

Wise plc**Unaudited results for the six months ended 30 September 2022**

“Our goal today remains unchanged — to make moving and managing money faster, easier, cheaper and more transparent for people and businesses around the world.

“In the first half of this financial year, our payments got faster, hitting a key milestone with 50 percent of all transfers now instant. And while we had to increase prices on some routes, we were able to decrease fees on others, enabling us to limit the impact of more volatile markets. As a result, our average fee today is 0.64%, and we consistently remain one of the cheapest and fastest options for moving money around the world. Our customers agree: 5.5 million customers trusted us with their money in Q2 alone, up 40% from last year, and in total, we helped move £51.3 billion for people and businesses in these six months, an increase of 49%.

“But we are still solving only a fraction of the problem, and the fight for transparency must go on. In the past months we also joined the European Commission in calling on all providers to commit to full disclosure on all fees, including exchange rate markups, on all transfers to Ukraine - a significant step forward in the right direction for transparency in the industry.”

Kristo Käärmann, Co-founder and Chief Executive Officer

Highlights for the six months ended 30 September 2022¹**Great progress on our mission of solving a massive problem for customers in a large, underserved market**

- More customers than ever moved money with us. In Q2 FY23 we supported 5.5 million active customers, a 40% increase on the 3.9 million in Q2 FY22;
- We moved over £51 billion for customers globally in H1 FY23, 49% more than in H1 FY22. This led to a 55% increase in revenues to £397 million.

Our infrastructure got better and our speeds got faster

- More than half of all transactions were completed instantly, compared with 39% in Q2 FY22; new partnerships led to faster pay-out speeds in Hong Kong, Chile and Japan;
- Despite higher costs, including those related to unusually high levels of volatility in global currencies, we were able to keep prices low and our average customer price for Q2 FY23 was 0.64%, compared with 0.62% in Q2 FY22.

Momentum supported by higher adoption of Wise Account

- Wise Account launches in this period include an integration with Plaid's Core Exchange in the US enabling US customers to connect their Wise accounts to over 6,000 finance apps, and the launch of INTERAC e-transfer requests in Canada;
- Wise Business improvements include the launch of “payment request” links enabling businesses to get paid directly, and a redesigned dashboard for businesses globally. Additionally, we expanded the rollout of digital cards for businesses in the US;
- A higher proportion of our customers are using multiple features of our Wise Account, typically sending twice as much money cross-border.

We're growing quickly and profitably, whilst investing significantly in our growth

- Total income for the first six months increased 63% to £416 million reflecting strong growth in active customers and an increase in total volumes;
- Adjusted EBITDA increased 52% to £92 million, representing a margin of 22%;
- Profit before tax increased 173% to £51.3 million;
- We continue to invest in our teams and our growth as our profitable, cash generating model enables us to remain focused on the long term opportunity.

Forward looking financial guidance

- Total income to increase by between 55% and 60% for FY23, compared with FY22, and for total income to grow by more than 20% CAGR over the medium-term;
- Adjusted EBITDA margin at or above 20% over the medium-term.

¹ All comparisons are against the six months ending 30 September 2021, unless otherwise stated.

Financial information

Selected financial Information:

	Half-year ended 30 September		YoY Movements %
	2022	2021	
Revenue (£ million)	397.4	256.3	55%
Net interest income on customer balances (£ million)	18.7	(1.2)	-
Total income (£ million)	416.1	255.1	63%
Gross profit (£ million)	262.4	172.6	52%
Gross profit margin	63.1%	67.6%	-4.6 pps
Profit before tax (£ million)	51.3	18.8	173%
Adjusted EBITDA (£ million)	91.9	60.6	52%
Adjusted EBITDA Margin ¹	22.1%	23.8%	-1.7 pps
Free cash flow (FCF) (£ million) ²	78.3	59.0	33%
FCF conversion (FCF as a % of Adjusted EBITDA)	85.2%	97.4%	-12.2 pps

¹Adjusted EBITDA as a proportion of total income.

²FCF as a proportion of Adjusted EBITDA.

Growth metrics:

	FY23			FY22			YoY Movement (%)		
	Q1	Q2	H1*	Q1	Q2	H1	Q1	Q2	H1
Customers (million)¹	5.0	5.5	-	3.7	3.9	-	36%	40%	-
Personal (million)	4.7	5.2	-	3.4	3.7	-	37%	40%	-
Business (million)	0.29	0.30	-	0.22	0.23	-	33%	31%	-
Volume Per Customer (£ thousand)²	4.9	4.9	-	4.5	4.6	-	9%	7%	-
Personal (£ thousand)	3.8	3.9	-	3.6	3.7	-	7%	6%	-
Business (£ thousand)	22.2	22.9	-	18.6	19.4	-	19%	18%	-
Volume (£ billion)³	24.4	27.0	51.3	16.4	18.0	34.4	49%	50%	49%
Personal (£ billion)	18.0	20.1	38.1	12.4	13.5	25.9	46%	49%	47%
Business (£ billion)	6.3	6.9	13.2	4.0	4.5	8.5	58%	55%	56%
Revenue (£ million)	185.9	211.5	397.4	123.5	132.8	256.3	51%	59%	55%
Personal (£ million)	144.4	164.7	309.1	96.9	103.4	200.3	49%	59%	54%
Business (£ million)	41.5	46.8	88.3	26.6	29.4	56.0	56%	59%	58%
Net interest income on customer balances (£ million)	1.2	17.5	18.7	(0.6)	(0.6)	(1.2)			
Personal (£ million)	0.6	9.1	9.7	(0.3)	(0.3)	(0.6)			
Business (£ million)	0.6	8.4	9.0	(0.3)	(0.3)	(0.6)			
Total income (£ million)⁴	187.1	229.0	416.1	122.9	132.2	255.1	52%	73%	63%
Personal (£ million)	145.0	173.8	318.8	96.6	103.1	199.7	50%	69%	60%
Business (£ million)	42.1	55.2	97.3	26.3	29.1	55.4	60%	90%	76%
Cross-currency revenue take rate (%)⁵	0.61%	0.63%	0.62%	0.66%	0.64%	0.65%	-5 bps	-1 bps	-3 bps
Revenue take rate (%)⁶	0.76%	0.78%	0.77%	0.75%	0.74%	0.75%	1 bps	4 bps	2 bps
Total income take rate (%)⁷	0.77%	0.85%	0.81%	0.75%	0.74%	0.74%	2 bps	11 bps	7 bps

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

*We do not report the number of customers or volume per customer on a half-yearly basis.

