluded from the Shareholder decision as a result of being affected votes under the voting cap mechanism. If the voting caps were implemented by reference to the total voting rights in the Company at that time, a Shareholder being capped would have their votes reduced by reference to a total voting rights figure higher than the voting rights eligible to be cast in respect of that decision, thereby resulting in that Shareholder being able to exercise proportionate voting rights in excess of the relevant threshold. Therefore, when calculating the total number of votes eligible to be cast in respect of a Shareholder resolution, affected votes will be excluded from that calculation. This will decrease the total number of votes eligible to be cast and so also decrease the total number of votes required for a shareholder to reach the CEO Permitted Maximum and the Non-CEO Permitted Maximum – it is by reference to this number that the voting cap threshold is calculated. This mechanism can be illustrated by way of a worked example as follows:

- if there are 100 votes in the Company and the Executive Founder (as Chief Executive Officer of the Company) holds 60 of these votes, the voting rights that the Executive Founder is entitled to exercise will exceed the CEO Permitted Maximum (for the purposes of this worked example, such threshold being after the satisfaction of the Residual Change in Control Approval condition, namely one vote below 50%), thereby triggering the vote capping mechanism;

- 40 votes in the Company will be held by Shareholders other than the Executive Founder, therefore the Executive Founder is entitled to votes, by virtue of his Class B Shares, such that as a proportion of the aggregate of the votes the Executive Founder is entitled to and the votes that Shareholders other than the Executive Founder are entitled to, the Executive Founder does not exceed the CEO Permitted Maximum; and
- the Executive Founder is therefore entitled to cast 39 votes in respect of that Shareholder resolution by virtue of his Class B Shares, with the voting rights he holds in excess of that number by virtue of his Class B Shares being affected votes.

If, instead, the calculation had been made by reference to the total voting rights in the Company, the Executive Founder's votes would have been reduced to one vote below 50% out of the 100 votes in the Company (namely, 49 votes). As a result, 11 of the Executive Founder's 60 votes would be affected votes by virtue of the cap, with such votes vesting in the Chair and subsequently being abstained from the vote. As a result, the Executive Founder would be able to cast 49 votes out of the 89 votes available to be cast, thereby resulting in him having voting entitlements in excess of 50% in respect of that Shareholder decision.

10.4.5. Variation of rights

Subject to the provision below, whenever the share capital of the Company is divided into different classes of shares, the special rights attached to any class may be varied or cancelled with:

- the written consent of the holders of three-quarters in nominal value of the issued shares of the class, excluding any shares held as treasury shares; or
- a special resolution passed at a separate meeting of the holders of the shares of the class.

The special rights attaching to each of the Class A Shares and the Class B Shares shall not be varied or cancelled without:

- a special resolution passed at a separate meeting of the holders of Class A Shares in respect of a variation or cancellation of Class B Share rights; and
- a special resolution passed at a separate meeting of the Class B Shares (for as long as any Class B Shares are in issue) in respect of a variation or cancellation of Class A Share rights.

The special rights attached to any class of shares having preferential rights shall not, unless otherwise expressly provided by their terms of issue, be deemed to be varied by:

- the creation or issue of further shares ranking, as regards participation in the dividends or assets of the Company, in some or all respects equally with them but in no respect in priority to them; or
- the purchase or redemption by the Company of any of its own shares.

10.4.6. Class B Share allotment and transfers

Following the initial issue of Class B Shares in connection with the Share for Share Exchange, no further issuances or allotments of Class B Shares are permitted, either under the Articles or pursuant to the Act, and the Board shall not have the authority to allot, grant options over or otherwise dispose of Class B Shares to any persons at any time.

Class B Shares are strictly non-transferable, non-tradeable and non-distributable to any person or entity whatsoever. The Directors must not approve any instrument of transfer in respect of any Class B Shares.

Each Class B Share will immediately cease to carry any entitlement to voting rights in any of the following circumstances:

- the relevant Class B Shareholder being issued a share certificate in respect of that Class B Share's corresponding Class A Share;
- the Class B Shareholder's corresponding Class A Share being deposited into any depositary for equity securities, as defined in Section 560 of the Act;
- the death of the Class B Shareholder;
- the purported trade and/or transfer of the beneficial and/or legal interest of the relevant Class B Share;
- the purported trade and/or transfer of the beneficial and/or legal interest of a Class B Shareholder's corresponding Class A Share relating to the relevant Class B Share;
- any indirect change in control in respect of the Class B Shareholder (as determined by the Board); or
- 23.59 (London time) on the fifth anniversary following our Direct Listing, i.e. on 7 July 2026.

Following any Class B Share ceasing to carry any entitlement to voting rights in any of the circumstances set out above, no such entitlement may be reinstated at any time and the Company may, in its sole discretion at any time and in any manner, redeem any such Class B Share for no consideration, upon which they will be cancelled.

10.4.7. Transfer of shares

All transfers of shares which are in certificated form may be effected in writing or in any other form acceptable to the Directors. The instrument of transfer shall be signed by the transferor or on their behalf.

All transfers of shares which are in uncertificated form (save for Class B Shares) shall be effected by means of a relevant system in accordance with the Uncertificated Securities Regulations 2001 or otherwise in accordance with applicable law.

The Directors may decline to register any transfer of shares in certificated form unless:

- the instrument of transfer is in respect of only one class of share;
- the instrument of transfer is lodged (duly stamped if required) at the transfer office accompanied by the relevant share certificate(s) or such other evidence as the Directors may reasonably require to show the right of the transferor to make the transfer or, if the instrument of transfer is executed by some other person on the transferor's behalf, the authority of that person to do so; and
- it is fully paid.

The Directors may also refuse to register an allotment or transfer of shares (whether fully paid or not) in favour of more than four persons jointly.

The transferor shall remain the holder of the shares concerned until the name of the transferee is entered in the Register in respect of those shares.

10.4.8. Alteration of share capital

The Company may by special resolution reduce its share capital, share premium account, capital redemption reserve or redenomination reserve in any way permitted by applicable law, in each case in accordance with the Act.

Save for the restrictions attaching to Class B Shares, the Articles do not restrict the Company's ability to increase or sub-divide its share capital. Therefore, subject to the Act, the Company may by ordinary resolution increase or sub-divide its share capital.

10.4.9. Purchase of own shares

The Articles do not restrict the Company's ability to purchase its own shares (save for Class B Shares) and therefore, subject to the Act and without prejudice to any relevant special rights attached to any class of shares, the Company may purchase any of its own shares of any class in any way (save for Class B Shares) and at any price (whether at par or above or below par).

10.4.10. General meeting

An AGM shall be held in each period of six months beginning with the day following the Company's accounting reference date, at such date and time decided by the Directors.

The Directors may proceed to convene a general meeting whenever they think fit. The Directors are required to convene a general meeting if the Company receives requests to do so from shareholders representing at least 5% of the paid up share capital of the Company, in accordance with the Act.

The Articles permit the Board to take advantage of Section 360A of the Act to hold general meetings by electronic means.

10.4.11. Directors

(a) Appointment of Directors

The Directors shall not be less than two nor more than 20 in number, save that the Company may by ordinary resolution from time to time vary the minimum number and/or maximum number of Directors.

(b) Retirement of Directors

At every AGM, all the Directors (being those Directors whose appointments are active as at the date of the notice convening the AGM) shall retire from office. A retiring Director shall be eligible for re-election unless the Directors have resolved otherwise prior to the date of notice of the AGM.

(c) Remuneration of Directors

The ordinary remuneration of the Directors shall from time to time be determined by the Directors.

Any Director who holds any executive office, or who serves on any committee of the Directors, or who otherwise performs services which in the opinion of the Directors are outside the scope

of the ordinary duties of a Director, may be paid such extra remuneration by way of salary, commission or otherwise, or may receive such other benefits as the Directors may determine. The Directors may be repaid all such reasonable expenses as that Director may incur in connection with the business of the Company including (without limitation) in attending and returning from meetings of the Directors, any committee of the Directors or general meetings. The Directors shall have power to pay and agree to pay a Director's remuneration. A Director's remuneration may include the payment of gratuities, allowances, pensions or other retirement, superannuation, death, sickness or disability benefits to, or to any person in respect of, that Director.

(d) Permitted interests of Directors

A Director may have the following interests:

- a Director (or a person connected with the Director) can be a director or other officer of, or employed by, or can otherwise be interested in any relevant company (in this section entitled "*section 10.4.11(d)—Additional Information—Articles of Association—Directors—Permitted interests of Directors*" meaning: (1) the Company; (2) its subsidiaries; (3) its parent or parent's subsidiaries; or (4) anybody corporate it has promoted or is otherwise interested in);
- a Director (or a person connected with the Director) can have an interest in any relevant company that the Company also has an interest in or be a party to a contract with that relevant company;
- a Director (or a person connected with the Director or any firm the Director is a partner, employee or member of) can do professional work for any relevant company (other than as auditor) whether or not the Director or the person connected with the Director is paid for such work;
- a Director can have an interest which cannot reasonably be regarded as likely to give rise to a conflict of interest;
- a Director can have an interest of which the Director is not aware; or
- where a Director has any other interest authorised by ordinary resolution.

A Director shall declare the nature and extent of any interest permitted at a meeting of the Directors or in such other manner as the Directors may resolve.

However, no declaration of an interest shall be required by a Director in relation to an interest:

- falling within the fourth or fifth bullet point above;
- if the other Directors are already aware of such interest (and for this purpose the other Directors are treated as aware of anything of which they ought reasonably to be aware); or
- if, or to the extent that, it concerns the terms of the Director's service contract (as defined in Section 227 of the Act) that have been or are to be considered by a meeting of the Directors, or by a committee of Directors appointed for the purpose.

(e) Restrictions on voting

A Director shall not be entitled to vote on any resolution in respect of any contract, transaction or arrangement, or any other proposal, in which the Director (or a person connected with the Director) is interested. However, this restriction shall not apply if, in the absence of some other

interest than is set out below, the resolution concerns a contract, transaction or arrangement, or any other proposal:

- in which the Director has an interest of which the Director is not aware;
- in which the Director has an interest which cannot reasonably be regarded as likely to give rise to a conflict of interest;
- in which the Director has an interest only by virtue of interests in shares, debentures or other securities of the Company, or by reason of any other interest in or through the Company;
- which involves the giving of any security, guarantee or indemnity to the Director or any other person in respect of: (1) money lent or obligations incurred by the Director or by any other person at the request of or for the benefit of the Company or any of its subsidiary undertakings; or (2) a debt or other obligation of the Company or any of its subsidiary undertakings for which the Director has assumed responsibility in whole or in part under a guarantee or indemnity or by the giving of security;
- concerning an offer of shares or debentures or other securities of or by the Company or any of its subsidiary undertakings: (1) in which offer the Director is or may be entitled to participate as a holder of securities; or (2) in the underwriting or sub-underwriting of which the Director is to participate;
- concerning any other body corporate in which the Director is interested, directly or indirectly and whether as an officer, shareholder, creditor, employee or otherwise, provided that the Director (together with persons connected with the Director) is not the holder of, or beneficially interested in, 1% or more of the issued equity share capital of any class of such body corporate or of the voting rights available to members of the relevant body corporate;
- relating to an arrangement for the benefit of the employees or former employees of the Company or any of its subsidiary undertakings which does not award the Director any privilege or benefit not generally awarded to the employees or former employees to whom such arrangement relates;
- concerning the purchase or maintenance by the Company of insurance for any liability for the benefit of Directors or for the benefit of persons who include Directors;
- concerning the giving of indemnities in favour of Directors;
- concerning the funding of expenditure by any Director or Directors: (1) on defending criminal, civil or regulatory proceedings or action against the Director or them; (2) in connection with an application to the court for relief; or (3) on defending the Director or them in any regulatory investigations;
- concerning the doing of anything to enable any Director or Directors to avoid incurring expenditure as described in the previous bullet point; and
- in respect of which the Director's interest, or the interest of Directors generally, has been authorised by ordinary resolution.

(f) Indemnity of officers

So far as may be permitted by applicable law, every Director, former Director or company secretary of the Company or of an associated company (as defined in Section 256 of the Act) may be indemnified by the Company out of its own funds against:

- any liability incurred by or attaching to the relevant Director, former Director or company secretary in connection with any negligence, default, breach of duty or breach of trust by the relevant officer in relation to the Company or any associated company of the Company other than:
 - any liability to the Company or any associated company; and
 - any liability of the kind referred to in Section 234(3) of the Act; and
- any other liability incurred by or attaching to the Director, former Director or company secretary in relation to or in connection with the Director, former Director or company secretary's duties, powers or office, including in connection with the activities of the Company or an associated company in its capacity as a trustee of an occupational pension scheme.

The Directors shall have power to purchase and maintain insurance for or for the benefit of:

- any person who is or was at any time a Director or company secretary of any relevant company; or
- any person who is or was at any time a trustee of any pension fund or employees' share scheme in which employees of any relevant company are interested,

including insurance against any liability (including all costs, charges, losses and expenses in relation to such liability) incurred by or attaching to such person in relation to such person's duties, powers or offices in relation to any relevant company, or any such pension fund or employees' share scheme.

10.4.12. Dividends and other distributions

The Company is not permitted to declare or distribute dividends in respect of Class B Shares (which carry no rights to distributions except as set out below in "*section 10.4.13—Additional Information—Articles of Association—Liquidation preference*").

The Company may by ordinary resolution declare final dividends. However, no dividend shall be declared unless it has been recommended by the Directors and does not exceed the amount recommended by the Directors.

If and so far as in the opinion of the Directors the profits of the Company justify such payments, the Directors may: (1) not pay fixed dividends on Class A Shares and Class B Shares but may pay fixed dividends on future share classes carrying a fixed dividend expressed to be payable on fixed dates; and (2) pay interim dividends on shares of any class (other than Class B Shares) of such amounts and on such dates and in respect of such periods as they think fit.

Provided the Directors act in good faith, they shall not incur any liability to the holders of any shares for any loss they may suffer by the lawful payment of any dividend.

The Company may, by ordinary resolution on the recommendation of the Directors, decide to pay or make a dividend or other distribution to the holders of shares (other than Class B Shares) in whole or in part by transferring non-cash assets or by procuring the receipt by such shareholders of non-cash assets. Where any difficulty arises in regard to a non-cash distribution, the Directors may make such arrangements as they think fit, including:

- authorising any person to sell or transfer any fractional entitlements (or ignoring any fractional entitlements altogether);
- fixing the value for distribution purposes of any of the assets to be transferred;
- paying cash to any distribution recipient on the basis of the value fixed for the assets in order to secure equality of distribution; and

- vesting any assets in trustees.

All dividends shall be:

- declared and paid according to the amounts paid up on the shares on which the dividend is paid; and
- apportioned and paid proportionately to the amounts paid on the shares during any portion or portions of the period in respect of which the dividend is paid.

The Company shall not pay interest on any dividend or other sum payable on or in respect of a share unless the terms of issue of that share or any agreement between the Company and the holder of that share provide otherwise.

Any dividend which has not been claimed for 12 years after the date on which it was declared or became due for payment will be forfeited and belong to the Company. The Company shall not be liable nor required to account to the relevant member or person entitled by operation of law to such dividends. The Company shall be entitled to use such dividends for the Company's benefit as the Directors may think fit.

The Directors may, if authorised by ordinary resolution, offer to shareholders the right to elect to receive an allotment of new shares credited as fully paid in lieu of the whole or part of a dividend.

10.4.13. Liquidation preference

Subject to applicable law, on a distribution of assets on a liquidation or winding-up the surplus assets of the Company remaining after payment of its liabilities shall be applied:

- first, to the extent outstanding, repaying in full to the holder of any redeemable preference shares the amount paid up on such shares;
- second, in paying to each of the Class B Shareholders the nominal value of their Class B Shares (provided that, if there are insufficient surplus assets to pay the amounts per share equal to the nominal value, the remaining surplus assets shall be distributed to the Class B Shareholders pro rata to the aggregate amounts otherwise due to them under this provision); and
- third, the balance of the surplus assets (if any) shall be distributed among the Class A Shareholders pro rata to the number of Class A Shares held.

10.5. Directors' and Senior Managers' Interests

As at the date of this Prospectus, the interests in the share capital of the Company of the Directors and Senior Managers (all of which, unless otherwise stated, are beneficial and include interests of persons connected with a Director or a Senior Manager) are set out below. The interests set out below represent each individual's economic interest in the Shares of the Company and do not represent individual voting interests in the Company.

Director/Senior Manager	Number of Class A Shares	Number of Class B Shares	Percentage of issued share capital ⁽¹⁾	Percentage of total number of votes available
Kristo Käärmann	186,802,356	186,802,356	18.78%	40.75%
Matthew Briers.....	3,295,876 ⁽²⁾	—	—	—
David Wells	1,162,616 ⁽³⁾	—	0.12%	0.02%

Director/Senior Manager	Number of Class A Shares	Number of Class B Shares	Percentage of issued share capital ⁽¹⁾	Percentage of total number of votes available
Clare Gilmartin.....	96,720	—	0.01%	0.002%
Taavet Hinrikus.....	107,933,852	53,966,926	10.85%	12.95%
Alastair Rampell.....	—	—	—	—
Hooi Ling Tan.....	96,720	—	0.01%	0.002%
Ingo Uytdehaage.....	572,000 ⁽³⁾	—	—	—

Notes:

- (1) Calculated on the basis of Class A Shares only.
- (2) Consisting of: (1) time-based RSUs over 910,000 Class A Shares granted on 21 June 2021 under the 2021 EIP as described in “*section 10.8—Legacy Employee Share Plans*” vesting over the period from 1 November 2021 to 1 November 2025; and (2) time-based options over 2,385,876 Class A Shares granted under the arrangements described in “*section 10.8—Legacy Employee Share Plans*”, with exercise prices of, with effect from Direct Listing, nil to £0.1596, and of which options over 1,547,506 Class A Shares are vested and options over 838,370 Class A Shares will vest on a monthly basis until 28 January 2024.
- (3) Consisting of fully vested options over Class A Shares under the arrangements described in “*section 10.8—Legacy Employee Share Plans*”, with an exercise price of £0.61 in the case of David Wells and nil in the case of Ingo Uytdehaage.