¹ Total number of unique customers who have completed at least one cross currency transaction in the given quarter.

² Average volume per each active customer, calculated as total volume divided by total active customers in the period.

³ Cross-border volume only.

⁴ Includes revenue and net interest income on customer balances.

⁵ Total fees on cross currency transfers as a % of volume.

⁶ Revenue as a % of volume.

⁷ Total Income as a % of volume.

An update from Kristo, our Co-founder and CEO

Our mission: Money without borders - instant, convenient, transparent and eventually free. Wise is building the best way to move and manage money around the world.

Since we set out, our transfers have become much faster and cheaper, our products better and easier to use. More people and businesses have access to transparent pricing through us and we continue to promote and lobby for price transparency with regulators around the world. In the first six months of this year we have continued to make good progress against our mission.

We made great progress on our mission of solving a massive problem for customers in a large, underserved market

Moving money internationally is still broken. For too many people it remains expensive, slow, inconvenient and opaque. And this problem exists in a massive market. We estimate there are close to 300 million international migrants and the global cross-border payments market for consumers and small and medium-sized businesses (SMBs) is currently around £11 trillion. Currently we have approximately a 4% share of the personal market and less than 1% share of the SMB market, so there is a huge opportunity for us to help more people.

We're helping more people than ever move and manage their money. We now have 5.5 million active customers and our customers moved more than £51 billion with us in the first six months. The growth in active customers and volumes was driven by growth in new customers, more than two-thirds of which are recommended to us by existing Wise users, and increased adoption of the Wise Account across both new and existing customers. It's great to know that more people than ever are getting transparent, low prices with us.

We're excited about the courage policymakers around the world have shown to help make transparent pricing the norm. For example, the European Commission introduced a "mark-up rule" for all transfers to Ukraine, urging providers to disclose all fees, including the exchange rate mark-up. While participation is voluntary for now, this means more providers will price like Wise and expensive providers will have their high fees exposed.

Our infrastructure got better and we reached a milestone for payment speed

We've built a replacement infrastructure for correspondent banking. This infrastructure powers our products and allows us to offer faster and cheaper payments to our customers.

We reached a milestone achievement this year, with half of all transfers completed instantly (in less than 20 seconds). In fact in Q2 FY23, 90% of transfers were completed within 24 hours. This compares to Q2 FY22 where 39% of transfers were completed instantly and 86% were completed within 24 hours.

We made a number of improvements in the last six months, and ongoing improvements will help speed up more payments. New partnerships have led to noticeably faster payments in Hong Kong and Chile, and we can now make payments out of Japan 24/7, instead of previously only between 9am and 9pm on business days.

The price our customers pay reflects the cost to deliver the service, plus a margin that allows us to do this sustainably. When we find ways to lower costs, we pass this through as price reductions, and when costs increase, prices increase. In the second quarter, the average price our customers paid was 0.64%, 2 bps higher than the same period last year. This is largely a result of higher FX volatility and servicing costs. We're pleased that we were able to limit price increases and as a team we are working hard to keep bringing prices down over time. In fact, as

we share the benefit of higher interest rates (on the balances that customers hold with us), this will support pricing.

In August, the Abu Dhabi Global Market (ADGM)'s Financial Services Regulatory Authority (FSRA) found that our UAE subsidiary *Wise Nuqud*'s Anti-money Laundering (AML) controls were not fully in line with the requirements of the jurisdiction and therefore issued a financial penalty of US\$360,000. No instances of money laundering were identified by Wise or by the FSRA. Wise has paid the penalty and has addressed all concerns identified by the regulator.

Our recent growth means we now onboard more than one million customers per quarter, in countries all over the world. This requires a huge effort from our operations teams who aim to keep delivering the high standard of customer experience that we set for ourselves. To cater to this demand, we've scaled our operations team by approximately 1,000 people in the last 12 months.

We offer our customers a superior product

Our customers do more than just send money with Wise. Our customers also receive, hold, spend and invest their money. Businesses manage their cash flow, pay and receive their invoices and pay their employees around the world, while other customers use us through their own bank. We serve our customers with three core products: Wise Account, Wise Business and Wise Platform.

Wise Account and Wise Business are international accounts designed to make moving and managing money around the world easy. Wise Platform takes the power of Wise and integrates it into banks and enterprises. Product improvements in the last six months have made our product more convenient to use and more secure.

Getting verified and set up with a Wise Account is now quicker and easier for more of our personal customers, and we've made it easier for them to move money as well. For example, in the US, customers can not only link to bank accounts, but can also link their Wise account to over 6,000 finance apps such as Venmo, Truebill and Chime, making pay-ins and pay-outs simpler, whilst having more methods for sending USD. We've also made sending money to China via Alipay easier. And when our customers spend with Wise, they now have a more transparent and detailed transaction history to help track and stay on top of their spending. Customers want security when they use Wise, and we've introduced new features, including unique communication codes and improved scam prevention and scam reporting tools.

We've made life more convenient for our business customers too. We've re-designed the Business dashboard, making it much easier to find the features that matter most to businesses. In the U.S. we've expanded the roll-out of digital cards, so now more businesses can offer digital cards to their employees, and with greater in-app employee spending controls and 2-step payment approvals, our business customers can feel more in control of their money. It's also now easier for businesses to get paid - by sharing new 'payment request' links, they can have their customers pay them directly into their Wise account.

We're helping more people and businesses move and manage their money internationally, and they now hold £9.2bn in balances with us, a £2.5bn increase in the last six months and £4.3bn increase in the last 12 months. We've seen interest rates increase across many of our largest markets in recent months and this has led to us earning higher levels of interest income associated with these balances. As we head into the second half of the year and into FY24, we will begin to share much of this benefit back to our customers, including more product and service improvements, and through pricing.

Increasing numbers of customers value the convenience of the features we've built. In the last 6 months 30% of active personal customers used the Wise Account for more than just sending money cross-border, an increase from 20% in FY22. For businesses, this adoption rate is above 50%. In completing more of their cross-border needs with us, we saw this group of customers transact three times as much in Q2 FY23 and move twice as much cross-border - compared with customers that use the 'Send' money feature only.

In terms of our Platform product, we built our new 'International Receive' feature for our partners. This allows financial institutions not connected to the SWIFT network to now receive payments from all over the world via SWIFT using their existing customer account details. The feature also enables financial institutions with an existing SWIFT setup to process these incoming SWIFT transfers faster, cheaper and more conveniently.

We went live with new Platform partners, including Firstbase, Onfolk and Wagestream and expanded our partnerships with neo-banks Monzo and Yapeal. Customers using Wise through our Platform partners get the same commitment to transparent pricing as Wise customers.

Also, thanks to Wise Platform, we're able to accelerate the number of people that get access to price transparency. In the last six months, 6 million more people and businesses can now know exactly how much their international transfers cost.

Looking forward, we remain focused on rolling out more features to more people around the world. This means not only adding new features and improving convenience, but taking some of the features currently only available in our more established markets and making them available more broadly across the other countries we operate in across the world. We recently received our investment licence in Estonia that will allow us to introduce the Assets product across Europe, and this adds to the licence we recently had granted in Singapore where we are currently extending the roll-out of Assets.

We're growing at scale whilst remaining profitable and highly cash generative

With a disciplined financial model, we continue to invest and grow at scale whilst remaining profitable and cash generative. As of Q2 FY23, active customers had grown by 40% compared with last year, leading to c.50%, more volumes. At the same time we continued to make significant investment in the business, including a c.1,400 increase in the number of Wisers to help us on our mission. Our adjusted EBITDA for the six months was £92 million, a 52% increase on last year. This is equivalent to a 22% margin, consistent with our medium-term guidance. We generated £78 million of free cash flow in the period, up from £59m last year. You can read more about our financial performance for the six months below in our CFO Matt's financial update.

These results demonstrate that the investments we've been making for the longer-term are paying off, and also that whilst we've come a long way, there is more to do. We will continue to invest and focus on our four mission pillars: price, speed, convenience and transparency to build the best way for people and businesses to move and manage their money internationally.

Kristo.

A financial update from Matt, our CFO

Our mission is to create the best way to move and manage money around the world, and we have a relentless focus on solving the problems facing our customers. Profitability and financial discipline is at the heart of our model, allowing us to invest and grow at scale, sustainably in pursuit of our mission. This ensures that we can continue to create value for both our customers and our shareholders.

The significant investment we've made in recent years in creating radically better products, the Wise Account and Wise Business, is the main reason why more customers are using us and this is the key driver behind the strong financial performance that we've delivered in the first six months of the year.

Continued growth in active customers and volumes

The number of customers who transacted with Wise increased by 40% from Q2 FY22 to Q2 FY23, to 5.5 million. The increase in active customers was driven by new customer growth and greater adoption of the Wise Account and Wise Business products. We continue to see about two-thirds of new customers come to Wise through referrals, or 'word of mouth'.

Greater adoption of the Wise Account and Wise Business also drives an increase in active customers, as customers using these products tend to transact more frequently and use a wider range of the features.

Customers are moving more money through Wise. The average volume per customer (VPC) in Q2 FY23 increased 7% on Q2 FY22 to £4.9k. Personal customers moved £3.9k on average, 6% higher than last year and business customers moved £22.9k, 18% more than last year. The VPC of customers that use multiple features of the Wise Account and Wise Business is approximately two times higher than customers that only use us to 'send' money. Additionally, the high levels of inflation across our key markets are likely to be contributing to the higher VPC, particularly for our Business customers.

As a result of the strong growth in active customers and the increase in the amount our customers are transacting with us, total cross-border volumes increased by 49%, to £51.3 billion. Personal volumes increased 47% to £38.1 billion and business volumes increased 56% to £13.2 billion. On a constant currency basis, volumes grew 44%.

Volume growth is driving our total income growth

Our revenue take rate for the first six months was 2 bps higher than the same period last year, at 0.77%. We managed to reduce our prices on balance across the year, meaning that our cross border take rate reduced by 3pbs at 0.62%. But other revenues, which are driven by spending on the Wise card, same currency transactions and the Assets product, were higher compared to the same period last year, reflecting the increased adoption of the Wise Account and Wise Business products. This higher "other" revenue more than offsets the lower cross-border take rate. The lower take rate on cross-border transactions reflects price decreases we have made to certain currencies, and a route mix effect, partly offset by some price increases across a number of other currencies.

The increased revenue take rate, combined with the 49% increase in volumes led to a 55% increase in revenue for the period to £397.4 million.

Higher levels of adoption of the Wise Account and Wise Business products supported growth in the balances that customers hold with us. Customer balances increased 88% YoY from £4.9 billion to £9.2 billion at the end of the period. These balances, which we safeguard for customers, are held across a variety of assets including bank deposits, government bonds and money market funds. The recent rise in interest rates has positively contributed to the yield that we generate on these balances. For the first six months of the financial year, the average yield on these balances (including non-invested assets) was 0.5%, and was 1.1% in September 2022.

Net interest income on customer balances was £18.7 million in H1 FY23, compared with the net interest expense of £1.2 million in H1 FY22 which was largely driven by negative interest rates in Europe.

As a result, total income, inclusive of revenue and net interest income on customer balances, increased 63% to £416.1 million. This represents a total income take rate of 0.81%, 7 bps higher than H1 FY22.

We intend to share much of the benefit from higher interest rates with our customers. We will pass this back through pricing, rewards and investment in the business, whilst ensuring we maintain the same sustainable level of profitability.

Gross profit for the period increased by 52% to £262.4 million compared to £172.6 million in the same period last year. Gross profit as a percentage of total income was 63% compared with 68% last year. The increase in gross profit reflects the increase in total income, partly offset by higher cost of sales. The reduction in gross profit margin largely reflects higher FX costs associated with the increased levels of currency volatility that we've experienced.

Disciplined expense management; investments delivering growth and better products

Administrative expenses of £214.9 million were 41% higher in the first six months, largely driven by an increase in employee benefit expenses and technology and development expenses. This reflects the investment we have made in product development and infrastructure and the increase in the size and quality of our operations function to onboard new customers and then support the rapidly growing customer base.