No Director has or has had any interest in any transactions which are or were unusual in their nature or conditions or are or were significant to the business of the Group or any of its subsidiary undertakings and which were affected by the Group or any of its subsidiaries during the current or immediately preceding financial year or during an earlier financial year and which remain in any respect outstanding or unperformed.

There are no outstanding loans or guarantees granted or provided by any member of the Group to or for the benefit of any of the Directors or Senior Managers.

There are no family relationships between any of the Directors and/or the Senior Managers.

10.6. Directors’ Terms of Employment

The Directors and their functions are set out in: “*section 5—Our Team*”. The business address of each of the Directors is 56 Shoreditch High Street, London E1 6JJ, United Kingdom.

10.6.1. Executive Directors

(a) Term of employment, base salary and annual bonus

Kristo Käärman and Matthew Briers are currently employed under service agreements with the Company. Taavet Hinrikus is currently employed under a service agreement with TWL. The basic salaries of the Executive Directors are reviewed annually by the Board or the Remuneration Committee with no obligation to increase the salary following such review. See “Directors’ and Senior Managers’ remuneration” below for details. Kristo Käärman and Matthew Briers are eligible to participate in the Company’s annual bonus plan, but the other Executive Directors’ service contracts do not provide for participation in an annual bonus plan. The Board considered a multi-year, “extraordinary performance” equity value growth-based compensation plan for the CEO but couldn’t reach an agreement on the terms of such plan so

both agreed to continue with the annual base salary of £197,000. The Board may evolve this in the future with the principle of crafting compensation that aligns around long term value creation.

The Executive Directors' service agreements are terminable by either party on three months' written notice. The Company is also entitled to terminate with immediate effect by making a payment in lieu of notice equal to their basic annual salary that would have been payable during the notice period. The Company reserves the right to make such payment in lieu of notice in monthly instalments over the unexpired period (which may be reduced by any alternative income earned within that period).

(b) Pension and other benefits

The Executive Directors are entitled to participate in a pension scheme into which the Company or TWL makes a contribution of 5% per annum. The Company or TWL also provides the Executive Directors with private medical insurance and cover under the directors' and officers' liability insurance.

The Executive Directors are entitled to be reimbursed for reasonable expenses incurred during the course of their appointment.

(c) Post-termination undertakings

The Executive Directors are subject to a non-competition covenant for a period of six months after termination of employment or commencement of garden leave (if applicable). They are also subject to non-solicitation, non-dealing and non-hiring restrictive covenants for a period of six months (in the case of Kristo Käärman and Taavet Hinrikus) and 12 months (in the case of Matthew Briers) after termination of employment or commencement of garden leave (if applicable).

10.6.2. Non-Executive Directors

(a) Term of appointment

David Wells, Ingo Uytdehaage and Alastair Rampell were appointed as Non-Executive Directors of the Company and Clare Gilmartin as a Non-Executive Director with effect from 18 June 2021, and Hooi Ling Tan was appointed a Non-Executive Director of the Company with effect from 19 June 2021. The terms of each of their respective appointments are outlined in separate letters of appointment dated 21 June 2021.

Each of the Non-Executive Directors is appointed for an initial term of four years unless the appointment is terminated by either party on one month's written notice. The appointments are also subject to re-election by the Company's shareholders at the AGMs as the Board resolves.

(b) Remuneration and benefits

David Wells, Ingo Uytdehaage, Clare Gilmartin and Hooi Ling Tan will receive 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' cash fee shall increase to £275,000 per annum (as Chairman) and Ingo Uytdehaage, Clare Gilmartin and Hooi Ling Tan will receive a cash fee of £170,000 per annum. Alastair Rampell will receive no fee in relation to his duties for the Company.

All unvested options over TWL A Shares held by David Wells and Ingo Uytdehaage immediately prior to the Share for Share Exchange vested in full on the Share for Share Exchange and will be exercised following the Direct Listing; and half of the options over TWL A Shares held by each of Clare Gilmartin and Hooi Ling Tan vested and were exercised immediately prior to the Share for Share Exchange, and the remaining half of the options lapsed with effect from such date.

The Non-Executive Directors are entitled to reimbursement of reasonable and properly incurred expenses (including travel expenses). For Board meeting attendance, the Company covers the cost of return business class flights and two nights' accommodation. The Non-Executive Directors are also reimbursed for independent professional advice taken in connection with their duties as a director.

The Non-Executive Directors have the benefit of a qualifying third-party indemnity from the Company (the terms of which are in accordance with the Act) and directors' and officers' liability insurance.

10.6.3. Director service agreements

Save as set out above, there are no existing or proposed service agreements or letters of appointment between the Directors and any member of the Group.

10.6.4. Directors' and Senior Managers' remuneration

Under the terms of their service contracts or letters of appointment (as applicable) and applicable incentive plans, in the financial year ended 31 March 2021, the Directors who serve the Group were remunerated as set out below:

Name	Position	Annual Salary or Fees (£) ⁽¹⁾	Other Benefits (£) ⁽¹⁾	Date of Joining the Board
Kristo Käärmann	Chief Executive Officer	£197,000	£510	31 March 2010 ⁽²⁾
Matthew Briers	Chief Financial Officer	£280,000	£510	2 February 2021 ⁽³⁾
David Wells	Senior Independent Non-Executive Director	—	—	17 July 2019 ⁽⁴⁾
Clare Gilmartin	Independent Non-Executive Director	—	— ⁽⁵⁾	7 June 2021 ⁽⁶⁾
Taavet Hinrikus	Executive Chairman	£19,700 ⁽⁷⁾	£510	8 November 2011 ⁽⁸⁾
Alastair Rampell	Non-Executive Director	—	—	11 January 2018 ⁽⁹⁾

Hooi Ling Tan	Independent Non-Executive Director	—	— ⁽⁵⁾	7 June 2021 ⁽¹⁰⁾
Ingo Uytdehaage	Independent Non-Executive Director	—	—	17 July 2019 ⁽¹¹⁾

Notes:

- (1) Amounts shown are prior to the Group Reorganisation.
- (2) Represents the date on which Kristo Käärmann joined the board of TWL. He was subsequently appointed to the board of the Company in April 2021.
- (3) Represents the date on which Matthew Briers was approved by the board of TWL, with formal appointment to the board of TWL after regulatory clearances are obtained. He was subsequently appointed to the board as an Executive Director of the Company in June 2021.
- (4) Represents the date on which David Wells joined the board of TWL. He was subsequently appointed to the board of the Company in June 2021.
- (5) Appointment as an Independent Non-Executive Director not effective in FY2021, and no services were provided to the Group in such capacity during this period.
- (6) Represents the date on which Clare Gilmartin joined the board of TWL. She was subsequently appointed to the board as an Independent Non-Executive Director of the Company in June 2021.
- (7) Taavet Hinrikus' salary reflects his employment of 10% of a FTE employee.
- (8) Represents the date on which Taavet Hinrikus joined the board of TWL. He was subsequently appointed to the board of the Company in June 2021.
- (9) Represents the date on which Alastair Rampell joined the board of TWL. He was subsequently appointed to the board of the Company in June 2021.
- (10) Represents the date on which Ingo Uytdehaage joined the board of TWL. He was subsequently appointed to the board of the Company in June 2021.
- (11) Represents the date on which Hooi Ling Tan joined the board of TWL. She was subsequently appointed to the board as an Independent Non-Executive Director of the Company in June 2021.

Under the terms of their service contracts, letters of appointment and applicable incentive plans, the aggregate remuneration and benefits in kind paid or granted (as applicable) to the Directors and Senior Managers who served the Group during the financial year ended 31 March 2021 for services in all capacities was approximately £458,200.

There is no arrangement under which any Director has waived or agreed to waive future emoluments nor has there been any waiver of emoluments during the financial year immediately preceding the date of this Prospectus.

10.6.5. Directors' and Senior Managers' current and past directorships and partnerships

Set out below are the directorships and partnerships held by the Directors and Senior Managers (other than, where applicable, directorships held in the Company and its subsidiaries and the subsidiaries of the companies listed below), in the five years prior to the date of this Prospectus:

Name	Current directorships/ partnerships	Past directorships/ partnerships
Kristo Käärmann	• Tuleva Tulundusühistu	—

Name	Current directorships/ partnerships	Past directorships/ partnerships
	<ul style="list-style-type: none"> Kotilda OÜ ActiveHours, Inc. 	
Matthew Briers	—	—
David Wells	<ul style="list-style-type: none"> Trade Desk, Inc. Hims & Hers Health, Inc. 	<ul style="list-style-type: none"> Netflix, Inc.
Clare Gilmartin	<ul style="list-style-type: none"> Get Your Guide, Inc. 	<ul style="list-style-type: none"> Trainline, plc.
Taavet Hinrikus	<ul style="list-style-type: none"> OÜ Notorious Veriff Inc. Extracover Holdings Limited (Zego) Certific Ltd. Novastop OÜ MTÜ Back To Work 	<ul style="list-style-type: none"> Kala House OÜ Tartu Apartments OÜ OÜ Wineventure
Alastair Rampell	<ul style="list-style-type: none"> Andreessen Horowitz Fund IV, L.P ActiveHours, Inc. Branch International, Inc. Brightside Benefit, Inc. Descript, Inc. Divvy Homes, Inc. FlyHomes, Inc. Loft Holdings, Ltd. Peer Street, Inc. Point Digital Finance, Inc. Propel, Inc. Rally Network, Inc. Forte Labs, Inc. SentiLink Corp. Super Evil Mega Corp, Inc. Very Good Security, Inc. Steadman Philippon Research Institute 	<ul style="list-style-type: none"> Quantopian, Inc. Rival Labs, Inc. TXN Solutions, Inc. CashStar, Inc. KCG Holdings, Inc.
Hooi Ling Tan	<ul style="list-style-type: none"> Grab Holdings, Inc. Singapore Economic Development Board National University of Singapore 	—
Ingo Uytdehaage	<ul style="list-style-type: none"> Adyen N.V. FOAM-Fotografiemuseum Amsterdam 	—

Within the period of five years preceding the date of this Prospectus, none of the Directors:

- has had any convictions in relation to fraudulent offences;

- has received any official public incrimination and/or sanction by any statutory or regulatory authorities (including designated professional bodies) or has ever been disqualified by a court from acting as a member of the administrative, management or supervisory bodies of a company or from acting in the management or conduct of affairs of a company; or
- has been a member of the administrative, management or supervisory bodies or director or senior manager (who is relevant in establishing that a company has the appropriate expertise and experience for management of that company) of any company at the time of or within a 12 month period preceding any bankruptcy, receivership, liquidation or entry into administration of such company.

10.6.6. Conflicts of interest

There are no potential conflicts of interest between any duties owed by the Directors or Senior Managers to the Company and their private interests or other duties.

10.7. Principal Shareholders

In so far as is known to the Directors, the following are the interests (within the meaning of Part 22 of the Act) which represent, directly or indirectly, 3% or more of the issued share capital of the Company as at 4 August 2021:

Shareholder	Shares ⁽¹⁾⁽²⁾ outstanding in the Company
	(%)
Kristo Käärman ⁽³⁾	18.78%
Taavet Hinrikus ⁽⁴⁾	10.42%
Valar Ventures	9.81%
IA Ventures	6.77%
Andreessen Horowitz	8.89%
Baillie Gifford	4.95%
D1 Capital Partners	3.81%
Lone Pine Capital	3.18%

Notes:

(1) Calculated on the basis of Class A Shares only.

(2) Calculations do not account for any Class A Shares sold pursuant to the Liquidity Provision and Lock-Up Agreement.

(3) Consisting of 779,766 Class A Shares held indirectly through a 100% interest in Kotilda OÜ.

(4) Held indirectly through a 100% interest in OÜ Notorious.

Save as disclosed above, in so far as is known to the Directors, there is no other person who is, as at the date of this Prospectus, directly or indirectly, interested in 3% or more of the issued share capital of the Company, or of any other person who can, will or could, directly or indirectly, jointly or severally, exercise control over the Company. The Directors have no knowledge of any arrangements the operation of which may at a subsequent date result in a change of control of the Company.

Other than as described in “*section 3.8—Terms And Conditions Of The Offering, Dual Class Share Structure And Standard Listing—Our Dual Class Share Structure*”, none of the Company’s major shareholders have or will have different voting rights attached to the shares they hold in the Company.

10.8. Legacy Employee Share Plans

10.8.1. Introduction

There are options and awards held by employees and Directors (some of which are held by former employees) under the following employee share plans:

- the 2021 EIP;
- the 2016 Option Plan;
- the 2015 CSOP; and
- option contracts entered into, in or prior to 2015.

All options and awards are outstanding as options and awards over Class A Shares. The exercise of options and the vesting of awards under all of these arrangements may be satisfied by the new issue or transfer of Class A Shares.

No further options or awards will be granted under any of these employee share plans.

10.8.2. 2021 EIP

As at 27 August 2021, being the latest practicable date before publication of this Prospectus, there are outstanding EIP Awards over 5,840,518 Class A Shares, of which EIP Awards over 82,507 Class A Shares are vested as to time (and became exercisable or due for delivery on Direct Listing) and EIP Awards over 5,758,011 Class A Shares are unvested.

All of the outstanding EIP Awards are in the form of either nil cost options or RSUs, and are held by current and certain former employees of the Group.

(a) Vesting and exercise

EIP Awards vest to the extent time-based vesting conditions (which generally run for four years from grant) are satisfied, and, other than for EIP Awards intended to comply with certain U.S. tax legislation, vested on the occurrence of the Direct Listing.

Consequently, EIP Awards in respect of which the relevant conditions were met prior to Direct Listing became exercisable and/or due for delivery from the date of Direct Listing. Unvested EIP Awards continue to remain outstanding and capable of vesting subject to their terms.

EIP Awards in the form of options can only be exercised to the extent vested and will lapse, at the latest, on the tenth anniversary of the grant date if not exercised or otherwise lapsed by such time.

On vesting of an RSU, the relevant number of Class A Shares will be issued or transferred to the participant.

(b) Leaving the Group

An EIP Award will lapse if the participant’s employment is terminated for cause.

If the participant leaves employment before the end of the applicable time-based vesting period for any other reason, EIP Awards generally lapse. However, the Board may decide that the EIP

Awards will continue and vest and be released at the normal time or, other than EIP Awards intended to comply with certain U.S. tax legislation, that they will vest on leaving. In either case, the Board will determine the level of vesting taking account of early leaving.

If the participant dies before the end of the applicable vesting period, EIP Awards lapse unless the Board determines that they will, at the time of death, vest and be released to the extent described above.

If a participant leaves after the end of the applicable vesting period but before the EIP Awards have vested, EIP Awards will continue to vest and be released at the normal time or, in the case of death or if the Board decides, at the time of death or leaving employment.

(c) Corporate events

On the occurrence of any of the following events:

- a disposal of the whole of the Class A Shares (including by way of general offer or scheme of arrangement) or such other sale as is approved by the Board;
- a sale of more than 75% of the trade and assets of the Group; or
- any other exceptional circumstances affecting the Company as determined by the Board,

EIP Awards will vest to the extent that any vesting conditions are satisfied or waived, and EIP Awards will lapse to the extent not vested or exercised.

In the event of a disposal of the whole of the Class A Shares (including by way of general offer or scheme of arrangement) or such other sale as is approved by the Board, or where there is an internal reorganisation, instead of vesting as described above EIP Awards can be exchanged for equivalent awards over shares in a different company.

If the Company is affected by any variation in share capital, a demerger, delisting, special dividend or other event that may, in the Board's opinion, materially affect the current or future value of Class A Shares, the Board may allow EIP Awards to vest to such extent as they determine.

(d) Adjustments

The number of Class A Shares subject to EIP Awards, the exercise price and/or performance conditions (if applicable) can be adjusted in the event of any variation of the share capital of the Company; or a demerger, delisting, special dividend or other event that may, in the opinion of the Board, affect the current or future value of Class A Shares.

(e) Amendments

The Board can amend the terms of the 2021 EIP, save that certain amendments to the material disadvantage of existing participants require consent.

(f) Miscellaneous

Benefits under the 2021 EIP are not pensionable.

10.8.3. 2016 Option Plan

As at 27 August 2021, being the latest practicable date before publication of this Prospectus, there are outstanding 2016 Options over 54,405,779 Class A Shares, of which 2016 Options over

33,943,805 Class A Shares are vested and 2016 Options over 20,461,974 Class A Shares are unvested.

All of the outstanding 2016 Options are held by certain employees and directors of the Group (some of whom are former employees) and certain non-employees. The 2016 Options comprise both 2016 Approved Options and 2016 Unapproved Options.

(a) Exercise price

The exercise prices of outstanding 2016 Options range from nil per Class A Share to £3.196 per Class A Share.

(b) Vesting and exercise

2016 Options vest to the extent the applicable time-based vesting conditions (which generally run for four years from grant) are satisfied. 2016 Options can generally only be exercised to the extent vested on the occurrence of a specified exercise trigger, which included our Direct Listing. Consequently, vested 2016 Options have been exercisable from the date of Direct Listing. Unvested 2016 Options, following Direct Listing, continue to remain outstanding and capable of vesting and exercise subject to their terms. The 2016 Options cease to be exercisable, at the latest, ten years after the date of grant.

(c) Leaving the Group

Unvested 2016 Approved Options lapse on leaving employment.

Generally, vested 2016 Approved Options also lapse when the participant leaves employment. However, if a participant leaves employment due to injury; disability; redundancy; retirement; a relevant transfer of employment; or their employing company ceasing to be part of the Group, vested 2016 Approved Options can be exercised within 90 days after leaving employment, or such longer period as the Board determines. If a participant voluntarily leaves employment (other than in circumstances where they could be dismissed for cause); or leaves in any other circumstances as the Board decides, the Board can at its discretion permit vested 2016 Approved Options to be exercised within such period as the Board determines. Where the 2016 Approved Options can be exercised in such circumstances but are not exercised within the relevant period, they continue and can become exercisable on the occurrence of a subsequent specified exercise trigger.

If the participant dies, vested 2016 Approved Options, other than 2016 Approved Options intended to comply with certain U.S. tax legislation, can be exercised for 12 months following the date of death, and lapse at the end of such period. Such vested 2016 Approved Options intended to comply with certain U.S. tax legislation can be exercised within such period as the Board determines.

Generally, 2016 Unapproved Options lapse on a participant leaving employment. However, if the participant leaves employment in the circumstances specified above, the Board may, in its discretion, allow unvested 2016 Unapproved Options to vest immediately, and vested 2016 Unapproved Options to be exercised within a period set at the Board's discretion. To the extent not exercised, vested 2016 Unapproved Options continue and are exercisable on the occurrence of a subsequent specified exercise trigger or any other circumstances specified by the Board.

(d) Corporate events

On the occurrence of any of the following events:

- a disposal of the whole of the Class A Shares (other than a disposal to a new holding company or a connected person) or such other sale as is approved by a Shareholder Majority;
 - a sale of more than 75% of the trade and assets of the Group;
 - any other exceptional circumstances affecting the Company as determined by the Board; and/or
 - a change of control by way of general offer, a compulsory acquisition of Class A Shares, a scheme of arrangement, or the winding up of the Company,
- vested 2016 Options may be exercised within a set period, and 2016 Options will then lapse to the extent not exercised.

In the event of certain defined change of control or sale events, or an internal reorganisation, instead of vesting as described above, 2016 Options can (in some cases, subject to the agreement of the participant) be exchanged for equivalent options over shares in a different company.

(e) Adjustments

The number of Class A Shares subject to a 2016 Option, the exercise price and/or the description of Class A Shares subject to the option may be adjusted in the event of a variation of the share capital of the Company, including (but not limited to) by way of a specified capitalisation issue, rights issue, sub-division, consolidation or reduction.

(f) Amendments

The Board can amend the terms of the 2016 Option Plan, save that certain amendments that adversely affect the rights of existing participants, and/or amendments to the terms of 2016 Unapproved Options, require consent of the participant.

(g) Miscellaneous

Benefits under the 2016 Option Plan are not treated as pensionable other than as required by law.

10.8.4. 2015 CSOP and other options granted in or prior to 2015

As at 27 August 2021, being the latest practicable date before publication of this Prospectus, there are outstanding Historic Options over 7,044,033 Class A Shares, all of which are vested. Historic Options are held by certain employees of the Group (some of whom have since left employment) and certain non-employees, and comprise 2015 CSOP Options and Pre-2016 Unapproved Options.

(a) Exercise price

The exercise prices of the Historic Options range from nil per Class A Share to £0.19 per Class A Share.

(b) Vesting and exercise

All of the outstanding Historic Options are vested.

Consequently, all of the outstanding Historic Options have been exercisable from the date of Direct Listing and will remain outstanding and capable of exercise during such periods as the Board specifies.

Historic Options cease to be exercisable, at the latest, ten years after grant.

(c) Leaving the Group

Historic Options held by current employees will lapse on leaving employment unless the participant leaves employment due to injury; disability; illness; redundancy; voluntarily leaving (other than in circumstances where they could have been dismissed for cause); death; any other reason in the Board's discretion, and in the case of 2015 CSOP Options, retirement; a relevant transfer of employment; or their employing company ceasing to be controlled by the Company. In such case, options can be exercised within defined periods (of up to 90 days, or one year in the case of death) of ceasing employment, and to the extent not exercised, either will lapse or will continue and remain exercisable.

(d) Corporate events

On the occurrence of any of the following events:

- a sale of more than 75% of the trade and assets of the Group;
- a change in control by way of general offer;
- in the case of Pre-2016 Unapproved Options, a disposal of the whole of the Class A Shares (other than for the purposes of an internal reorganisation) or such other sale as is approved by a Shareholder Majority;
- a scheme of arrangement affecting all Class A Shares, a non-UK reorganisation or a compulsory acquisition of Class A Shares; and/or
- any other exceptional circumstances affecting the Company as determined by the Board,

Historic Options will be exercisable during a specified period and generally will then lapse. In certain circumstances. Historic Options can, instead of becoming exercisable, be exchanged for equivalent options over shares in another company.

(e) Adjustments

Generally, the number of Class A Shares subject to a Historic Option and/or the exercise price may be adjusted in the event of a variation of the share capital of the Company by way of capitalisation or rights issue, sub-division, consolidation or reduction; or a special dividend or (save in respect of certain of the Historic Options) other event that may affect the value of the Historic Option, subject to certain conditions.

(f) Amendments

The Board can amend the terms of the option contracts with consent of the participant. The Board can amend the terms of the 2015 CSOP, save that certain amendments can only be made with consent of the participant.

(g) Miscellaneous

Benefits in respect of the Historic Options are not treated as pensionable other than as required by law.

10.9. New Employee Share Plans

The Company and its shareholders have adopted the Long Term Incentive Plan and established the Employee Share Trust as described below.

The Long Term Incentive Plan provides for the grant of incentive-based share plan awards. The Long Term Incentive Plan may also be used to defer a portion of any annual bonus earned by the eligible participants if such annual bonus is implemented by the Company in respect of financial years (or part thereof) in due course.

The Employee Share Trust will be used in the settlement of awards under the Company's legacy employee share plans and the Long Term Incentive Plan.

10.9.1. Eligibility

All current or former employees (including directors) of the Company are eligible to participate in the Long Term Incentive Plan.

The Remuneration Committee or its delegate will select which eligible employees will be granted awards at its discretion.

10.9.2. Structure of Awards

An LTIP Award under the Long Term Incentive Plan can take the form of:

- a Conditional Award;
- a LTIP Option; or
- Forfeitable Shares.

Conditional Awards and LTIP Options may be satisfied with a cash payment equal to the value of the Class A Shares which would otherwise have been issued or transferred and may be granted on the basis that they will always be satisfied in that way.

Some or all of a participant's bonus may be deferred and paid in the form of an LTIP Award. This is called a "Bonus Deferral Award". In such case, a Bonus Deferral Award will be granted over a value of Class A Shares equivalent to the deferred bonus amount.

An LTIP Award, including a Bonus Deferral Award, may also be granted as a "buy-out" in connection with the recruitment of an eligible employee.

10.9.3. Individual Limits

The market value (taken at the date of grant) of Class A Shares subject to LTIP Awards (other than Bonus Deferral Awards and any Awards granted in connection with the hiring of an employee in lieu of awards forfeited from the employee's previous employer) will be granted to a limit, set from time to time by the Remuneration Committee, of that person's annual base salary.

LTIP Awards granted to Executive Directors will also be subject to any limits set out in any approved directors' remuneration policy.

Rights to dividends and dividend equivalents are ignored when calculating this limit.

10.9.4. Dividends and dividend equivalent

The Remuneration Committee may determine that the number of Class A Shares to which a participant is entitled on vesting or exercise of a Conditional Award or LTIP Option will be increased to take account of dividends paid on the number of Class A Shares in respect of which the LTIP Award has vested or is exercised on such terms as determined by the Remuneration Committee.

Participants will be entitled to any dividends payable on Forfeitable Shares from the date of grant.

10.9.5. Vesting

LTIP Awards will normally vest over a period set by the Remuneration Committee at grant.

If applicable, they will only vest to the extent that any performance conditions set by the Remuneration Committee at grant have been met. Awards not subject to performance condition vest on a time-basis.

Subject to any holding period (see below), to the extent:

- a Conditional Award has vested, the relevant number of Class A Shares will be automatically issued or transferred to the participant;
- a LTIP Option has vested, the participant may exercise it until the tenth anniversary of grant (or until any earlier lapse date under the rules); and
- Forfeitable Shares have vested, any applicable restrictions will cease to apply.

10.9.6. Holding period

LTIP Awards (excluding Bonus Deferral Awards) received by Executive Directors will (and other awards may) be subject to a two-year post-vesting holding period in line with UK market practice.

During the post-vesting holding period, the participant cannot normally transfer any Class A Shares received on vesting (except to cover tax and similar limited exceptions). The Remuneration Committee will set the length of the holding period at grant and may waive the holding period in the event of death, certain corporate events or at such other date they determine.

10.9.7. Malus and clawback

The Remuneration Committee can decide to reduce the number of Class A Shares in respect of which an LTIP Award vests and/or, in some cases, may claw back Class A Shares or cash received in certain circumstances, including those relating to material misstatement of accounts, failure of risk management, misconduct or material error by a participant, conduct resulting in serious loss, errors in calculating the LTIP Award, corporate failure, material downturn in financial performance, a participant's conduct resulting in material reputational damage, and failure to meet appropriate standards of fitness and propriety.

10.9.8. Leaving the Group

If the participant leaves the Group prior to vesting, their LTIP Award will normally lapse on leaving (but not if they leave during any holding period, except if the participant leaves in circumstances in which their employment could have been terminated without notice or otherwise due to their misconduct).

However, if they leave in circumstances which the Remuneration Committee allows, their LTIP Award will continue in effect. The number of Class A Shares in respect of which it eventually vests will be determined in accordance with any performance condition and, unless the Remuneration Committee decides otherwise, will be reduced on a pro rata basis to reflect the fact that the participant left early.

In these circumstances, the Remuneration Committee may instead decide that the LTIP Award will vest on or after leaving. If they do so, the number of Class A Shares in respect of which it vests will be determined by the Remuneration Committee having regard to any performance condition and, unless it decides otherwise, the number of Class A Shares vesting will be reduced on a pro rata basis to reflect the fact that the participant left early.

If the participant dies, LTIP Awards will normally vest on death in full.

LTIP Options which have vested but remain unexercised on leaving will lapse if the participant leaves in circumstances in which their employment could have been terminated without notice or otherwise due to their misconduct.

Options (whether vested or not) which do not lapse on leaving will be exercisable for six months (or 12 months in the case of death) from the date of leaving or the date of vesting, if later. The Remuneration Committee may extend exercise periods.

A Bonus Deferral Award will not normally lapse on leaving the Group (on the basis that it is deferral of a bonus already earned except if the participant leaves in circumstances in which their employment could have been terminated without notice or otherwise due to their misconduct).

10.9.9. Corporate events

Each LTIP Award will vest early if there is a change of control of the Company. The number of Class A Shares in respect of which it vests will be determined by the Remuneration Committee having regard to any performance condition and, unless it decides otherwise, the number of Class A Shares vesting will be reduced on a pro rata basis to reflect the fact that it is vesting early.

Options will be exercisable to that extent for a limited period after which they will lapse.

Alternatively, the Remuneration Committee may allow or require participants to exchange LTIP Awards for equivalent awards which relate to shares in the company which acquires control or a related company.

If other corporate events occur such as a winding-up of the Company, demerger, delisting, special dividend or other event which, in the opinion of the Remuneration Committee, may affect the current or future value of Class A Shares, the Remuneration Committee may determine that LTIP Awards will vest early (wholly or in part) having regard to any performance condition and, unless it decides otherwise, the number of Class A Shares vesting will be reduced on a pro rata basis to reflect the fact that it is vesting early.

10.9.10. Dilution controls

In any ten-year period, the number of Class A Shares which may be issued or be issuable under the Long Term Incentive Plan and under any other discretionary share plan adopted by the Company may not exceed 5% of the issued ordinary share capital of the Company from time to time.

In any ten-year period, the number of Class A Shares which may be issued or be issuable under any employees' share plan operated by the Company (including the Long Term Incentive Plan) may not exceed 10% of the issued ordinary share capital of the Company from time to time.

For the purposes of these limits, treasury shares in the Company will be treated as newly issued for the purpose of these limits until such time as guidelines published by institutional investor representative bodies determine otherwise. Class A Shares issued or awards or options granted before Direct Listing are ignored.

10.9.11. Amendments

The Board can amend the Long Term Incentive Plan in any way but shareholder approval will be required to amend certain provisions to the advantage of participants. These provisions relate to: eligibility; individual and plan limits; exercise price; rights attaching to options and shares; adjustments on variation in the Company's share capital; and the amendment power.

The Board can, without shareholder approval:

- change the Long Term Incentive Plan to obtain or maintain favourable tax treatment;
- make certain minor amendments, e.g. to benefit administration;
- establish further plans based on the Long Term Incentive Plan, but modified to take account of local securities laws, exchange controls or tax legislation (but shares made available under such further plans will be treated as counting against any limits on participation in the main plan); and
- change any performance condition in accordance with its terms or if anything happens which causes the Remuneration Committee to consider it appropriate to do so.

10.9.12. Miscellaneous

LTIP Awards may be satisfied using newly issued Class A Shares, treasury shares in the Company or Class A Shares purchased in the market.

Any Class A Shares issued pursuant to LTIP Awards will rank equally with Class A Shares in issue on the date of allotment except in respect of rights arising by reference to a prior record date.

The exercise price and/or number or type of shares subject to LTIP Options and Conditional Awards may be adjusted in such manner as the Remuneration Committee considers reasonable to take account of any rights issue (or similar transaction), demerger, delisting, special dividend or variation in the share capital of the Company.

The vesting and exercise of awards and options and the issue or transfer of Class A Shares are subject to obtaining any necessary approvals or consents from the FCA, the Company's share dealing policy and any other applicable laws or regulations.

LTIP Awards are not transferable (other than on death or in exceptional circumstances) and are not pensionable.

10.10. Post-Direct Listing Remuneration Policy

The Company will formally seek Shareholder approval of the remuneration policy at the first AGM of the Company following the Direct Listing in accordance with the Large and Medium-sized Companies and Groups (Accounts and Report) Regulations 2008 (as amended).

The Company's approach to remuneration is based on providing a competitive total remuneration package that is focused on alignment with shareholders and long-term success through the use of share-based incentives. All Wisers are eligible for share-based incentive awards alongside a market-competitive salary and benefits.

It is envisaged that share-based arrangements will be put in place for the Executive Directors in due course. These will be developed to take account of the new UK prudential regime for investment firms which is anticipated to apply from 1 January 2022.

Material terms of the Executive Directors' service agreements with the Company are described in "*section 10.6—Directors' Terms of Employment*" above.

To provide flexibility for the future, the policy will include the ability to operate an annual bonus plan, as well as restricted shares and performance shares/options plans.

All variable pay granted will be subject to malus and clawback.

Share ownership guidelines of 300% of salary will apply to the Executive Directors. This requirement will continue for two years post cessation of employment.

10.11. Employee Benefit Trust

The Company operates an Employee Share Trust which can be used for the purpose of providing benefits to employees and former employees of the Group, including satisfying options and awards granted under the Company's employee share plans through the provision of Class A Shares.

The Employee Share Trust can be funded by way of gift or loans from the Group which it can use to subscribe for Class A Shares and/or purchase Class A Shares in the open market. The Employee Share Trust currently holds 24,906,375 Class A Shares, which are available to satisfy the exercise or vesting of options and awards under the Company's employee share plans.

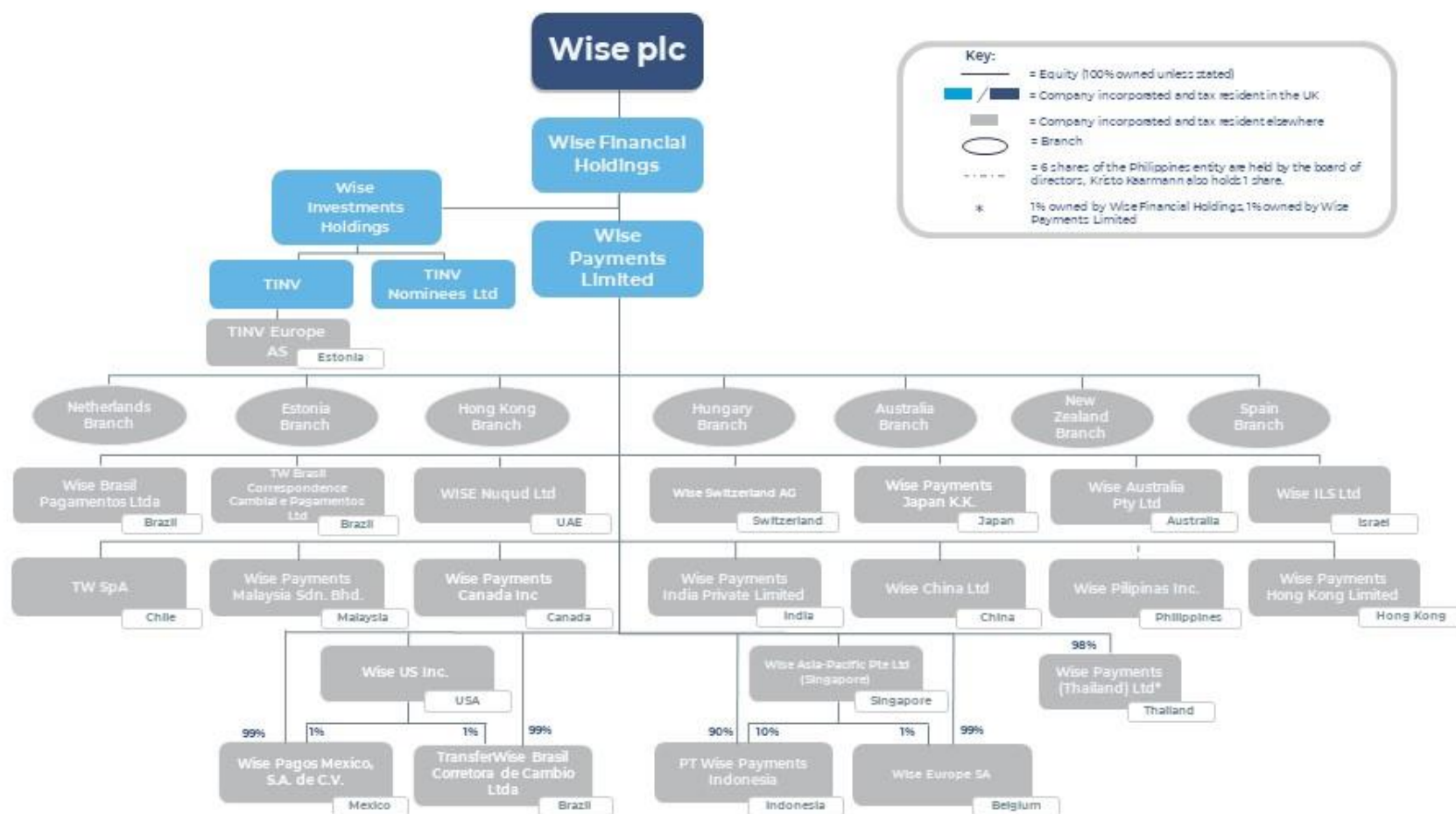
In line with best practice for employee benefit trusts, the Employee Share Trust will not, without prior Shareholder approval, hold Class A Shares representing more than 5% of the Company's then issued share capital.