Employee benefit expenses increased 49% to £126.5 million. As Kristo mentioned above, we are now onboarding more than 1 million customers per quarter, globally, and we set ourselves a high standard when it comes to customer service. We've scaled our operations teams to be able to meet this demand, by around 1,000 since 30 September 2021. We have also been investing for growth, by increasing the size of our product development and marketing teams. As at 30 September 2022, we had 4,301 Wisers supporting our mission, up 49% from 2,883 at 30 September 2021.

New customer growth continues to come predominantly through referrals, or 'word of mouth', which is extremely beneficial for overall customer acquisition cost. We have also continued to invest in marketing, increasing spend on media by 40% to £18.3 million in the first six months as we look for ways to invest more whilst maintaining an attractive return on investment. The average payback for paid marketing remains less than 9 months, and has actually improved over the period, and when blended across all new customers this is remarkably low at just 3 months.

Technology and development costs increased by 68% to £19.3 million as we invested in improving the security and authentication of our products and systems. We have also increased our usage of cloud computing, helping us to be as flexible as possible as we continue to scale.

Expenses relating to consultancy and outsourced services increased by 42% to £28.9 million. Recently we have been increasingly using external vendors to support some of the operational servicing activities we undertake; we do this where we can get the appropriate service quality and often at a lower cost. The increase also reflects the cost of advisory services relating to regulatory and compliance requirements as we expand our geographic coverage and broaden the features we offer to customers.

Profitable, highly cash generative and well capitalised

We generated an Adjusted EBITDA of £91.9 million for the first six months, an increase of 52% compared with the same period last year (£60.6 million), and represents an adjusted EBITDA margin of 22.1%, as a percentage of total income. The higher adjusted EBITDA was largely driven by the improvement in income for the period, which increased by 63%, creating significant capacity for us to invest whilst maintaining a margin consistent with our medium-term guidance.

Stepping back, of the £262.4 million of gross profit we generated, c.30% of this was invested in growth either through our product development teams, or in marketing investments. £91.9m, or 35% of gross profit, flowed through to EBITDA, and the remainder of gross profit covered expenses for operational teams and our corporate functions and overheads. This means that, combined, about two thirds of our gross profit flowed to funding teams that invest in growth or to adjusted EBITDA. This we believe demonstrates the strength of the financial model and the commitment to both sustainability and investment in growth, and capturing the significant opportunity ahead.

Profit before tax of £51.3 million for the period increased 173% compared with £18.8 million in the same period last year. Earnings per share increased to 3.78 pence per share, compared with 1.33 pence last year.

We generated £78.3 million of free cash flow in the period, a 33% increase compared to £59.0 million last year. Our rate of free cash flow generated, as a percentage of adjusted EBITDA, was 85% (H1 FY22: 98%). The reduction in this rate mostly reflects the effect of changes in working capital, which can vary over time. Excluding the impacts of working capital, our free cash flow generation as a percentage of adjusted EBITDA was 92%, compared with 86% last year.

We remain well capitalised, with Group eligible capital of £281.2 million, comfortably in excess of our regulatory requirements.

Financial Guidance

- **Total income growth** of between 55-60% in FY23 and greater than 20% (CAGR) over the medium-term
- **Adjusted EBITDA margin** at or above 20% over the medium-term

To summarise, our strong growth is driven by the quality of the products and features that we've built to help our customers move and manage money. Our discipline ensures that we will be able to achieve our mission whilst maintaining a sustainable, profitable and cash generative financial model.

Responsibility statement of the directors in respect of the interim financial statements

We confirm that to the best of our knowledge:

- the condensed set of financial statements have been prepared in accordance with IAS 34 Interim Financial Reporting as contained in UK-adopted IFRS;
- the condensed set of financial statements give a true and fair view of the assets, liabilities, financial position and profit or loss of the Group;
- the interim management report includes a fair review of the information required by:
 - a) DTR 4.2.7R of the Disclosure and Transparency Rules, being an indication of important events that have occurred during the first six months of the financial year and their impact on the condensed set of financial statements; and a description of the principal risks and uncertainties for the remaining six months of the year; and
 - b) DTR 4.2.8R of the Disclosure and Transparency Rules, being related party transactions that have taken place in the first six months of the current financial year and that have materially affected the financial position or performance of the entity during that period; and any changes in the related party transactions described in the last annual report that could do so.

On behalf of the Board of directors:

Kristo Käärmann, Director

Date: 28 November 2022

Condensed consolidated statement of comprehensive income

For the half-year ended 30 September 2022 (unaudited)

	Note	Half-year ended 30 September	
		2022 £m	2021 £m
Revenue	3	397.4	256.3
Interest income on customer balances	3	22.3	1.5
Interest expense on customer balances	3	(3.6)	(2.7)
Total Income		416.1	255.1
Cost of sales	4	(148.5)	(81.2)
Net credit losses on financial assets	4	(5.2)	(1.3)
Gross profit		262.4	172.6
Administrative expenses	4	(214.9)	(152.2)
Interest income from operating assets		0.3	-
Other operating income		7.2	0.9
Operating profit		55.0	21.3
Finance expense		(3.7)	(2.5)
Profit before tax		51.3	18.8
Income tax expense	6	(14.0)	(6.1)
Profit for the period		37.3	12.7
Other comprehensive (loss)/income			
Items that may be reclassified to profit or loss:			
Fair value loss on investments, net	11	(23.8)	(4.8)
Currency translation differences		6.8	0.4
Total other comprehensive loss		(17.0)	(4.4)
Total comprehensive income for the period		20.3	8.3
Earnings per share			
Basic, in pence	9	3.78	1.33
Diluted, in pence	9	3.61	1.23

All results are derived from continuing operations.

The accompanying notes are an integral part of these condensed consolidated financial statements.