10.12. Pensions

The Company and its subsidiaries have not set aside or accrued any amounts to provide pension, retirement or similar benefits. All pension arrangements provided are defined contribution benefits

10.13. Group Structure

The following structure chart illustrates the Group structure as at 29 July 2021.



For information on the Company's subsidiaries and subsidiary undertakings, see the Group's annual report and consolidated financial statements for FY2021 incorporated by reference into this Prospectus under "*section 8—Our Historical Financial Information*". On 17 June 2021, TransferWise India Private Ltd. became Wise Payments India Private Limited and on 25 June 2021, TransferWise Ltd became Wise Payments Limited.

10.14. Dividend Policy

While we've made great progress, we still have a long way to go to achieve our mission. We will continue to re-invest our margins into our infrastructure and products while focusing on our customers and their experience. We believe this will drive volume and scale, and will ultimately be the best way to grow long-term shareholder value. We will review our dividend policy on an ongoing basis, but do not expect to declare or pay any dividends for the foreseeable future.

10.15. Material Contracts

The following contracts (not being contracts entered into in the ordinary course of business) have been entered into by the Company or another member of the Group: (a) within the two years immediately preceding the date of this Prospectus which are, or may be, material to the Company or any member of the Group; or (b) at any time and contain provisions under which the Company or any member of the Group has an obligation or entitlement which is, or may be, material to the Company or any member of the Group as at the date of this Prospectus:

10.15.1. Multicurrency Revolving Facilities Agreement

Wise Payments Limited, Wise Australia Pty Ltd, TransferWise Europe SA and TransferWise Inc. (each as original borrowers and original guarantors), Silicon Valley Bank, Citibank N.A., London Branch, JPMorgan Chase Bank N.A., London Branch and National Westminster Bank plc as original lenders and Silicon Valley Bank as agent, security agent and mandated lead arranger entered into a multicurrency revolving facility agreement dated 30 March 2021. Under the terms of the MRFA, the Original Lenders agree to make available to the Borrowers a multicurrency revolving loan facility in an aggregate amount equal to £160 million as at the date of the MRFA. Subject to certain conditions therein, the Company may increase the total commitments available under the MRFA in an aggregate amount of up to £90 million. The MRFA terminates on the third anniversary of the date of the MRFA, subject to a maximum of two one-year extensions in accordance with the terms contained therein.

Commitments under the MRFA may be made available in the form of a revolving loan facility or ancillary facilities. The Borrowers may use all amounts borrowed under the MRFA towards the general corporate and working capital purposes of the Group and the refinancing of existing indebtedness.

Loans made under the MRFA will bear interest at a rate equal to SONIA (in the case of loans made in sterling), LIBOR, switching to SOFR upon the occurrence of certain pre-agreed trigger events (in the case of loans made in US dollars), EURIBOR (in the case of loans made in euros) and the Australian Bank Bill Swap Reference Rate (in the case of loans made in Australian dollars), (in each case, subject to a zero floor), plus a margin of 2.0% to 2.5% determined by reference to adjusted leverage (calculated as a ratio of senior debt to Adjusted EBITDA in respect of that Relevant Period as per the MRFA).

The MRFA contains certain customary representations, information undertakings and covenants. In addition, the MRFA includes financial covenants which require that: (1) adjusted leverage does not exceed a ratio of 3:1 in respect of any Relevant Period; and (2) interest cover (calculated as a ratio of Adjusted EBITDA to Finance Charges in accordance with the terms of the

MRFA) is not less than a ratio of 4:1 in respect of any Relevant Period. Currently, these covenants are tested on a quarterly basis. The covenants will be tested on a semi-annual basis.

The obligations of the Obligors under the MRFA are secured by the granting of certain customary security interests and charges in favour of the Security Agent, including, at the date of this Prospectus, a charge over the shares in certain of the Company's subsidiaries, and a fixed and floating charge over substantially all present and future assets and undertakings of the Company, excluding customer funds, partner collateral funds, share capital or other equity interests or equity contributions maintained for regulatory purposes, cash paid into a bank or collateral account of the Group in connection with, and for the benefit of, relevant card scheme providers and assets held in safeguarded accounts which are designated to be segregated for regulatory purposes or which are otherwise segregated for regulatory purposes.

On 31 August 2021, a repayment in the amount of £25 million was done and as of the same date an aggregate principal amount of £80 million was outstanding under the MRFA.

10.16. Taxation

10.16.1. General

The comments set out below are based on current tax law as at the latest practicable date before the date of this Prospectus, and is subject to change, possibly with retrospective effect. They are intended as a general guide and apply only to holders of Class A Shares who are non-UK residents, who hold their Class A Shares as an investment and who are, or are treated as, the absolute beneficial owners thereof. The discussion does not address all possible tax consequences relating to an investment in Class A Shares. Certain categories of Shareholders, including those carrying on certain financial activities, those subject to specific tax regimes or benefiting from certain reliefs or exemptions, those connected with the Company or Group and those for whom the shares are employment related securities may be subject to special rules and this summary does not apply to such Shareholders.

Tax legislation of the Eligible EU Customer's member state and of the Company's country of incorporation may have an impact on the income received from New Class A Shares. In order to establish particular tax consequences of the Offering or the ownership of New Class A Shares, each individual investor is advised and strongly encouraged to seek specialist assistance. In particular, Shareholders should be aware that the tax legislation of any jurisdiction where they are resident or otherwise subject to taxation (as well as the jurisdictions discussed below) may have an impact on the tax consequences of an investment in Class A Shares including in respect of any income received, or deemed to be received, from the same. Shareholders or prospective shareholders who are in any doubt about their tax position, or who are resident or otherwise subject to taxation in a jurisdiction outside the UK, should consult their own professional advisers immediately.

(a) Taxation of dividends

A Shareholder resident or otherwise subject to tax outside the UK (whether an individual or a body corporate) will not generally be subject to UK tax in respect of dividends received from the Company (subject to special rules which may be applicable to certain individual Shareholders who are temporary non-residents if the Company is a close company following listing) but may

be subject to foreign taxation on dividend income under local law. Shareholders to whom this may apply should obtain their own tax advice concerning tax liabilities on dividends received from the Company.

(b) Inheritance tax

Shares in the Company will be assets situated in the UK for the purposes of UK inheritance tax. A gift of such assets by, or the death of, an individual holder of such assets may (subject to certain exemptions and reliefs) give rise to a liability to UK inheritance tax, even if the holder is neither domiciled in the UK nor deemed to be domiciled there (under certain rules relating to long residence or previous domicile). Generally, UK inheritance tax is not chargeable on gifts to individuals if the transfer is made more than seven complete years prior to death of the donor. For inheritance tax purposes, a transfer of assets at less than full market value may be treated as a gift and particular rules apply to gifts where the donor reserves or retains some benefit. Special rules also apply to close companies and to trustees of settlements who hold shares in the Company bringing them within the charge to inheritance tax. Shareholders should consult an appropriate professional adviser if they make a gift of any kind or intend to hold any Class A Shares through such a company or trust arrangement. They should also seek professional advice in a situation where there is potential for a double charge to UK inheritance tax and an equivalent tax in another country or if they are in any doubt about their UK inheritance tax position.

(c) Stamp duty and SDRT

The statements in this section are intended as a general guide to the current UK stamp duty and SDRT position. They apply to all Shareholders, including Shareholders who are not resident or domiciled in the UK. Special rules apply to certain transactions such as transfers of shares to a company connected with the transferor and those rules are not described below. Investors should also note that certain categories of person are not liable to stamp duty or SDRT and others may be liable at a higher rate or may, although not primarily liable for tax, be required to notify and account for SDRT under the Stamp Duty Reserve Tax Regulations 1986.

Issues and transfers of Class A Shares outside of Depositary Receipt Systems and Clearance Services

Any issues of Class A Shares should not be subject to stamp duty or SDRT.

An agreement to transfer Class A Shares will normally give rise to a charge to SDRT at the rate of 0.5% of the amount or value of the consideration payable for the transfer. SDRT is, in general, payable by the purchaser.

Transfers of Class A Shares by way of a written instrument of transfer will generally be subject to stamp duty at the rate of 0.5% of the consideration given for the transfer (rounded up to the next £5). However, this is subject to an exemption for low value transfers where the consideration for the transfer does not exceed £1,000 and the transfer does not form part of a larger transaction, or series of transactions, where the aggregate consideration exceeds £1,000. The purchaser normally pays the stamp duty.

If a “duly stamped” transfer completing an agreement to transfer is produced within six years of the date on which the agreement is made (or, if the agreement is conditional, the date on which the agreement becomes unconditional), any SDRT already paid is generally repayable, normally with interest, and any SDRT charge yet to be paid is cancelled.

(d) Transfers within CREST

Paperless transfers of Class A Shares within the CREST system are generally liable to SDRT, rather than stamp duty, generally at the rate of 0.5% of the amount or value of the consideration payable. CREST is obliged to collect SDRT on relevant transactions settled within the CREST system and to pay this to HMRC. Deposits of shares into CREST will not generally be subject to SDRT or stamp duty, unless the transfer into CREST is itself for consideration.

(e) Depositary receipt systems and clearance services

Special rules apply where Class A Shares are issued or transferred: (a) to, or to a nominee or an agent for, a person whose business is or includes the provision of clearance services; or (b) to, or to a nominee or an agent for, a person whose business is or includes issuing depositary receipts (including in each case within CREST to a CREST account of such a person). In such circumstances, stamp duty or SDRT may be payable at the higher rate of 1.5% of the amount or value of the consideration given or, in certain circumstances, the value of the shares.

HMRC accepts that the 1.5% charge is in breach of EU law insofar as it applies to new issues of shares or transfers that are an integral part of a capital raising and has confirmed that it will not seek to collect the 1.5% charge in these circumstances. Notwithstanding the UK's exit from the EU, HMRC's published practice is that the 1.5% charge will remain disapplied in the case of new issues of shares or transfers that are an integral part of a capital raising. However, HMRC's published view is that the 1.5% SDRT or stamp duty charge continues to apply to other transfers of shares into a clearance service or depositary receipt system, although there are circumstances in which this may not reflect the legal position. In view of the continuing uncertainty, specific professional advice should be sought before incurring a 1.5% stamp duty or SDRT charge in any circumstances.

No stamp duty or SDRT is payable in respect of paperless transfers and agreements to transfer shares within clearance services or in respect of agreements to transfer interests in depositary receipts, save, in the case of a clearance service, where the clearance service has made and maintained an election under section 97A(1) of the Finance Act 1986 as described below.

There is an exception to the 1.5% charge on the transfer to, or to a nominee or agent for, a clearance service where the clearance service has made and maintained an election under section 97A(1) of the Finance Act 1986, which has been approved by HMRC. In these circumstances, SDRT at the rate of 0.5% of the amount or value of the consideration payable for the transfer will arise on any transfer of shares in the Company into such an account and on subsequent agreements to transfer such shares within such account.

Any liability for stamp duty or SDRT in respect of a transfer into a clearance service or depositary receipt system, or in respect of a transfer within such a service, which does arise will strictly be accountable by the clearance service or depositary receipt system operator or their nominee, as the case may be, but will, in practice, be payable by the participants in the clearance service or depositary receipt system.

10.17. Litigation

Save as referred to below, there are no governmental, legal or arbitration proceedings (including such proceedings which are pending or threatened of which the Company is aware) during the

12 months preceding the date of this Prospectus, which may have, or have had in the recent past, a significant effect on the Company's and/or the Group's financial position or profitability. Wise is currently engaged in a dispute with a Brazilian financial institution, MS Bank. Wise has filed a lawsuit pending service of process in the High Court of Justice, Business and Property Courts of England and Wales, Commercial Court for the return of approximately £6.0 million (comprising approximately U.S.\$7.5 million and R\$4 million) that were held in a liquidity pool for Wise transactions and are being improperly retained by MS Bank in violation of an applicable contract. Wise is also claiming damages, interest and costs in relation to this matter, the amount of which cannot be accurately estimated at this time. The matter is ongoing, and we cannot predict its outcome at this time. In FY2021, we recorded a £6.7 million specific provision relating to the liquidity pool (approximately £6.0 million) and accounts receivable from MS Bank (approximately £0.7 million). We did not record any additional provision with respect to this matter in FY2021.

Wise also obtained an injunction against MS Bank in Brazil related to certain improper communications, to which MS Bank has filed an appeal, as well as defences and counterclaims. These matters are under seal. MS Bank has indicated its intent to seek indemnification from Wise for tax claims and fines imposed by the Brazilian taxation authorities and/or the Central Bank against MS Bank, although no legal action has been commenced at this time. The full amount of this potential claim is currently unknown. MS Bank may also bring other claims arising out of the terminated relationship with Wise, regardless of the merit of such claims.

Furthermore, we understand that at the instigation of MS Bank, the Federal Police Department in Parana State, where MS Bank is headquartered, will be opening an investigation related to this terminated relationship. According to the prosecutor's report, MS Bank has made criminal allegations of tax evasion and violations of exchange controls. Although under Brazilian law, the opening of an investigation does not imply any finding of criminality and we do not believe any crime has occurred, we intend to co-operate with the authorities to resolve the matter.

10.18. Related Party Transactions

Save as described in *"Our Historical Financial Information"*, there are no related party transactions between the Company or members of the Group and related parties as at 20 August 2021 being the latest practicable date before the publication of this Prospectus.

10.19. No Significant Change

There has been no significant change in the financial position or financial performance of the Group since 31 March 2021, the date to which the latest historical financial information of the Group was published.

Please see *"section 6.2.15 – Our Operating and Financial Review – Overview – Current Trading"* of this Prospectus for a discussion of the Company's current trading since 31 March 2021.

10.20. Working Capital

In the opinion of the Company, taking into account the facilities available to the Group, the working capital available to the Group is sufficient for its present requirements, that is for at least 12 months following the date of this Prospectus.

10.21. Statutory Auditors and Reporting Accountants

Our auditors and reporting accountants are PricewaterhouseCoopers LLP, whose registered address is at 1 Embankment Place, London WC2N 6RH, United Kingdom. PricewaterhouseCoopers LLP is registered to carry out audit work by the Institute of Chartered Accountants in England and Wales.

10.22. Consents

EDC has given and has not withdrawn its written consent to the inclusion of the information from its report in this Prospectus and has authorised the content which has been sourced to EDC for the purposes of item 1.3 of Annex 1 of the Delegated Regulation.

EDC accepts responsibility for the inclusion of the information in this Prospectus which has been sourced from EDC and declares that, for the purposes of 1.2 of Annex 1 of the Delegated Regulation, to the best of its knowledge, such information is in accordance with the facts and contains no omission likely to affect its import.

The information in this Prospectus which has been sourced from EDC includes only market data and such information includes no financial data of any kind. For the information in this Prospectus which has been sourced from EDC, please refer to “*section 4.2 – About Wise – The Cross-Border Payments Market*”, “*section 4.3.2(i) – About Wise – What We Did and What We’ve Built – Our Infrastructure – Transparency*” and “*section 10.26.1(c) – Additional Information – General – Presentation of Information – Market, economic and industry data*” of this Prospectus.

10.23. Application of the Code to the Company

10.23.1. The Code and Rule 9

The Code applies to the Company.

Under Rule 9 of the Code, when any person acquires an interest in shares of the Company which, together with shares in which persons acting in concert with such person are interested, carry 30% or more of the voting rights in the Company, such person and, depending upon the circumstances, persons acting in concert with it must (except with the consent of the Panel) make a cash offer for all of the outstanding shares in the Company.

A similar obligation to make such a cash offer also arises when any person that (together with any persons acting in concert) is already interested in shares which in aggregate carry 30% or more of the voting rights of the Company but does not hold shares which carry more than 50% of such voting rights acquires an interest in any other shares of the Company which increase the percentage of shares carrying voting rights in which such person is interested.

If a person (or group of persons acting in concert) already holds shares of the Company carrying more than 50% of the voting rights in the Company, that person (or any person(s) acting in concert with such person) may acquire further shares without incurring any obligation under

Rule 9 to make a mandatory offer, although individual members of a concert party will not be able to increase their percentage interest in shares through or between a Rule 9 threshold without Panel consent.

The Panel has confirmed that it reserves the right to disregard the CEO Permitted Maximum and the Non-CEO Permitted Maximum when determining the level of voting rights held by any person (or any concert party).

10.23.2. Executive Founder

On Direct Listing, the Executive Founder held 18.78% of the Class A Shares and 46.83% of the Class B Shares in issue, in aggregate representing 40.75% of the total voting rights in the Company.

The proportionate voting rights that the Executive Founder holds in the Company may increase over time as a result of any of the following:

- the Executive Founder acquiring additional Class A Shares;
- the Executive Founder receiving additional Class A Shares through his participation in the Company's LTIP or future incentive schemes; and/or
- the cessation of voting rights in respect of Class B Shares held by other Shareholders.

If all outstanding Class B Shares in the Company ceased to carry any entitlement to voting rights, save for those held by the Executive Founder, and the Executive Founder's Class A Share holding remains the same as his Class A Share holding at Direct Listing the Executive Founder would in those circumstances hold shares that represented 69.81% of the total voting rights in the Company. However, in respect of any Shareholder decision the Executive Founder's entitlement to votes by virtue of his Class B Shares would at all times be capped in line with the thresholds set out below.

The application of the CEO Permitted Maximum means that, the votes attaching to the Class B Shares the Executive Founder holds will only increase the votes he has by virtue of his Class A Shares as follows:

- until such time as the Residual Change in Control Approval has been granted, or the Company's licensing arrangements mean that the Residual Change in Control Approval is no longer required, up to one vote below 25% of the total voting rights eligible to be cast in respect of that Shareholder decision; and
- following the satisfaction of the condition set out above up to one vote below 50% of the total voting rights eligible to be cast in respect of that Shareholder decision (reducing to one vote below 35% if he is no longer the Chief Executive Officer of the Company).

For details of the application of Rule 9 in respect of an increase in proportionate voting rights as a result of certain Class B Shares ceasing to carry any entitlement to voting rights, see "Application of Rule 9 following certain Class B Shares ceasing to carry any entitlement to voting rights" below.

10.23.3. Concert Parties and Application of Rule 9

Under limb (ix) of the definition of "acting in concert" in the Code, shareholders in a private company who sell their shares in that company in consideration for the issue of new shares in a company to which the Code applies will be presumed to be persons acting in concert. This

presumption applies to the Existing Shareholders who, pursuant to the Group Reorganisation, sold their shares in TWL in exchange for shares in the Company. The definition does, however, state that this presumption can be rebutted. In this context we have agreed the positions set out below in respect of those Shareholders that are viewed by the Panel as acting in concert.

(a) Founder Concert Party

The Panel has confirmed that, as at Direct Listing, Taavet Hinrikus is presumed to be acting in concert with the Executive Founder for the purposes of the Code (namely, the Founder Concert Party). Notwithstanding the interim voting cap relating to the Residual Change in Control Approval, the Founder Concert Party will hold Shares that carry, in aggregate, 53.69% of the total voting rights in the Company. Notwithstanding that the voting caps will at all times apply to each member of the Founder Concert Party, if all outstanding Class B Shares in the Company ceased to carry any entitlement to voting rights, save for those held by the Founder Concert Party, and the Founder Concert Party's Class A Share holding remains the same as its Class A Share holding at Direct Listing, the Founder Concert Party would in those circumstances hold Shares that represented 77.86% of the total voting rights in the Company.

At Direct Listing, because the Founder Concert Party holds Shares that carry, in aggregate, more than 50% of the voting rights in the Company, the Founder Concert Party may, as a whole, acquire further Shares without incurring any obligation under Rule 9 to make a mandatory offer. Notwithstanding that the Founder Concert Party, as a whole, has such buying freedom, the individual members of the Founder Concert Party are subject to the positions set out below.

(b) Executive Founder

As noted above, at Direct Listing the Executive Founder held 18.78% of the Class A Shares and 46.83% of the Class B Shares in issue, in aggregate representing 40.75% of the total voting rights in the Company.

As such, at Direct Listing, the Executive Founder held Shares that carry more than 30% of the total voting rights in the Company but less than 50%. Notwithstanding that the Founder Concert Party holds Shares that carry more than 50% of the total voting rights in the Company, the Executive Founder will only be able to acquire additional Class A Shares without triggering an obligation under Rule 9 of the Code if, following consultation with the Panel, the Panel waives this obligation (in accordance with Note 4 on Rule 9.1). However, the Panel has confirmed that if the Executive Founder's entitlement to voting rights increases solely as a result of the cessation of voting rights of Class B Shares held by other Shareholders (which could, notwithstanding the voting caps in place, result in the Executive Founder holding Shares that carry 69.81% of the total voting rights in the Company), he will not trigger an obligation under Rule 9 of the Code to make an offer for the Company. In addition, the Panel has confirmed that if, as a result of the cessation of voting rights of Class B Shares held by other Shareholders, the voting rights in the Company that the Executive Founder holds increases to 50% or more, from this point onwards the Executive Founder will be free to acquire further Class A Shares in the Company without incurring any obligation under Rule 9 of the Code (notwithstanding that the voting caps set out above will at all times apply).

(i) *Taavet Hinrikus*

At Direct Listing, Taavet Hinrikus held 10.85% of the Class A Shares and 13.53% of the Class B Shares in issue and, as a result, held Shares that carry 12.95% of the total voting rights in the Company in respect of any Shareholder Decision.

Taavet Hinrikus is free to acquire further shares in the Company without incurring any obligation under Rule 9 of the Code (provided that he does not increase his percentage interest in voting rights through 30%). Notwithstanding that the Founder Concert Party holds Shares that carry more than 50% of the total voting rights in the Company, Taavet Hinrikus is not entitled to increase his percentage interest in voting rights to 30% or over without incurring an obligation under Rule 9 of the Code unless, following consultation with the Panel, the Panel waives this obligation (in accordance with Note 4 on Rule 9.1).

(c) **No other concert parties presumed**

Save for the Founder Concert Party, as at the Direct Listing, the Panel did not presume any other Shareholders were acting in concert.

10.23.4. Application of Rule 9 following certain Class B Shares ceasing to carry any entitlement to voting rights

As and when certain Class B Shares cease to carry any entitlement to voting rights for any reason, the percentage of voting rights in the Company carried by the Class B Shares will reduce and the percentage of voting rights in the Company carried by the Class A Shares will increase accordingly. This will have the effect of increasing the proportionate voting rights in the Company of all Shareholders, other than the Shareholder whose Class B Shares have ceased to carry any entitlement to voting rights.

Subject to the paragraph below, the Panel has confirmed that if, as a result of any such cessation of voting rights attaching to Class B Shares, any Shareholder (together with persons acting in concert with it) becomes interested in shares of the Company carrying 30% or more of the voting rights in the Company, such Shareholder (and, depending upon the circumstances, any persons acting in concert with it) will incur an obligation under Rule 9 of the Code at such time. Accordingly, such person will be required to make a mandatory cash offer for all outstanding shares in the Company or, with the consent of the Panel, to dispose of interests in a sufficient number of shares of the Company to reduce their aggregate interest to below the Rule 9 threshold (in which case voting restrictions will be applied by the Panel so that, pending such disposals, the number of voting rights that are exercised by the relevant person (and any concert parties) do not exceed the Rule 9 threshold). Shareholders should accordingly note that an interest in Shares carrying less than 30% of the voting rights in the Company as at Direct Listing may be sufficient to trigger a Rule 9 obligation upon the cessation of voting rights attaching to Class B Shares (depending on the size of the aggregate interest in Shares before such reduction in voting rights and the number of Class B Shares that have ceased to carry voting rights) and should therefore manage their holding of Shares in the light of this.

10.23.5. Application of Rule 14 of the Code on a takeover offer for the Company

Under Rule 14 of the Code, where a company has more than one class of equity share capital, if a takeover offer (whether mandatory or voluntary) is made for one class of equity share capital,

a comparable offer must also be made for all other classes. As set out in “*Annexure 1 —Terms and Conditions of OwnWise*”, a Class B Share will automatically cease to carry any entitlement to voting rights on the depositing of its corresponding Class A Share into CREST or the issuance of a share certificate in respect of that Class A Share, and Class B Shares are strictly non-tradeable and non-transferable. As Class B Shares can only ever be held by their original holder, it is not possible for an offer to be made for Class B Shares. The Panel has confirmed that because of the transfer restrictions and rights attaching to Class B Shares, Rule 14 is not applicable in the context of the Dual Class Share Structure meaning that no offer must be made for Class B Shares if a takeover offer (whether mandatory or voluntary) is made for Class A Shares.

10.23.6. Application of Rule 10 (and Rule 9.3) on a takeover offer for the Company

Under Rule 10 of the Code, a takeover offer will not become unconditional as to acceptances unless the offeror has acquired or agreed to acquire shares carrying over 50% of the voting rights in the company (and Rule 9.3 states that offers made under Rule 9 must be conditional only upon the offeror (together with its concert party, if any) having received acceptances in respect of shares which will result in the offeror and any person acting in concert with it holding shares carrying more than 50% of the voting rights in the company).

The Panel has confirmed that, due to Class B Shares being strictly non-transferable, when establishing whether an offeror (and, in the case of Rule 9.3, its concert party, if any) has acquired or agreed to acquire shares carrying over 50% of the voting rights in the Company for the purposes of Rule 10 and Rule 9.3:

- notwithstanding that the offeror (and its concert party, if applicable) may have agreed to acquire certain Class A Shares that correspond to Class B Shares, the votes attaching to such Class B Shares shall not be included when calculating the total voting rights in the Company that the offeror has acquired or agreed to acquire (i.e. such votes shall be excluded from the numerator in the relevant calculation); and
- if the offeror (and its concert party, if applicable) has agreed to acquire certain Class A Shares that correspond to Class B Shares, the votes attaching to such Class B Shares shall not be included when calculating the total voting rights in the Company in this context (i.e. such votes shall be excluded from the denominator in the relevant calculation).

Further details of the calculation of the relevant numerator and denominator for the purposes of this calculation are set out below.

(a) Numerator

As a result of this application of the Code, in the context of the Rule 10 acceptance condition (and the threshold requirements under Rule 9.3), when calculating the figure for the numerator in the calculation (i.e. the number of voting rights in the Company (and, in the case of Rule 9.3, its concert party, if any) the offeror has acquired or agreed to acquire), the following shall be included:

- voting rights attaching to Class A Shares held by the offeror (and its concert party, if applicable);
- voting rights attaching to Class B Shares held by the offeror (and its concert party, if applicable); and

- voting rights attaching to Class A Shares that the offeror (and its concert party, if applicable) has agreed to acquire.

The numerator shall exclude:

- voting rights attaching to Class B Shares that correspond to Class A Shares that the offeror (and its concert party, if applicable) has agreed to acquire;
- voting rights attaching to Class A Shares that the offeror (and its concert party, if applicable) has not agreed to acquire; and
- voting rights attaching to Class B Shares that correspond to Class A Shares that the offeror (and its concert party, if applicable) has not agreed to acquire.

(b) Denominator

As a result of this application of the Code, in the context of the Rule 10 acceptance condition (and the threshold requirements under Rule 9.3), when calculating the figure for the denominator in the calculation (i.e. the total number of voting rights in the Company at that time), the following shall be included:

- voting rights attaching to all Class A Shares in issue at that time;
- voting rights attaching to Class B Shares held by the offeror (and its concert party, if applicable); and
- voting rights attaching to Class B Shares that correspond to Class A Shares that the offeror (and its concert party, if applicable) has not agreed to acquire.

For the avoidance of doubt, voting rights attaching to any Class B Shares that correspond to Class A Shares that the offeror (and its concert party, if applicable) has agreed to acquire will be excluded from the denominator.

(c) Squeeze-out

Under the Act, if an offeror makes an offer to acquire all of the Class A Shares not already owned by it and it acquires 90% or more of the Class A Shares, it can then compulsorily acquire the remaining 10% of Class A Shares.

In order to exercise any compulsory acquisition right after achieving the 90% threshold, the offeror must send a notice to the outstanding holders of Class A Shares telling them that it will compulsorily acquire their shares and then, six weeks later, it must deliver a transfer of the outstanding Class A Shares to the Company (which will execute the transfer in favour of the offeror on behalf of the relevant holders are Class A Shares) and pay the consideration to the Company (which will hold the consideration in trust for the outstanding holders of Class A Shares). The consideration offered to the holders of Class A Shares that are compulsorily acquired under this procedure must, in general, be the same as the consideration that was available under the original offer unless a member can show that the offer value is unfair.

(d) Sell-out

The Act also gives minority members a right to be bought out in certain circumstances by an offeror who has made a takeover offer.

If an offeror makes an offer for all of the Class A Shares and, at any time before the end of the period within which the offer can be accepted, the offeror holds or has agreed to acquire 90% or more of the Class A Shares, any holder of Class A Shares who has not accepted the offer can by a written communication to the offeror require it to acquire those Class A Shares.

If an offeror achieves the 90% threshold in an offer for Class A Shares, it will be required to give any member in that class notice within one month of the right arising of its right to be bought out. The offeror may impose a time limit on the rights of minority holders of Class A Shares to be bought out, but that period cannot end less than three months after the end of the acceptance period or, if later, three months from the date on which notice is served on members notifying them of their sell-out rights. If a holder of Class A Shares exercises his/her rights, the offeror is entitled and bound to acquire those shares on the terms of the offer or on such other terms as may be agreed.

10.24. Legal Advisers

Our English legal advisers are Linklaters LLP, whose registered address is One Silk Street, London EC2Y 8HQ, United Kingdom.

Our Estonian legal advisers are Advokaadibüroo SORAINEN AS, whose registered address is Rotermanni tn 6, 10111 Tallinn, Estonia.

10.25. Responsibility

The person responsible for the information provided in this Prospectus is the Company. The Company accepts responsibility for the information contained in this Prospectus. To the best of the knowledge of the Company, the information contained in this Prospectus is in accordance with the facts and this Prospectus makes no omission likely to affect its import.

10.26. General

No representation or warranty, express or implied, is made and no responsibility or liability is accepted by any person, other than the Company and the Directors, as to the accuracy, completeness, verification or sufficiency of the information contained herein, and nothing in this Prospectus may be relied upon as a promise or representation in this respect, as to the past or future. No person is or has been authorised to give any information or to make any representation not contained in or not consistent with this Prospectus and, if given or made, such information or representation must not be relied upon as having been authorised by or on behalf of the Company or the Directors. The delivery of this Prospectus shall not, under any circumstances, create any implication that there has been no change in our business or affairs since the date of this Prospectus or that the information contained herein is correct as of any time subsequent to its date.

This Prospectus speaks only as of the date hereof. The contents of this Prospectus are not to be construed as legal, business or tax advice. This Prospectus is not intended to provide the basis of any credit or other evaluation and should not be considered as a recommendation by us, our Directors, or any of our advisers or any of their respective affiliates or representatives regarding the securities of the Company.

The Shares have not been, and will not be, registered under the U.S. Securities Act, or with any securities regulatory authority of any state or other jurisdiction in the United States and may not be offered or sold in the United States absent registration except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the U.S. Securities Act,

and in compliance with any applicable securities laws of any state or other jurisdiction of the United States.

Neither the U.S. Securities and Exchange Commission nor any U.S. federal or state securities commission or regulatory authority has approved or disapproved the Class A Shares or confirmed the accuracy or determined the adequacy of this document. Any representation to the contrary is a criminal offence in the United States.

The distribution of this Prospectus in certain jurisdictions may be restricted by law. Other than in Estonia and other EU countries where the Prospectus has been passported simultaneously with the approval of the Prospectus, no action has been taken or will be taken to permit the possession or distribution of this Prospectus in any jurisdiction where action for that purpose may be required or where doing so is restricted by law. In the United States, you may not distribute this Prospectus or make copies of it without the Company's prior written consent other than to people you have retained to advise you in connection with this Prospectus. Accordingly, neither this Prospectus nor any advertisement nor any offering material may be distributed or published in any jurisdiction, other than in Estonia and other EU countries where the Prospectus has been passported simultaneously with the approval of the Prospectus, except under circumstances that will result in compliance with any applicable laws and regulations. Persons into whose possession this Prospectus comes should inform themselves about and observe any such restrictions. Any failure to comply with such restrictions may constitute a violation of the securities laws of any such jurisdiction.

The EU countries where the Prospectus has been passported simultaneously with the approval of the Prospectus include Austria, Belgium, Bulgaria, Croatia, Cyprus, Czech Republic, Denmark, Finland, France, Germany, Greece, Hungary, Ireland, Italy, Latvia, Lithuania, Luxembourg, Malta, Netherlands, Poland, Portugal, Romania, Slovakia, Slovenia, Spain and Sweden.

10.26.1. Presentation of Information

(a) Financial information

As the Company is set up as the ultimate holding company of the Group, but the business of the Group is primarily carried on by Wise Payments Limited (the former holding company of the Group) and its subsidiaries, the business and historical financial information disclosed in this Prospectus primarily relates to Wise Payments Limited in order for the investors to make an informed assessment.

The financial information in this Prospectus, and consolidated historical financial information incorporated by reference in "*section 8—Our Historical Financial Information*", has been prepared in accordance with the requirements of the Prospectus Regulation and in accordance with IFRS. The significant IFRS accounting policies applied in our financial information are applied consistently in the financial information in this Prospectus.