Condensed consolidated statement of financial position

As at 30 September 2022 (unaudited)

	Note	As at 30 September 2022 £m	As at 31 March 2022 £m
Non-current assets			
Deferred tax assets		115.5	113.6
Property, plant and equipment	7	21.3	22.6
Intangible assets	8	16.6	20.3
Trade and other receivables	10	22.0	14.3
Total non-current assets		175.4	170.8
Current assets			
Current tax assets		1.9	7.3
Trade and other receivables	10	223.8	137.6
Short-term financial investments	11	2,081.4	1,192.4
Cash and cash equivalents	12	7,741.5	6,056.3
Total current assets		10,048.6	7,393.6
Total assets		10,224.0	7,564.4
Non-current liabilities			
Trade and other payables	13	22.2	15.7
Provisions		2.2	2.2
Deferred tax liabilities		-	0.5
Borrowings	14	167.1	90.2
Total non-current liabilities		191.5	108.6
Current liabilities			
Trade and other payables	13	9,560.7	7,034.2
Provisions		1.6	1.6
Current tax liabilities		6.1	5.3
Borrowings	14	6.7	5.5
Total current liabilities		9,575.1	7,046.6
Total liabilities		9,766.6	7,155.2
Equity			
Share capital	15	10.2	10.2
Equity merger reserve		(8.0)	(8.0)
Share-based payment reserves		220.3	200.5
Own shares reserve		(0.4)	(0.4)
Other reserves		(41.6)	(17.8)
Currency translation reserve		7.0	0.2
Retained earnings		269.9	224.5
Total equity		457.4	409.2
Total liabilities and equity		10,224.0	7,564.4

The accompanying notes are an integral part of these condensed consolidated financial statements.

Condensed consolidated statement of changes in equity

For the half-year ended 30 September 2022 (unaudited)

	Note	Share capital £m	Equity merger reserve £m	Share-based payment reserves £m	Own shares reserve £m	Other Reserves £m	Currency translation reserve £m	Retained earnings £m	Total equity £m
As at 1 April 2021		9.4	(8.0)	124.5	-	(0.7)	(2.5)	162.6	285.3
Profit for the period		-	-	-	-	-	-	12.7	12.7
Fair value loss on investments, net	11	-	-	-	-	(4.8)	-	-	(4.8)
Currency translation differences		-	-	-	-	-	0.4	-	0.4
Total comprehensive income for the period		-	-	-	-	(4.8)	0.4	12.7	8.3
Issue of share capital		0.5	-	-	(0.5)	-	-	-	-
Share-based compensation expense		-	-	20.3	-	-	-	1.0	21.3
Tax on share-based compensation		-	-	21.5	-	-	-	-	21.5
Employee share schemes		-	-	(15.6)	0.3	-	-	17.5	2.2
As at 30 September 2021		9.9	(8.0)	150.7	(0.2)	(5.5)	(2.1)	193.8	338.6
As at 1 April 2022		10.2	(8.0)	200.5	(0.4)	(17.8)	0.2	224.5	409.2
Profit for the period		-	-	-	-	-	-	37.3	37.3
Fair value loss on investments, net	11	-	-	-	-	(23.8)	-	-	(23.8)
Currency translation differences		-	-	-	-	-	6.8	-	6.8
Total comprehensive income for the period		-	-	-	-	(23.8)	6.8	37.3	20.3
Issue of share capital		-	-	-	-	-	-	-	-
Share-based compensation expense		-	-	25.3	-	-	-	-	25.3
Tax on share-based compensation		-	-	2.4	-	-	-	-	2.4
Employee share schemes		-	-	(7.9)	-	-	-	8.1	0.2
As at 30 September 2022		10.2	(8.0)	220.3	(0.4)	(41.6)	7.0	269.9	457.4

The accompanying notes are an integral part of these condensed consolidated financial statements.

Condensed consolidated statement of cash flows

For the half-year ended 30 September 2022 (unaudited)

	Note	Half-year ended 30 September	
		2022 £m	2021 £m
Cash flows from operating activities			
Cash generated from operations	16	1,993.8	1,257.3
Interest received		22.2	7.5
Interest paid		(7.8)	(5.1)
Corporate income tax paid		(3.4)	(4.9)
Net cash generated from operating activities		2,004.8	1,254.8
Cash flows from investing activities			
Payments for property, plant and equipment		(1.6)	(3.2)
Payments for intangible assets		(3.1)	(3.1)
Payments for financial assets at FVOCI		(2,569.8)	(594.9)
Proceeds from sale and maturity of financial assets at FVOCI		1,752.0	149.0
Proceeds from sublease		0.1	-
Net cash used in investing activities		(822.4)	(452.2)
Cash flows from financing activities			
Proceeds from issues of shares and other equity		0.3	2.2
Proceeds from borrowings	14	255.0	43.0
Repayments of borrowings	14	(175.0)	(43.0)
Principal elements of lease payments	14	(2.4)	(1.7)
Interest paid on leases	14	(0.4)	(0.5)
Net cash (used in)/generated from financing activities		77.5	0.0
Net increase in cash and cash equivalents		1,259.9	802.6
Cash and cash equivalents at beginning of the period	12	6,056.3	3,358.6
Effects of exchange rate changes on cash and cash equivalents		425.3	48.2
Cash and cash equivalents at end of the period	12	7,741.5	4,209.4

The accompanying notes are an integral part of these condensed consolidated financial statements.

Notes to the interim condensed consolidated financial statements

For the half-year ended 30 September 2022 (unaudited)

Note 1. Summary of significant accounting policies

1.1 General information

Wise plc (the "Company") is a public limited company and is incorporated and domiciled in England (Registration number 13211214). These condensed financial statements for the six months ended 30 September 2022 comprise the Company and its subsidiaries (the "Group"). The principal activity of the Group is the provision of cross-border money transfer services. The address of its registered office is 6th Floor Tea Building, 56 Shoreditch High Street, London E1 6JJ.

1.2 Basis of preparation and accounting policies

These condensed consolidated interim financial statements of the Group have been prepared in accordance with Accounting Standard IAS 34 Interim Financial Reporting and the Disclosure and Transparency Rules of the United Kingdom's Financial Conduct Authority.

The condensed consolidated interim financial statements should be read in conjunction with the Annual Report and Accounts for the year ended 31 March 2022 and any public announcements made by Wise plc during the interim reporting period.

The interim report has not been audited or reviewed by auditors pursuant to the Financial Reporting Council guidance on Review of Interim Financial Information.

The accounting policies and presentation applied by the Group are consistent with those in the previous financial year, except for the adoption of new and amended accounting standards as set out below.