In its consolidated accounts for FY2021, Wise restated comparative information as at and for the year ended 31 March 2020 (the "**2020 Restated Comparative Information**") in order to reflect: (i) correction of errors and changes in accounting policy in the consolidated financial statements for FY2021; and (ii) reflect the changes in the presentation of the consolidated financial statements for FY2021. As described in notes 1.2 and 1.22 to the consolidated financial statements for FY2021, incorporated by reference into this Prospectus, the following line items for the 2020 Restated Comparative Information have been restated:

- correction of errors in connection with:
 - (i) valuation of deferred tax assets;
 - (ii) recognition of the liability for national insurance on share options; and
 - (iii) classification of exercise of share options;
- changes in presentation of the financial statements in respect of:
 - (i) reclassification and separate presentation of interest expense on customer deposits;
 - (ii) reclassification of interest income on customer accounts to the interest income from investments and other operating assets; and
 - (iii) reclassification of investment income from bonds to interest income from investments and other operation assets; and
- change in the accounting policy to present net foreign currency exchange gains and losses related to customer balances as part of cost of sales.

The material changes to the financial statements line items for FY2020 are described in notes 1.2 and 1.22 to the consolidated financial statements for FY2021, incorporated by reference into this Prospectus.

The financial information included in this Prospectus for FY2020 is therefore derived from either the audited consolidated financial statements for FY2020 or the 2020 Restated Comparative Information.

The Group has similarly restated certain financial information for FY2019 (the “**2019 Restated Comparative Information**”) to reflect the same adjustments (to the extent they are applicable) in order to align with the presentation of the consolidated accounts for FY2021 and FY2020. The requirement to present historical financial information on the same basis as the most recent financial year is limited to instances where such information is presented alongside the most recent financial year. As the Group, in accordance with the requirements of the Companies Act 2006, is required to present only the most recent comparative period (i.e. FY2020) in the consolidated financial statements for FY2021, the financial information for FY2019 which was previously published has not been restated.

The material changes to the financial statements line items for FY2019 are as follows:

- Correction of an error in the classification of the impact of the share options exercises which were classified as share premium. As a result, £0.6 million was reclassified from share premium into retained earnings for the period ended 31 March 2020 within the statement of changes in equity. Correction of errors in connection with valuation of deferred tax assets and recognition of the liability for national insurance on share options did not have any impact on the consolidated financial statements for FY2019;
- £0.2 million interest income earned on holding customer cash on Wise accounts has been reclassified to the interest income from investments and operating assets and £0.8 million investment income from bonds has been reclassified to the interest income from investments and operating assets; and

- £2.2 million was reclassified from administrative expense to cost of sales to reflect change in the accounting policy.
- Net credit losses on financial assets were presented separately in the consolidated statement of comprehensive income for FY2021 above gross profit. The impact of restated this line item in the financial statements for FY2019 is reclassification of £1.0 million previously included within Cost of sales.

The financial information included in this Prospectus for FY2019 is therefore derived from either the audited consolidated financial statements for FY2019 or the 2019 Restated Comparative Information.

None of the financial information used in this Prospectus has been audited in accordance with U.S. GAAS or auditing standards of the PCAOB. In addition, there could be other differences between the standards issued by the Auditing Practices Board in the United Kingdom and those required by U.S. GAAS or the auditing standards of the PCAOB.

The financial information contained in this Prospectus does not amount to statutory accounts within the meaning of section 434(3) of the Act.

The Company was recently incorporated and as at the date of this Prospectus has no historical operations of its own. Therefore, this Prospectus does not present any standalone, unconsolidated financial information for the Company.

(b) Non-IFRS Financial Information

This Prospectus contains several key metrics that we use to track the financial and operating performance of our business, including Adjusted EBITDA, Adjusted EBITDA margin, Cash Conversion, Free Cash Flow, gross profit margin, active customers, volume, volume per customer, total take rate, cross-currency take rate and other fees. These measures are derived from our internal financial and analytics systems but, with the exception of Adjusted EBITDA, have not been audited. Further, as these measures are not determined in accordance with IFRS, and are thus susceptible to varying calculations, they may not be comparable with other similarly titled measures of performance of other companies. For more information on the definition and calculation of these metrics, please see *“section 12—Definitions and Glossary”*. For a reconciliation to our reported historical financial information prepared on an IFRS basis, where relevant, please see, *“section 6.2.5—Our Operating and Financial Review—Key Factors Affecting Our Results of Operations—Key operating and financial metrics”*.

(c) Market, economic and industry data

Unless the source is otherwise stated, the information contained in this Prospectus related to markets, market sizes, market shares, market positions, economic and industry data in this Prospectus constitutes the Directors’ estimates, using underlying data from independent third parties.

Market data and certain industry forecasts used in this Prospectus are sourced from internal surveys, reports and studies, where appropriate, as well as market research, publicly available information and industry publications, including publications and data compiled by EDC.

The Company confirms that all third-party data contained in this Prospectus has been accurately reproduced and, so far as we are aware and able to ascertain from information published by that third party, no facts have been omitted that would render the reproduced information inaccurate or misleading. While the Directors believe the third-party information included herein to be reliable, we have not independently verified such third-party information, and we make no representation or warranty as to the accuracy or completeness of such information as set forth in this Prospectus.

Where third-party information has been used in this Prospectus, the source of such information has been identified.

(d) Rounding

Certain data in this Prospectus, including financial, statistical, and operating information, has been rounded. As a result of the rounding, the totals of data presented in this Prospectus may vary slightly from the actual arithmetic totals of such data. Percentages in tables have been rounded and accordingly may not add up to 100%.

10.26.2. Information regarding forward-looking statements

This Prospectus includes forward-looking statements which involve known and unknown risks and uncertainties, many of which are beyond our control and all of which are based on the Directors' current beliefs and expectations about future events. Forward-looking statements are sometimes identified by the use of forward-looking terminology such as "believes", "expects", "may", "will", "could", "should", "shall", "intends", "estimates", "aims", "plans", "continues", "assumes", "positioned", "anticipates" or "targets" or the negative thereof, other variations thereon or comparable terminology. These forward-looking statements include all matters that are not historical facts. They appear in a number of places throughout this Prospectus and include statements regarding the intentions, beliefs or current expectations of the Directors or the Group concerning, among other things, the future results of operations, financial condition, prospects, growth and strategies of the Group and the industry in which we operate. In particular, the statements under the headings "*section 2—Risk Factors*", "*section 4—About Wise*" and "*section 6—Our Operating and Financial Review*" regarding our strategy, targets and other future events or prospects are forward-looking statements.

These forward-looking statements and other statements contained in this Prospectus regarding matters that are not historical facts involve predictions. No assurance can be given that such future results will be achieved; actual events or results may differ materially as a result of risks and uncertainties we face. Such risks and uncertainties could cause actual results to vary materially from the future results indicated, expressed or implied, in such forward-looking statements.

Such forward-looking statements contained in this Prospectus speak only as of the date of this Prospectus. We, our Directors and advisers expressly disclaim any obligation or undertaking to update the forward-looking statements contained in this document to reflect any change in their expectations or any change in events, conditions, or circumstances on which such statements are based unless required to do so by applicable law, the Listing Rules, the MAR or the Disclosure Guidance and Transparency Rules of the FCA. This statement should not be construed as a qualification of statements contained in "*section 10.20—Working Capital*" above.

10.27. Miscellaneous

The Company will bear approximately £1.3 million (corresponding to approximately €1.52 million) of fees and expenses in connection with OwnWise, including commissions, other estimated fees and expenses in connection with OwnWise and amounts in respect of VAT.

10.28. Documents Available for Inspection

Copies of the Articles, the consent letter referred to in “*section 10.22—Additional Information—Consents*” above and the information incorporated by reference into this Prospectus, as described in “*section 11—Documentation Incorporated by Reference*” below, will be available on our website, at www.wise.com/owners, for a period of 12 months following the date of this Prospectus.

This Prospectus will be published in electronic form and be available on our website at www.wise.com/owners.

The date of this Prospectus is 6 September 2021.

11. DOCUMENTATION INCORPORATED BY REFERENCE

The table below sets out the various sections of the documents referred to in this document which are incorporated by reference into this document.

Reference document	Information incorporated by reference	Page number(s) in reference document
2021 Annual Report and Consolidated Financial Statements	Consolidated statement of comprehensive income.....	50
	Consolidated statement of financial position...	51
	Consolidated statement of changes in equity ..	52
	Consolidated statement of cash flows.....	53
	Notes to the consolidated financial statements	54-79 (inclusive)
	Independent Auditor's Report	46-48
2020 Annual Report and Consolidated Financial Statements	Consolidated statement of comprehensive income.....	33
	Consolidated statement of financial position...	35
	Consolidated statement of changes in equity ..	39
	Consolidated statement of cash flows.....	43
	Notes to the consolidated financial statements	47-68 (inclusive)
	Independent Auditor's Report	30-31
2019 Annual Report and Consolidated Financial Statements	Consolidated statement of comprehensive income.....	26
	Consolidated statement of financial position...	28-29
	Consolidated statement of changes in equity ..	34
	Consolidated statement of cash flows.....	38
	Notes to the consolidated financial statements	42-75 (inclusive)

Reference document	Information incorporated by reference	Page number(s) in reference document
	Independent Auditor's Report	21-24

Parts of the documents from which the information incorporated by reference have been incorporated are not set out above because they are either not relevant or are covered elsewhere in this document.

Where the information incorporated by reference makes reference to other documents, such other documents are not incorporated into, and do not form part of, this document.

Any statement contained in a document which is deemed to be incorporated by reference herein shall be deemed to be modified or superseded for the purpose of this Prospectus to the extent that a statement contained herein (or in a later document which is incorporated by reference herein) modifies or supersedes such earlier statement (whether expressly, by implication or otherwise).

12. DEFINITIONS AND GLOSSARY

The following definitions apply throughout this Prospectus unless the context requires otherwise:

“2015 CSOP”	TransferWise 2015 Company Share Option Plan adopted by TWL in 2015
“2015 CSOP Options”	options over Class A Shares granted under the 2015 CSOP
“2016 Approved Options”	2016 Options granted as UK tax advantaged options and/or designed to comply with certain U.S. tax legislation
“2016 Option Plan”	TransferWise 2016 Company Share Option Plan adopted by TWL on 15 June 2016 and amended on 27 February 2019
“2016 Options”	options over Class A Shares granted under the 2016 Option Plan
“2016 Unapproved Options”	2016 Options which are not 2016 Approved Options
“2019 Restated Comparative Information”	the financial information originally presented in the consolidated financial statements for FY2019 which were restated in order to make it consistent with the presentation in the consolidated financial statements for FY2021.
“2020 Restated Comparative Information”	the financial information originally presented in the consolidated financial statements for FY2020 which were restated in order to make it consistent with the presentation in the consolidated financial statements for FY2021.
“2021 EIP”	TransferWise 2021 Equity Incentive Plan adopted by TWL on 1 January 2021
“ABC”	anti-bribery and corruption
“Act” or “Companies Act”	the UK Companies Act 2006 , as amended, modified or re-enacted from time to time
“active customers”	total number of unique customers who have completed at least one cross currency transaction in a given period
“ADI”	authorised deposit-taking institution
“Adjusted EBITDA”	profit for the year before income taxes, interest, depreciation and amortisation, share based compensation expense and exceptional items. For a reconciliation to our reported historical financial information prepared on an IFRS basis, see “ <i>section 6.2.5—Our Operating and Financial Review—Key</i> ”

	<i>Factors Affecting Our Results of Operations—Key operating and financial metrics”</i>
“Adjusted EBITDA margin”	Adjusted EBITDA divided by revenue. For a reconciliation to our reported historical financial information prepared on an IFRS basis, see “ <i>section 6.2.5—Our Operating and Financial Review—Key Factors Affecting Our Results of Operations—Key operating and financial metrics”</i>
“AFS”	Australian Financial Services
“AGM”	a general meeting held as the Company’s annual general meeting in accordance with Section 336 of the Act
“AML”	anti-money laundering
“AML/CTF Rules”	The Australian Anti-Money Laundering and Counter-Terrorism Financing Rules Instrument 2007 (No.1)
“Andreessen Horowitz”	AH Parallel Fund IV, L.P., Andreessen Horowitz LSV Fund I, L.P. and Andreessen Horowitz Fund IV, L.P.
“API”	application programming interface
“APP fraud”	Authorised Push Payment fraud
“Approach Document for Payment Services and Electronic Money”	FCA’s guidance on the Payment Services Regulations 2017 and the Electronic Money Regulations 2011
“APRA”	Australian Prudential Regulatory Authority
“Articles”	the current Articles of Association of the Company
“ASIC”	Australian Securities and Investments Commission
“AUSTRAC”	Australian Transaction Reports and Analysis Centre
“AUSTRAC Reporting Entities Roll”	Part 3A of the Australian AML/CTF Act (latest version)
“AUSTRAC Remittance Sector” or “AUSTRAC Remittance Sector Register”	the register for the Remittance Sector by AUSTRAC
“Australian AML/CTF Act”	the Australian Anti-Money Laundering and Counter-Terrorism Financing Act 2006
“Australian Bank Bill Swap Reference Rate”	the Australian Bank Bill Swap Reference Rate administered by ASX Benchmarks Pty Limited
“Australian Banking Act”	The Australian Banking Act 1959
“Australian Corporations Act”	the Australian Corporations Act 2001
“Australian Privacy Principles”	the Australian Privacy Principles
“Autonomous Sanctions Act”	the Australian Autonomous Sanctions Act 2011

“Autonomous Sanctions Regulations”	the Australian Autonomous Sanctions Regulations 2011
“AWS”	Amazon Web Services
“B2B”	business to business
“Baillie Gifford”	Scottish Mortgage Investment Trust plc, Host-Plus Pty Limited, Vision Super Pty Ltd., Interventure Equity Investments Limited, The States of Jersey Public Employees Contributory Retirement Scheme, The Schiehallion Fund Limited, The Board of Trustees of the Saskatchewan Healthcare Employees Pension Plan, Meyer Memorial Trust and Warman Investments Pty Limited
“BEAR”	the Australian Banking Executive Accountability Regime
“Board”	the board of directors of Wise plc
“Bonus Deferral Award”	some or all of a participant’s bonus deferred and paid in the form of an LTIP Award as described in “section 10.9 - <i>Additional Information—New employee share plans</i> ”
“Borrower”	each of TWL, together with Wise Australia Pty Ltd., TransferWise Europe SA and TransferWise Inc as original borrowers under the MRCA, together with any other company from time to time party to the MRFA as borrower
“Brexit”	the UK’s departure from the European Union under Article 50 of the 2009 Lisbon Treaty
“BSA/PATRIOT Act”	the U.S Bank Secrecy Act , as amended by the U.S PATRIOT Act of 2001
“CAGR”	compound annual growth rate
“Cash Conversion”	Free Cash Flow divided by Adjusted EBITDA. For a reconciliation to our reported historical financial information prepared on an IFRS basis, see “ <i>section 6.2.5—Our Operating and Financial Review—Key Factors Affecting Our Results of Operations—Key operating and financial metrics</i> ”
“CEO” or “Chief Executive Officer”	the chief executive officer of the Company
“CEO Permitted Maximum”	: (1) one vote below 25% of the aggregate number of votes attaching to Shares eligible to be cast in respect of a Shareholder resolution until such time as the Residual Change in Control Approval has been granted or, due to the Company’s licensing arrangements, the Residual Change in Control

	Approval is no longer required; and (2) one vote below 50% of the aggregate number of votes attaching to Shares eligible to be cast in respect of a Shareholder resolution at all other times, and as further set out in the Articles
“CFO” or “Chief Financial Officer”	the chief financial officer of the Company
“Class A Shareholder”	a registered holder of Class A Shares
“Class A Shares”	the class A ordinary shares in the capital of the Company with a nominal value of £0.01 each
“Class B Shareholder”	a registered holder of Class B Shares
“Class B Shares”	the class B ordinary shares in the capital of the Company with a nominal value of £0.000000001 each
“Code”	The UK City Code on Takeovers and Mergers
“Common Reporting Standard”	the global standard for the collection, reporting and exchange of financial account information on foreign tax residents
“Company”	Wise plc
“Conditional Award”	a conditional right to acquire Class A Shares at no cost to the participant
“Corporations Regulations”	the Australian Corporations Regulations 2001 (Cth).
“Covid-19”	Coronavirus disease 2019
“CRD”	Directive 2013/36/EU of the European Parliament and of the Council of 26 June 2013 on access to the activity of credit institutions and the prudential supervision of credit institutions, amending Directive 2002/87/EC and repealing Directives 2006/48/EC and 2006/49/EC (Capital Requirements Directive)
“CRD IV”	together, the Capital Requirements Regulation (575/2013) and Capital Requirements Directive (2013/36/EU)
“CREST”	the UK-based system for paperless settlement of trades in listed securities, of which Euroclear UK and Ireland Limited is the operator
“CRM”	the Contingent Reimbursement Model
“Cross Border Payments Regulations II”	Regulation (EU) No 260/2012 of the European Parliament and of the Council of 14 March 2012 establishing technical and business requirements for credit transfers and direct debits in euro and amending Regulation (EC) No 924/2009