1.3 New accounting standards

Adoption of new or revised standards and interpretations

The following new or revised standards and interpretations became effective for the Group from 1 April 2022:

- Amendments to IAS 16 – Property, Plant and Equipment: Proceeds before Intended Use
- Amendments to IFRS 3 – Reference to the Conceptual Framework
- Amendments to IAS 37 – Onerous Contracts: Cost of Fulfilling a Contract
- Annual Improvements to IFRS 1, IFRS 9, IAS 41 and IFRS 16 (2018-2020 cycle)

The adoption of the above amendments did not have a material impact on the Group. There are no other new or revised standards or interpretations that are effective for the first time for the financial year beginning on or after 1 April 2022 that would be expected to have a material impact on the Group.

New standards, amendments and interpretations not yet adopted

The following amendments have been published by the IASB and are effective for annual periods beginning on or after 1 January 2023; the amendments have not been early adopted by the Group. None of the amendments are expected to have a material impact on the Group in the current or future reporting periods or on foreseeable future transactions:

- IFRS 17 Insurance Contracts
- Amendment to IAS 1 – Classification of Liabilities as Current or Non-current
- Amendments to IAS 1 and IFRS Practice Statement 2 – Disclosure of Accounting Policies
- Amendments to IAS 8 – Definition of Accounting Policies
- Amendments to IAS 12 – Deferred Tax related to Assets and Liabilities arising from a Single Transaction
- Amendments to IFRS 10 and IAS 28 – Sale of contribution of assets between an investor and its associate or joint venture

1.4 Changes in presentation

In preparing these financial statements, the Group has made certain presentational changes to better align the relevant IFRS financial statement captions and reflect the underlying nature of the transactions and operations of Wise.

During the period the balances our customers hold with us has continued to increase. These increasing balances, coupled with the increase in interest rates globally, has meant that Wise has started generating interest income on customer balances, whilst ensuring that they remain safeguarded and available to our customers. The net interest income associated with this activity is £18.7m for the period (30 September 2021: £1.2m expense), and if rates were to persist at these levels or increase further, the interest income is expected to grow over the remainder of the financial year.

As this interest income is now material, we have changed our presentation in the income statement to include "total income" which will comprise of revenue (as previously defined) and net interest income from customer balances. The interest income from operating assets will remain unchanged in terms of presentation.

Comparatives for the period ended 30 September 2022 have been represented to reflect this change in classification for all instances. This change in presentation has no overall impact on operating profit or profit before tax.

	Half-year ended 30 September 2021		
	As reported £m	Change in the presentation £m	Re-presented £m
Revenue	256.3	-	256.3
Interest income on customer balances	-	1.5	1.5
Interest expense on customer balances	-	(2.7)	(2.7)
Total Income	256.3	(1.2)	255.1
Cost of sales	(81.2)	-	(81.2)
Net credit losses on financial assets	(1.3)	-	(1.3)
Gross profit	173.8	(1.2)	172.6
Administrative expenses	(152.2)	-	(152.2)
Interest income from investments and operating assets	1.5	(1.5)	-
Interest expense from operating assets	(2.7)	2.7	-
Other operating income	0.9	-	0.9
Operating profit	21.3	-	21.3
Finance expense	(2.5)	-	(2.5)
Profit before tax	18.8	-	18.8
Income tax expense	(6.1)	-	(6.1)
Profit for the period	12.7	-	12.7

1.5 Critical accounting areas of judgement and estimation

In preparing these interim financial statements, management has made judgements and estimates that affect the application of accounting policies and the reported figures. Management assessed that there were no material changes in the current period to the critical accounting estimates and judgements, as disclosed in the 2022 Annual Report and Accounts.

Note 2. Segment information

Description of segment

The information regularly reported to the Board of Directors, who are considered to be the Chief Operating Decision Maker, for the purposes of resource allocation and the assessment of performance, is based wholly on the overall activities of the Group. Based on the Group's business model, the Group has determined that it has only one reportable segment under IFRS 8, which is "Cross-border payment services provider".

The Group's revenue, assets and liabilities for this one reportable segment can be determined by reference to the Statement of Comprehensive Income and Statement of Financial Position. The analysis of revenue by type of customers and geographical regions, is set out in note 3.

At the end of each period, the majority of the non-current assets were carried by Wise Payments Ltd in the UK. Based on the location of the non-current asset, the following geographical breakdown of non-current assets is prepared:

	As at 30 September 2022 £m	As at 31 March 2022 £m
Non-current assets by geographical region		
United Kingdom	148.4	146.5
Rest of the world	27.0	24.3
Total non-current assets	175.4	170.8

Note 3. Total Income

	Half-year ended 30 September	
	2022 £m	2021 £m
Revenue by customer type		
Personal	309.1	200.3
Business	88.3	56.0
Total revenue	397.4	256.3
Interest income/(expense) on customer balances, net	18.7	(1.2)
Total Income	416.1	255.1

Disaggregation of revenues

In the following table revenue from contracts with customers is disaggregated by major geographical market based on customer address:

	Half-year ended 30 September	
	2022 £m	2021 £m
Revenue by geographical regions		
Europe (excluding UK)	128.4	84.4
North America	85.5	54.2
United Kingdom	81.0	57.9
Asia-Pacific	73.3	46.1
Rest of the world	29.2	13.7
Total revenue	397.4	256.3
Interest income/(expense) on customer balances, net	18.7	(1.2)
Total Income	416.1	255.1

No individual customer contributed more than 10% to the total revenue.

Note 4. Cost of sales and administrative expenses

Breakdown of expenses by nature:

	Half-year ended 30 September	
	2022 £m	2021 £m
Cost of sales		
Bank and partner fees	103.3	66.6
Net foreign exchange loss and other product costs	45.2	14.6
Total cost of sales	148.5	81.2
Net credit losses on financial assets		
Amounts charged to credit losses on financial assets	5.2	1.3
Total net credit losses	5.2	1.3

Expected credit losses are presented as net credit losses within gross profit and subsequent recoveries of amounts previously written off are credited against the same line item. Subsequent recoveries of amounts previously written off are negligible in both current and prior reporting period.