“cross-currency take rate”	total fees on international transfers as a proportion of volume
“CRR”	Regulation (EU) No 575/2013 of the European Parliament and of the Council of 26 June 2013 on prudential requirements for credit institutions and investment firms and amending Regulation (EU) No 648/2012 (Capital Requirements Regulation)
“CTF”	counter-terrorist financing
“D1 Capital Partners”	D1 Capital Partners Master LP
“Delegated Regulation”	Commission Delegated Regulation (EU) 2019/980 of 14 March 2019 supplementing Regulation (EU) 2017/1129 of the European Parliament and of the Council as regards the format, content, scrutiny and approval of the prospectus to be published when securities are offered to the public or admitted to trading on a regulated market, and repealing Commission Regulation (EC) No 809/2004
“DFAT”	Department of Foreign Affairs & Trade of the Federal Government of Australia
“Direct Listing”	the direct listing on the London Stock Exchange’s Main Market which occurred on 7 July 2021
“Directors”	the directors of the Company
“Disclosure Guidance and Transparency Rules”	The disclosure guidance and transparency guidebook of the FCA in relation to the disclosure of information by an issuer whose financial instruments are admitted to trading on a regulated market in the UK
“Dual Class Share Structure”	the Company’s share capital structure at Direct Listing consisting of two classes of shares, namely Class A Shares and Class B Shares
“EDC”	Edgar, Dunn & Company
“EEA”	European Economic Area
“EFSA”	Estonian Financial Supervision and Resolution Authority, which is the capital market regulatory authority of the Republic of Estonia
“EFTA”	The U.S Electronic Funds Transfer Act of 1978
“EIP Awards”	options and restricted share units over Class A Shares granted under the 2021 EIP
“Eligible EU Customer”	a customer of Wise eligible to participate in OwnWise programme meeting the following conditions among others:

	<ul style="list-style-type: none"> • having been an individual Wise customer before 17 June 2021; • having made at least one cross-currency transaction with Wise in the 12 months prior to 17 June 2021; • being resident or located in an EU jurisdiction where applicable securities laws and regulations allow to buy and hold shares in Wise (and allow us to grant New Class A Shares to you, including without undue additional legal or procedural requirements); and • not being a current or former employee of Wise or a Wise group company.
“EMI”	FCA Authorised E-money Institution
“Employee Share Trust”	TransferWise Employee Share Trust established on 11 June 2021 between TWL and Equiniti Trust (Jersey) Limited
“EMRs”	The UK Electronic Money Regulations 2011
“EU”	the European Union
“EURIBOR”	the euro interbank offered rate administered by the European Money Markets Institute
“euro” or “€”	the currency introduced at the start of the third stage of the European economic and monetary union pursuant to the Treaty establishing the European Community, as amended
“European Union (Withdrawal) Act”	the European Union (Withdrawal) Act 2018
“Executive Chairman”	Taavet Hinrikus
“Executive Directors”	the executive Directors of the Company
“Executive Founder”	Kristo Käärman
“Existing Shareholders”	the existing shareholders of TWL as at the date of the prospectus published in connection with the Direct Listing.
“FAST”	the Fast and Secure Transfers in Singapore
“FCA”	the Financial Conduct Authority, which is the capital market regulatory authority of the UK
“FCA Handbook”	The FCA Handbook of Rules and Guidance
“Finance Act”	the UK Finance Act 1986

“Finance Charges”	has the meaning given to such term in the MRFA
“FinCEN”	US Department of Treasury Financial Crimes Enforcement Network
“FOS”	Financial Ombudsman Service
“Forfeitable Shares”	Class A Shares allocated on grant on the basis that they cannot be transferred until vesting and will be forfeited to the extent that the LTIP Award lapses
“Founder Concert Party”	Kristo Käärmann (including, Kotilda OÜ) and Taavet Hinrikus (including OÜ Notorious)
“FPS”	Faster Payments Scheme
“Free Cash Flow”	Adjusted EBITDA minus corporate working capital change excluding collaterals, capital expenditure and lease payments. For a reconciliation to our reported historical financial information prepared on an IFRS basis, see “ <i>section 6.2.5—Our Operating and Financial Review—Key Factors Affecting Our Results of Operations—Key operating and financial metrics</i> ”
“FSMA”	the UK Financial Services and Markets Act 2000 , as amended
“FTSE”	Financial Times Stock Exchange
“FY2019”	the financial year ended 31 March 2019
“FY2020”	the financial year ended 31 March 2020
“FY2021”	the financial year ended 31 March 2021
“FY2022”	the financial year ending 31 March 2022
“GDPR”	Regulation (EU) 2016/679 of the European Parliament and of the Council of 27 April 2016 on the protection of natural persons with regard to the processing of personal data and on the free movement of such data, and repealing Directive 95/46/EC (General Data Protection Regulation)
“GLBA”	the U.S Gramm-Leach-Bliley Act of 1999
“Corporate Governance Code” or “Governance Code”	the UK Corporate Governance Code published by the Financial Reporting Council, as amended from time to time
“gross profit margin”	gross profit as a proportion of revenue
“Group Reorganisation”	the reorganisation of the Group’s corporate structure, as described in “ <i>section 10.3—Additional Information—Group Reorganisation</i> ” of this Prospectus, pursuant to which, among other things,

	the Company became the ultimate holding company of the Group
“Historic Options”	2015 CSOP Options and Pre-2016 Unapproved Options
“HMRC”	Her Majesty’s Revenue & Customs of the UK
“IAS 17”	The International Accounting Standards Board’s International Accounting Standard 17 - Leases
“IA Ventures”	IA Venture Strategies Fund II, LP and IA Venture Strategies II Side Fund, LP
“IFPRU”	the FCA’s Prudential sourcebook for Investment Firms
“IFRS” or “International Financial Reporting Standards”	International Financial Reporting Standards, as adopted by the European Union
“IFRS 9”	International Financial Reporting Standards IFRS 9 – Financial Instruments
“IFRS 16”	International Financial Reporting Standards IFRS 16 – Leases, which we adopted from 1 April 2019
“Initial Subscriber”	Kristo Käärmann
“Interchange Fee Regulation”	Regulation (EU) 2015/751 of the European Parliament and of the Council of 29 April 2015 on interchange fees for card-based payment transactions
“IP”	Intellectual property
“IVP”	Institutional Venture Partners XV, L.P., Institutional Venture Partners XVI, L.P. and Institutional Venture Partners XV Executive Fund, L.P.
“Jars”	Wise Account savings feature
“Joint Money Laundering Steering Group Guidance”	Joint Money Laundering Steering Group Guidance of the UK
“KYC”	know your customer
“Large and Medium-sized Companies and Groups (Accounts and Report) Regulations 2008”	the UK Large and Medium-sized Companies and Groups (Accounts and Reports) Regulations 2008
“LEI”	legal entity identifier
“LIBOR”	London Interbank Offered Rate administered by ICE Benchmark Administration Limited
“Listing Rules”	The UK Listing Rules (Special Purpose Acquisition Companies)

“Long Term Incentive Plan”	the discretionary share plan called the Wise Long Term Incentive Plan described in “ <i>section 10.9—Additional Information —New employee share plans</i> ”
“LTIP Awards”	the long-term incentive plan awards described in paragraph 10 of: “ <i>section 10.9—Additional Information—New employee share plans</i> ”
“LTIP Option”	an option to acquire Class A Shares at an exercise price set at grant (which may be nil)
“Main Market”	the main market for listed securities of the London Stock Exchange
“MAR” or “Market Abuse Regulation”	the Market Abuse (Amendment) (EU Exit) Regulations 2019
“MLRs”	the UK Money Laundering, Terrorist Financing and Transfer of Funds (Information on Payer) Regulations 2017
“MRFA”	the multicurrency revolving facility agreement entered into on 30 March 2020, between TWL, Wise Australia Pty Ltd, TransferWise Europe SA and TransferWise Inc. as original borrowers and original guarantors, the Original Lenders and Silicon Valley Bank as agent, security agent and mandated lead arranger
“MS Bank”	MS Bank S.A. Banco de Câmbio
“MSB”	Money Services Business
“national list”	Belgium’s national terrorist list
“NBB”	National Bank of Belgium
“New Class A Shares”	Class A Shares to be issued in connection with OwnWise to participating eligible customers, including Eligible EU Customers who hold Class A Shares at the close of business (being close of trading on the London Stock Exchange) on the business day before the start of the OwnWise Holding Period and continue to hold these for 12 months following the start of the OwnWise Holding Period
“Non-CEO Permitted Maximum”	: (1) one vote below 25% of the aggregate number of votes attaching to Shares eligible to be cast in respect of a Shareholder resolution until such time as the Residual Change in Control Approval has been granted or, due to the Company’s licensing arrangements, the Residual Change in Control Approval is no longer required; and (2) one vote below 35% of the aggregate number of votes

	attaching to Shares eligible to be cast in respect of a Shareholder resolution at all other times, and as further set out in the Articles
“Non-Executive Directors”	the non-executive Directors of the Company
“NPS”	net promoter score
“Obligors”	each of the Borrowers and the Guarantors (as defined in the MRFA)
“OECD”	the Organisation for Economic Co-operation and Development
“OFAC”	Office of Foreign Assets Control of the United States Department of Treasury
“Official List”	Official list of the FCA
“OFSI”	HM Treasury’s Office of Financial Sanctions Implementation
“Original Lenders”	Silicon Valley Bank, Citibank N.A., London Branch, JPMorgan Chase Bank N.A., London Branch and National Westminster Bank plc as original lenders under the MRFA
“other fees”	total fees from customer activity other than international transfers as a proportion of volume
“OwnWise”	our customer shareholder programme designed to reward customers of Wise who also become long-term shareholders with bonus shares in Wise and other perks
“OwnWise Holding Period”	the period of 12 months commencing on 1 October 2021 and lasting until (and including) 30 September 2022
“Panel”	the Australian Panel on Takeovers and Mergers
“Payment Services Directive”	Directive 2007/64/EC of the European Parliament and of the Council of 13 November 2007 on payment services in the internal market amending Directives 97/7/EC, 2002/65/EC, 2005/60/EC and 2006/48/EC and repealing Directive 97/5/EC (no longer in force)
“PCAOB”	the Public Company Accounting Oversight Board (United States)
“PFIC”	passive foreign investment company for US federal income tax purposes
“PI”	NBB authorised and regulated Payment Institution
“POCA” or “Proceeds of Crime Act”	the UK Proceeds of Crime Act 2002

“PPF”	purchased payments facilities
“Pre-2016 Unapproved Options”	options over ordinary shares granted under certain contracts entered into in or prior to 2015
“Principles for Businesses”	FCA’s Principles for Businesses
“Privacy Act”	the Australian Privacy Act 1988
“Prospectus”	this public offering prospectus approved by EFSA on 6 September 2021 under the registration number 4.3-4.9/3429
“Prospectus Regulation”	Regulation (EU) 2017/1129 of the European Parliament and of the Council of 14 June 2017 on the prospectus to be published when securities are offered to the public or admitted to trading on a regulated market, and repealing Directive 2003/71 and amendments
“Prudential Standard”	legal framework focused on the financial safety and stability of institutions and the broader financial system (including Prudential Standard APS 610 , APS 310 , CPS 520 , CPS 510 , CPS 232 , CPS 231 , CPS 220)
“PSD2”	Directive (EU) 2015/2366 of the European Parliament and of the Council of 25 November 2015 on payment services in the internal market, amending Directives 2002/65/EC, 2009/110/EC and 2013/36/EU and Regulation (EU) No 1093/2010, and repealing Directive 2007/64/EC (Revised Payment Service Directive)
“PSRs”	the UK Payment Services Regulations 2017
“PwC”	PriceWaterhouseCoopers LLP
“Q1 FY2022”	the first quarter of FY2022, being the period from 31 March 2021 until 30 June 2021
“R\$”	the lawful currency of Brazil
“Registrar”	the Company’s registrar, Equiniti Limited
“Regulation E”	Regulation E , issued by the Consumer Financial Protection Bureau pursuant to the EFTA
“Regulatory Information Service”	one of the regulatory information services authorised by the FCA to receive, process and disseminate regulatory information from listed companies
“Regulatory Technical Standards”	the European Securities and Markets Authority’s Regulatory Technical Standards , as referred to in Article 5 (6) of the MAR

“Relevant Period”	each period of 12 months ending on or about the last day of each financial year and each period of 12 months ending on or about the last day of each financial quarter or, following any successful application for admission of the Company’s shares to trading on any recognised investment exchange, each period of 12 months ending on or about the last day of each financial year and each period of 12 months ending on or about the last day of each financial half year under the MRFA
“Remuneration Committee”	the Company’s remuneration committee
“Residual Change in Control Approval”	the mandatory regulatory change in control approval required from the regulatory authority of the State of Indiana and the State of Colorado in the US with respect to the change in control of issued share capital, voting rights, and/or management of the Company resulting from the implementation of the Dual Class Share Structure
“RSUs”	restricted share units granted under the 2021 EIP
“Sanctions and Anti-Money Laundering Act”	the UK Sanctions and Anti-Money Laundering Act 2018
“SDN list”	The Sanctions List Search , maintained by OFAC
“SDRT”	The UK guidance on Stamp Duty Reserve Tax
“Second Electronic Money Directive”	Directive 2009/110/EC of the European Parliament and of the Council of 16 September 2009 on the taking up, pursuit and prudential supervision of the business of electronic money institutions amending Directives 2005/60/EC and 2006/48/EC and repealing Directive 2000/46/EC (Second Electronic Money Directive)
“Security Agent”	Silicon Valley Bank as security agent under the MRFA
“SEDOL”	Stock Exchange Daily Official List
“Senior Manager”	those individuals identified as such in “section 5 - <i>Our Team</i> ”
“SEPA”	Single Euro Payments Area
“Share for Share Exchange”	the share for share exchange entered into between the Existing Shareholders and the Company described in “ <i>section 10.2—Additional Information—Share Capital</i> ”
“Shareholder Majority”	holders of more than 50% of the voting rights attaching to Shares

"Shareholders"	the holders of Shares in the capital of the Company
"Shares"	the shares in the capital of the Company from time to time, which at the date of this Prospectus consists of the Class A Shares and the Class B Shares, each having the rights set out in the Articles from time to time
"SLA"	our 24-hour resolution service-level agreement
"SM&CR"	the UK Senior Managers and Certification Regime
"SMB"	small and medium business
"SOFR"	the secured overnight financing rate administered by the Federal Reserve Bank of New York
"SONIA"	the sterling overnight index average reference rate
"Stamp Duty Reserve Tax Regulations 1986"	the UK Stamp Duty Reserve Tax Regulations 1986
"sterling" or "pounds sterling" or "pounds" or "GBP" or "£" or "pence"	the lawful currency of the UK
"Subscriber Share"	the initial ordinary share of £1.00 in the Company issued on the incorporation of the Company, as described in " <i>section 10.1—Additional Information—Incorporation</i> "
"Systems and Controls sourcebook"	FCA's handbook Systems and Controls
"TACT"	the UK's Terrorism Act 2000
"take rate"	total fees across all customer activity (conversion and other) as a proportion of volume
"TINV"	TINV Ltd.
"total take rate"	total fees across all customer activity as a proportion of volume
"TWL"	Wise Payments Limited (formerly TransferWise Ltd.)
"TWL A Shares"	A ordinary shares in TWL issued to Existing Shareholders pursuant to the Group Reorganisation
"TWL B Shares"	B ordinary shares in TWL issued to Existing Shareholders pursuant to the Group Reorganisation
"Foreign Account Tax Compliance Act"	the U.S Foreign Account Tax Compliance Act (FATCA)
"UAE"	the United Arab Emirates
"Uncertificated Securities Regulations"	The UK Uncertificated Securities Regulations 2001

“United Kingdom” or “UK”	the United Kingdom of Great Britain and Northern Ireland
“United Nations Act”	the Australian Charter of the United Nations Act 1945
“United States” or “U.S.” or “US”	the United States of America, its territories and possessions, any State of the United States of America, and the District of Columbia
“U.S. dollar” or “US dollar” or “U.S.\$” or “USD” or “\$”	the lawful currency of the United States of America
“U.S. GAAS”	Generally Accepted Auditing Standards of the U.S.
“U.S. Securities Act”	the Securities Act of 1933 of the U.S.
“Valar Ventures”	VV Global LP, Valar Global Principals Fund I LP, Valar Co-Invest 1 LP, VV Global Principals A LLC, VV Global Principals Z LLC, Valar Velocity Fund 1 LP and Valar Global Fund I LP
“volume”	the total cross-currency funds converted by customers
“volume per customer”	the average volume per each active customer, calculated as total volume divided by total active customers in the period
“Wise” or “we” or “our” or “Group”	TransferWise Ltd (renamed Wise Payments Limited on 25 June 2021) and its subsidiary undertakings prior to the Group Reorganisation taking effect on 22 June 2021 and, following the Group Reorganisation taking effect on 22 June 2021, the Company and its subsidiary undertakings
“Wise Account”	the Wise international account for personal customers
“Wise accounts”	together, the Wise international accounts for personal (Wise Account) and business (Wise Business)
“Wise Australia”	Wise Australia Pty Ltd.
“Wise Business”	the Wise international account for business customers
“Wise Europe”	TransferWise Europe SA/NV
“Wise Platform”	the Wise product for bank and enterprise partners
“Wise Transfer”	Wise’s product for sending money
“Wisers”	Wise employees

ANNEXURE 1 - TERMS AND CONDITIONS OF OWNWISE

Terms and Conditions of OwnWise

The following are the terms and conditions applicable to our OwnWise customer shareholder program (“OwnWise”).

1 Introduction

For the purposes of these terms and conditions, references to “you” are to the person applying to participate in OwnWise. By applying to participate in OwnWise, you will be agreeing with Wise Payments Ltd and, from our direct listing, Wise plc (together, “Wise”) to these terms and conditions as the terms and conditions governing any application to, participation in and grants of benefits under OwnWise.

2 Eligibility

2.1 Applications will only be accepted from individual customers who are eligible to apply to participate in OwnWise (an “**Eligible Customer**”). In order to be an Eligible Customer:

- 2.1.1 you must have been an individual Wise customer before 17 June 2021;
- 2.1.2 you must have made at least one cross-currency transactions with Wise prior to 17 June 2021;
- 2.1.3 you must be located in the UK or a member state of the European Union (the “EU”), and you must not be restricted by law or regulation from receiving and holding shares in Wise or from receiving any other OwnWise benefits in the manner and on the terms set out in these terms and conditions;
- 2.1.4 Wise must not be required to take additional legal or procedural steps as a result of local laws or regulations in order to grant you shares in Wise or any other OwnWise benefits which, in the sole discretion of Wise, makes it necessary or expedient to exclude you from OwnWise; and
- 2.1.5 you must not be a current or former employee of Wise or a Wise group company.

2.2 OwnWise will initially be available only to:

- 2.2.1 customers located in the UK;
- 2.2.2 customers located in a member state of the EU; and
- 2.2.3 Wise may later allow customers located in other jurisdictions to participate, subject to applicable laws and regulations.

- 2.3** In order to participate in OwnWise, an Eligible Customer must register their interest in accordance with paragraph 3 below and such Eligible Customer must be accepted as participating in OwnWise by Wise.

3 Registering your interest

- 3.1** Registrations for customers located in the UK or in a member state of the EU must be made through our website at OwnWise - <https://wise.com/campaign/ownwise>.

- 3.2** By registering your interest, you as the applicant shall:

3.2.1 agree, if selected to participate, to receive bonus class A ordinary shares in Wise ("**Class A Shares**") for no consideration ("**New Class A Shares**") (rounded down to the nearest whole New Class A Share and subject to a minimum amount of 1 New Class A Share) and other OwnWise benefits as you may be entitled to under these terms and conditions, subject to the provisions of these terms and conditions and Wise's articles of association;

3.2.2 acknowledge and agree that:

- (i) the determination as to whether you are (and continue to be) an Eligible Customer will be at Wise's sole discretion;
- (ii) OwnWise is limited to 100,000 participating Eligible Customers in the first year and the number of Eligible Customers from the UK or a member state of the EU to participate in OwnWise may be limited by Wise;
- (iii) in the event of over-subscription, the Eligible Customers will be selected to participate in OwnWise on a lottery basis, and Wise reserves the right to run another lottery round if selected participants are disqualified from the program; and
- (iv) Wise's determination in the case of each of the above shall be conclusive in all respects and final;

3.2.3 acknowledge and agree that you will not be deemed to be participating in OwnWise unless and until you receive confirmation from Wise that your application has been accepted and, unless you receive such confirmation and subsequently continue to satisfy these terms and conditions and to be entitled hereunder to OwnWise benefits at the end of the OwnWise Holding Period (as defined below), you will not be eligible to receive any OwnWise benefits, regardless of whether you held Class A Shares by the close of business on the business day before the start of the OwnWise Holding Period;

- 3.2.4 acknowledge and agree that OwnWise is subject to the OwnWise Limits (as defined below) and the discretion of the directors to scale back grants of OwnWise benefits (as set out in paragraphs 4.3 and 4.9 below);
- 3.2.5 agree, on request by Wise, to disclose promptly in writing to Wise such information as Wise may request in connection with your registration and/or the grant of any OwnWise benefits, and authorise Wise to disclose any information relating to your application and/or participation in OwnWise which Wise considers reasonably necessary or appropriate;
- 3.2.6 acknowledge and agree that should there be a change in your circumstances materially affecting your application or participation in OwnWise under these terms and conditions, you will notify Wise as soon as reasonably practicable providing details;
- 3.2.7 agree that any New Class A Shares or OwnWise benefits to which you may become entitled may be suspended pending investigation of any suspected breach of these terms and conditions or other agreements you have with Wise or any of its affiliates, and any verification of identity which is, or which Wise in its absolute discretion considers may be, required for the purposes of applicable law and regulation;
- 3.2.8 acknowledge and agree that, following confirmation that you are a participating Eligible Customer, if you wish to terminate your participation in OwnWise or to not receive OwnWise benefits, you should contact our Help Center (<https://wise.com/help/contact>) as soon as practicable and at least 14 business days in advance of the end of the OwnWise Holding Period;
- 3.2.9 agree to receive communications regarding OwnWise and that any future communications sent by Wise to you in your capacity as an Eligible Customer will be in the English language;
- 3.2.10 agree that Wise reserves the right to alter any arrangements in connection with OwnWise (including the criteria or timetable for the grant of any OwnWise benefits and these terms and conditions); and
- 3.2.11 confirm that you are not located in, and are not a resident of, the United States.

3.3 If:

- 3.3.1 your registration is not completed correctly;
- 3.3.2 your registration does not include any information specifically required at the registration;

- 3.3.3 you register your interest after the deadline relevant to your jurisdiction, which shall be notified by Wise in due course;
 - 3.3.4 following your registration, Wise is unable to satisfactorily verify your identity, that you held Class A Shares at the close of business on the business day before the start of the OwnWise Holding Period (as defined below), that you continue to hold Class A Shares at the end of the OwnWise Holding Period (as defined below) or that you continue to satisfy the criteria for being an Eligible Customer; or
 - 3.3.5 you register, or are suspected to have registered, more than once (on behalf of yourself) to participate in OwnWise,
- your registration may be rejected by Wise.
- 3.4 In these circumstances, Wise’s decision as to whether to reject your registration or treat it as invalid shall be final and binding on you and neither Wise, nor any of its directors, officers, agents, employees or advisers, will accept any liability for any such decision and no claim may be made against any such person in respect of your registration, the OwnWise program or any OwnWise benefits.
 - 3.5 Notwithstanding the above, any registration may be rejected in whole or in part by Wise in its absolute discretion and the participation of any Eligible Customer in OwnWise may be terminated at any time by Wise in its sole discretion without any requirement to give any reasons for such rejection or termination.
 - 3.6 Wise reserves the right to treat as valid any registration that does not comply fully with the terms and conditions of OwnWise, is not completed in all respects, or is not submitted in accordance with the instructions on the registration.
 - 3.7 Wise reserves the right to waive in whole or in part any of the provisions of these terms and conditions, either generally or in respect of one or more registrations. In these circumstances, the decision of Wise as to whether to treat the registration as valid and how to construe, amend, or complete it shall be final.

4 OwnWise Benefits

New Class A Shares

- 4.1 If you are an Eligible Customer accepted to participate in OwnWise and you:
 - 4.1.1 hold Class A Shares at the close of business on the business day before the start of the OwnWise Holding Period; and
 - 4.1.2 continue to hold these Class A Shares for the 12-month period relevant for your jurisdiction as notified to you (the “**OwnWise Holding Period**”),

at the end of such 12-month period, you will at such time be entitled to receive New Class A Shares representing 5% of the value invested by you in Class A Shares held by you at close of business on the business day before the start of the OwnWise Holding Period (up to a maximum per Eligible Customer of £100, based on the market value of such Class A Shares at the time of purchase, rounded down to the nearest whole share, and subject to a minimum amount of 1 New Class A Share).

- 4.2 The number of New Class A Shares you may receive will vary depending on the market value of shares in Wise at the time of grant.
- 4.3 Grants of New Class A Shares to participating Eligible Customers shall be satisfied by bonus issuance of Class A Shares and/or market repurchases of Class A Shares or in any other manner at Wise's sole discretion, subject at all times in the first year of OwnWise to a maximum cost to Wise of £10,000,000 (equating to a maximum of £100 per Eligible Customer) and a maximum dilution to Wise's Class A shareholders of not more than 0.26% in connection with OwnWise (the "**OwnWise Limits**"). The OwnWise Limits may be varied each year or at any time by Wise without requirement to give any reason.
- 4.4 Participating Eligible Customers must provide:
 - 4.4.1 evidence satisfactory to Wise within 7 days following the start of the OwnWise Holding Period that they have purchased Class A Shares; and
 - 4.4.2 evidence satisfactory to Wise within 7 days following the expiry of the OwnWise Holding Period demonstrating that they continue to hold such Class A Shares.

Such proof may include (without limitation) screenshots of your brokerage account and should be uploaded to your profile account. Wise shall have absolute discretion as to whether to accept or reject such proof.

- 4.5 Wise reserves the right to issue New Class A Shares in uncertificated or certificated form. Where applicable, Participating Eligible Customers may be asked to provide information in order to facilitate the receipt of their New Class A Shares.
- 4.6 Participating Eligible Customers who have satisfied Wise that they have met the OwnWise criteria will be issued the New Class A Shares within 60 business days of the expiry of the OwnWise Holding Period.
- 4.7 No fractional entitlements to New Class A Shares will be granted and grants of New Class A Shares will be rounded down to the nearest whole New Class A Share.

Other OwnWise Benefits

4.8 In addition to New Class A Shares, OwnWise will entitle participating Eligible Customers to other perks including:

4.8.1 a chance to win a trip to our Mission Days company conference – a handful of OwnWise customers will be selected to attend in person and, for everyone else, you will get to watch online;

4.8.2 limited edition Wise swag; and

4.8.3 the option to join our OwnWise Community which offers quarterly sessions with our team and early access to new features and products,

and these additional perks will be granted at Wise's sole discretion to participating Eligible Customers on a lottery basis. Further details of these will be notified to participating Eligible Customers in due course.

General

4.9 In the event that New Class A Shares and/or any other OwnWise benefits cannot be granted to each relevant participating Eligible Customer in full, including as a result of the OwnWise Limits being reached, Wise's distributable reserves position at the time of grant or any other factor, the directors may at their discretion scale back grants of New Class A Shares and/or other OwnWise benefits pro rata among participating Eligible Customers.

4.10 The benefits of OwnWise, both financial and non-financial, may be considered taxable income in the location where you are tax resident and it will be your responsibility to pay any tax which may fall due on the benefits and to include relevant information in your tax return as required.

5 Representations and warranties

5.1 By registering your interest to participate in OwnWise, you:

5.1.1 agree that no person is authorised in connection with OwnWise to give any information or make any representation other than Wise, and any such information, if made or given, must not be relied upon as having been authorised by Wise, the directors or any other person;

5.1.2 agree that neither Wise, nor any of its directors, officers, agents, employees or advisers, shall, to the fullest extent permitted by law, have any liability in connection with OwnWise or the grant of OwnWise benefits (including in respect of any decline in the market value of Class A Shares or New Class A Shares at any time) and you shall not bring any claim or proceeding against Wise or the directors

in connection with OwnWise or the grant of OwnWise benefits, save in the case of fraud;

- 5.1.3 agree that you are liable for any tax which may fall due on the receipt of OwnWise benefits, you will include relevant information in your tax return as required and neither Wise, nor any of its directors, officers, agents, employees or advisers, shall have any liability for any tax which may fall due and no claim may be made against any such person in respect of any such tax;
- 5.1.4 agree that all documents in connection with OwnWise may be sent by email to you at your address set out in your registration and any documents sent by you to Wise the in connection with OwnWise will be sent at your own risk;
- 5.1.5 represent and warrant that you are not under the age of 18 as at the date of your application and that: (i) you are eligible to participate in OwnWise as an Eligible Customer; and (ii) your registration is completed and submitted solely for and on behalf of the applicant and not directly or indirectly, in whole or in part, for or on behalf of any other person;
- 5.1.6 confirm that you have complied with all applicable laws and regulations in connection with OwnWise and Wise will not infringe any laws of any jurisdiction as a result of your registration or participation;
- 5.1.7 represent and warrant that any offer of New Class A Shares was made to you in the United Kingdom or a member state of the EU (as applicable) in compliance with all applicable laws and regulations, you are a person located and resident in the United Kingdom or a member state of the EU (as applicable) and that you are not applying to OwnWise with a view to the reoffer, resale or delivery of any Class A Shares, directly or indirectly, in or into the United States, Australia, Canada, Japan, or any other jurisdiction or to a person located or resident in the United States, Australia, Canada, Japan, or any other jurisdiction;
- 5.1.8 represent and warrant that you are the person named in your registration pursuant to which you are applying for OwnWise;
- 5.1.9 represent and warrant that only one registration is being made for your benefit in the connection with OwnWise (whether directly or through other means);
- 5.1.10 represent, warrant and undertake that you are not, and you are not registering on behalf of a person engaged in, or whom you know or have reason to believe is, engaged in money laundering;

- 5.1.11 agree that any material downloaded from Wise's website in relation to OwnWise:
(i) is done at your own risk and that you will be solely responsible for any damage or loss of data that results from the download of any material; and (ii) will be used solely for personal use and will not be released, distributed or published in or into the United States, Australia, Canada, Japan, or to any other person wherever located or resident; and
- 5.1.12 agree that Wise is not liable for any loss of data in the course of receiving and/or processing of your registration or responsible for the loss or accidental destruction of your registration or personal data relating to you or any financial or other loss or damage which may result, directly or indirectly, therefrom, including any loss in relation to the non-receipt of OwnWise benefits.

6 Data protection

- 6.1 The personal data relating to an Eligible Customer that is provided during registration to OwnWise or subsequently by whatever means will be held and processed by Wise in compliance with applicable data protection legislation and UK legal and regulatory requirements, and in accordance with the applicable privacy policy at <https://wise.com> ("**Privacy Policy**").
- 6.2 We will only use your personal data when the law allows us to. Most commonly, we will use your personal data in the following circumstances:
 - 6.2.1 where you have given us your consent to process your data. Such consent can be withdrawn at any time, however this does not impact the lawfulness of processing that took place before consent was withdrawn;
 - 6.2.2 where it is necessary for our legitimate interests (or those of a third party) and your interests and fundamental rights do not override those interests;
 - 6.2.3 where we have a legal obligation to process your personal data to comply with laws, regulations or court orders; and
 - 6.2.4 where it is necessary to fulfil our obligations under a contract with you. Any Eligible Customer that does not provide the requested information will not be able to participate in OwnWise.
- 6.3 The purposes for which we plan to use your personal data are described below, including which of the legal bases we rely on to do so in the UK and the EU. We have also identified what our legitimate interests are where appropriate.
 - 6.3.1 To administer OwnWise:

- (i) Lawful basis for processing, including basis of legitimate interest
 - (ii) Necessary to carry out our obligations relating to your contract with us under OwnWise
 - (iii) Legitimate interest (to keep our records up-to-date and ensure only Eligible Customers participate in OwnWise).
- 6.3.2** For internal administration, operational, planning, audit, troubleshooting, data analysis, testing, research, statistical and survey purposes:
 - (i) Lawful basis for processing, including basis of legitimate interest:
 - (ii) Legitimate interest (to keep our records up to date, efficiently fulfil our legal and contractual duties, carry out our administrative operations, and develop new and existing products and services)
- 6.3.3** To comply with any applicable legal and/or regulatory requirements and/or defend against legal claims:
 - (i) Lawful basis for processing, including basis of legitimate interest;
 - (ii) Legal obligation;
 - (iii) Legitimate interest (to be efficient about how we meet our legal obligations and comply with regulations that apply to us, and to protect Wise's interests)
- 6.3.4** To offer additional OwnWise benefits and other related services to Eligible Customers:
 - (i) Lawful basis for processing, including basis of legitimate interest;
 - (ii) Consent
- 6.4** Personal data collected under OwnWise will be retained for 18 months following the OwnWise Holding Period or a longer period if required by the applicable laws.
- 6.5** Wise may transfer your data to and store it in countries outside the UK and European Economic Area ("EEA") which do not offer an equivalent level of protection to your country. It may also be processed by staff operating outside the UK and EEA. We will take all steps reasonably necessary to ensure that your data is treated securely and in accordance with this Policy. In order to administer OwnWise, it is sometimes necessary for us to transfer your data to third parties that are based outside of the UK and EEA, as set out in the Privacy Policy. In these cases, we ensure that appropriate safeguards, including Standard Contractual Clauses, are in place.

6.6 When we grant the New Class A Shares to you, it will be necessary for us to transfer a limited amount of personal data to your broker to enable the transfer to take place.

6.7 Eligible Customers may have certain rights in relation to their personal data; such rights and the manner in which those rights may be exercised are set out in the Privacy Policy.

7 Miscellaneous

7.1 The price and value of securities can go down as well as up and past performance is not a guide to future performance. The contents of this document and Wise website shall not be construed as legal, business, financial or tax advice and each customer or prospective investor should consult his, her or its own legal adviser, business adviser, financial adviser or tax adviser for legal, financial, business or tax advice in relation to a purchase of any securities. Any purchase of shares securities carries financial risk and decisions should be made based on your own financial position and risk appetite.

7.2 Neither the Class A Shares nor any New Class A Shares have been, or will be, registered under the United States Securities Act of 1933 (the “**Securities Act**”), and they may not be offered or sold in the United States other than pursuant to an exemption from the registration requirements of the Securities Act.

7.3 To the fullest extent permitted by law, any liability (including, without limitation, for representations, warranties and conditions, express or implied, and whether statutory or otherwise) are expressly excluded by each of Wise, its directors, officers, agents, employees and advisers in relation to OwnWise and the grant of OwnWise benefits (including New Class A Shares).

7.4 The rights and remedies of Wise under these terms and conditions are in addition to any rights and remedies which would otherwise be available to it and the exercise or partial exercise of any one right or remedy will not prevent the exercise of others or full exercise.

7.5 You agree that OwnWise, all applications, acceptances of applications and grants of OwnWise benefits shall be exclusively governed by and construed in accordance with English law and that you irrevocably submit to the exclusive jurisdiction of the English courts in respect of any matter, claim, or dispute arising out of or in connection with OwnWise, whether contractual or non-contractual, and agree that nothing shall limit the right of Wise to bring any action, suit, or proceedings arising out of or in connection with any such application, acceptances, or contracts in any other manner permitted by law or in any court of competent jurisdiction.

7.6 The dates and times referred to in these terms and conditions may be altered by Wise in its absolute discretion where Wise considers it necessary to do so.

- 7.7** Any enquiries in relation to OwnWise should be directed to Wise help centre (<https://wise.com/help/contact>). Wise will be unable to provide advice on the merits of any purchase of Class A Shares or to provide personal legal, financial, tax, or investment advice.