	Note	Half-year ended 30 September	
		2022 £m	2021 £m
Administrative expenses			
Employee benefit expenses	5	126.5	84.8
Marketing		18.3	13.1
Technology and development		19.3	11.5
Consultancy and outsourced services		28.9	20.4
Other administrative expenses		13.8	13.3
Depreciation and amortisation		10.8	11.6
Less: Capitalisation of staff costs	8	(2.7)	(2.5)
Total administrative expenses		214.9	152.2

Note 5. Employee benefit expense

	Half-year ended 30 September	
	2022 £m	2021 £m
Salaries and wages	82.9	52.4
Share based payment compensation expense	26.1	20.6
Social security costs	12.4	8.8
Pension costs	2.7	1.6
Other employment taxes and insurance cost	2.4	1.4
Total employee benefit expense	126.5	84.8

The monthly average number of employees during the half-year ended 30 September 2022 was 3,825 (half-year ended 30 September 2021: 2,683 employees)

Note 6. Tax

	Half-year ended 30 September	
	2022 £m	2021 £m
Current income tax for the period	18.0	9.9
Deferred deferred tax credit for the period *	(4.0)	(3.8)
Total tax expense for the period	14.0	6.1

* The deferred tax credit for the period predominately relates to share based payments.

Income tax expense for the current half-year period is calculated representing the best estimate of the annual effective tax rate expected for the full year by geographical unit applied to the pre-tax income of the six month period, which is then adjusted for tax on exceptional items.

The effective tax rate for the half-year ended 30 September 2022 is 27% (half-year ended 30 September 2021: 32%). The rate for this half-year period has reduced from the prior period due to the absence of the net impact of one off listing costs and UK rate change, but remains above the UK rate due to overseas profits taxed at higher overseas tax rates. After removing one off items and prior year adjustments the underlying effective tax rate for the half-year ended 30 September 2022 is 26% remaining consistent with the prior period (half-year ended 30 September 2021: 27%).

On 24 May 2021, an increase in the UK corporation tax rate from 19% to 25% from 1 April 2023 was substantively enacted. Therefore, the UK deferred tax assets and liabilities, which are expected to unwind after 1 April 2023, were re-measured in the prior financial year and adjusted accordingly in the current reporting period based on the increased UK corporation tax rate and reflected in the statement of profit and loss and equity.

Note 7. Property, plant and equipment

	Right-of-use assets £m	Leased office improvements £m	Office equipment £m	Assets under construction £m	Total £m
As at 31 March 2022					
Cost	25.8	10.5	4.9	0.2	41.4
Accumulated depreciation	(11.6)	(4.8)	(2.4)	-	(18.8)
Net book value	14.2	5.7	2.5	0.2	22.6
Additions	0.8	-	0.1	1.7	2.6
Reclassifications	-	0.2	0.4	(0.6)	-
Depreciation charge	(2.6)	(1.1)	(0.7)	-	(4.4)
Foreign currency translation differences	0.4	0.1	0.2	(0.1)	0.6
As at 30 September 2022					
Cost	27.4	11.0	5.4	1.2	45.0
Accumulated depreciation	(14.6)	(6.0)	(3.1)	-	(23.7)
Net book value	12.8	5.0	2.3	1.2	21.3

Note 8. Intangible assets

	Software £m	Other intangible assets £m	Total £m
As at 31 March 2022			
Cost	39.0	4.9	43.9
Accumulated amortisation	(23.0)	(0.6)	(23.6)
Net book value	16.0	4.3	20.3
Additions	2.7	-	2.7
Amortisation charge	(6.2)	(0.2)	(6.4)
As at 30 September 2022			
Cost	41.7	4.9	46.6
Accumulated amortisation	(29.2)	(0.8)	(30.0)
Net book value	12.5	4.1	16.6

Software is an internally generated intangible asset which consists of capitalised development costs. Other intangible assets primarily include licences and domain purchases.

Note 9. Earnings per share

The following table reflects the income and share data used in the basic and diluted earnings per share (EPS) calculations:

	Half-year ended 30 September	
	2022	2021
Profit for the period (£m)	37.3	12.7
Weighted average number of ordinary shares for basic EPS (in millions of shares)	986.2	954.7
Plus the effect of dilution from Share options (in millions of shares)	46.5	75.8
Weighted average number of ordinary shares adjusted for the effect of dilution (in millions of shares)	1,032.7	1,030.5
Basic EPS, in pence	3.78	1.33
Diluted EPS, in pence	3.61	1.23

Note 10. Trade and other receivables

	As at 30 September 2022 £m	As at 31 March 2022 £m
Non-current trade and other receivables		
Office lease deposits	1.2	0.7
Other non-current receivables	20.8	13.6
Total non-current trade and other receivables	22.0	14.3
Current trade and other receivables		
Receivables from payment processors	109.7	69.5
Collateral deposits	49.6	33.6
Prepayments	12.8	8.3
Other receivables *	51.7	26.2
Total current trade and other receivables	223.8	137.6

* Net of expected credit loss provision of £29.0m as at 30 September 2022 (31 March 2022: £19.8m).

The carrying values of current trade receivables approximate their fair values because these balances are expected to be cash settled in the near future unless a provision is made.

Note 11. Financial assets at fair value through other comprehensive income

Short-term financial investments are recognised as debt investments at FVOCI and comprise the following investments in listed bonds:

	As at 30 September 2022 £m	As at 31 March 2022 £m
Short-term financial investments - level 1		
Listed bonds	2,081.4	1,192.4
Total short-term financial investments	2,081.4	1,192.4

During the period, the following (losses)/gains were recognised in other comprehensive income:

	As at 30 September 2022 £m	As at 31 March 2022 £m
Debt investments at FVOCI		
Fair value losses recognised in other comprehensive income	(27.1)	(22.6)
Recognition of deferred tax asset on listed bonds	3.3	5.4
Total fair value losses in other comprehensive income	(23.8)	(17.2)

Note 12. Cash and cash equivalents

	As at 30 September 2022 £m	As at 31 March 2022 £m
Cash and cash equivalents		
Cash at banks, in hand and in transit between Group bank accounts	5,366.4	5,618.8
Cash in transit to customers *	193.8	154.6
Investment into money market funds	2,181.3	282.9
Total cash and cash equivalents	7,741.5	6,056.3

* Cash in transit to customers represents cash that has been paid out from the Group bank accounts but has not been delivered to the bank account of the beneficiary.

Of the £7,741.5m (31 March 2022: £6,056.3m) of cash and cash equivalents at the period end, £467.3m (31 March 2022: £357.8m) is considered the corporate cash balance and is not related to customer funds that are held in Wise Accounts or collected from customers for Wise Transfers. Refer to Alternative performance measures on page 26 for further details.

Customer funds are subject to various regulatory safeguarding compliance requirements. Such requirements may vary across the different jurisdictions in which the Group operates.

Wise invests a proportion of its customers' funds into high-quality and liquid assets, which includes sovereign debt and money market funds. These instruments are used by the Group as a tool to mitigate concentration and credit risk from depositories. During the period the investment into money market funds has increased, in line with the growth in Wise Account balances.

As at 30 September 2022, in addition to other highly liquid assets, such as money market funds and investment grade bonds, the Group held £4,604.1m (31 March 2022: £4,930.2m) of cash at bank in segregated, safeguarded bank accounts to secure customer deposits.

Note 13. Trade and other payables

	As at 30 September 2022 £m	As at 31 March 2022 £m
Non-current trade and other payables		
Non-current accruals	22.2	15.7
Total non-current trade and other payables	22.2	15.7
Current trade and other payables		
Outstanding money transmission liabilities *	205.1	170.6
Wise accounts	9,233.8	6,783.2
Accounts payable	10.3	10.4
Accrued expenses	40.7	26.5
Deferred revenue	11.1	5.6
Other payables	59.7	37.9
Total current trade and other payables	9,560.7	7,034.2

* Money transmission liabilities represent transfers that have not yet been paid out or delivered to a recipient

Trade and other payables are unsecured unless otherwise indicated; due to the short-term nature of current payables, their carrying values approximate their fair value.

Note 14. Borrowings

	As at 30 September 2022 £m	As at 31 March 2022 £m
Current		
Revolving credit facility	0.3	-
Lease liabilities	6.4	5.5
Total current borrowings	6.7	5.5
Non-current		
Revolving credit facility	157.4	78.5
Lease liabilities	9.7	11.7
Total non-current borrowings	167.1	90.2
Total borrowings	173.8	95.7

Debt movement reconciliation:

	Revolving credit facility £m	Lease liabilities £m	Total £m
As at 1 April 2022	78.5	17.2	95.7
Cash flows:			
Proceeds	255.0	-	255.0
Transaction costs related to revolving credit facility	(1.3)	-	(1.3)
Repayments	(175.0)	(2.4)	(177.4)
Interest expense paid	(2.6)	(0.4)	(3.0)
Non-cash flows:			
New leases	-	0.8	0.8
Interest expense	3.1	0.4	3.5
Other lease movements	-	0.5	0.5
As at 30 September 2022	157.7	16.1	173.8

In August 2022, the Group increased and extended the duration of the current Revolving credit facility (RCF). An additional £88m was secured from all existing lenders to bring the facility to £300m, with three years maturity from the new closing date and two, one year, extension options. The currency denomination, maturity date, interest rate, covenant and security terms of the RCF remain consistent with that disclosed in the Annual Report and Accounts 2022. The Group has complied with the financial covenants throughout the reporting period. The undrawn amount of the facility as at 30 September 2022 was £140.0m (31 March 2022: £132.0m).

Note 15. Share capital

Class	As at 31 September 2022			As at 31 March 2022		
	Nominal value, £	Number of shares	Share capital, £	Nominal value, £	Number of shares	Share capital, £
Class A Ordinary	0.01	1,024,589,856	10,245,899	0.01	1,024,589,856	10,245,899
Class B Ordinary	0.000000001	398,889,814	0.4	0.000000001	398,889,814	0.4
Total		1,423,479,670	10,245,899	0	1,423,479,670	10,245,899

Note 16. Cash generated from operating activities

	Note	Half-year ended 30 September	
		2022 £m	2021 £m
Cash generated from operations			
Profit for the period		37.3	12.7
Adjustments for:			
Depreciation and amortisation	4, 7, 8	10.8	11.6
Non-cash share-based payments expense		26.1	21.7
Foreign currency exchange differences		(76.6)	12.3
Current tax expense	6	14.0	6.1
Effect of other non-monetary transactions		(15.3)	3.8
Changes in operating assets and liabilities:			
(Increase)/decrease in prepayments and receivables		(46.6)	(12.5)
Increase in trade and other payables		18.1	33.2
(Increase)/decrease in receivables from customers and payment processors		(31.7)	(24.0)
Increase in liabilities to customers, payment processors and deferred revenue		48.8	24.1
Increase in Wise accounts		2,008.9	1,168.3
Cash generated from operations		1,993.8	1,257.3

Note 17. Commitments and contingencies

The Group does not have any material contingencies as at 30 September 2022 and 31 March 2022.

Note 18. Transaction with related parties

There have been no material changes to the nature or size of related party transactions since 31 March 2022.

Note 19. Events occurring after the reporting period

In late October the Group signed a new office lease in Estonia with an effective date of 2024. The payments will be approximately £60 million over the course of the lease term of 10 years and a detailed analysis and measurement of the lease under IFRS 16 will be undertaken as part of year end reporting.

Alternative performance measures

With the exception of the change from revenue to total income, as a result of the change in presentation disclosed in note 1.4, the alternative performance measures ("APMs") used by the Group remain consistent with those disclosed in the Annual Report and Accounts 2022 of the Group and should be viewed as supplemental to, but not as a substitute for, measures presented in the financial statements which are prepared in accordance with IFRS.

Adjusted EBITDA and free cash flow ("FCF") reconciles to profit for the period as follows:

	Half-year ended 30 September	
	2022 £m	2021 £m
Profit for the period	37.3	12.7
Adjusted for:		
Income tax expense	14.0	6.1
Finance expense	3.7	2.5
Depreciation and amortisation	10.8	11.6
Share-based payment compensation expense	26.1	20.6
Exceptional items	-	7.1
Adjusted EBITDA	91.9	60.6
Total income	416.1	255.1
Adjusted EBITDA margin	22.1%	23.8%
Corporate cash working capital change excl. collaterals	(4.8)	22.7
Adjustment for exceptional and pass-through items in the working capital	(1.3)	(15.8)
Payments for lease liabilities	(2.8)	(2.2)
Capitalised expenditure - Property, plant and equipment	(1.6)	(3.2)
Capitalised expenditure - Intangible assets	(3.1)	(3.1)
Free cash flow (FCF)	78.3	59.0
FCF conversion (FCF as a % of Adjusted EBITDA)	85.2%	97.4%

Exceptional items: Exceptional items are the items of income or expense that the Group considers to be material, one-off in nature and of such significance that they merit separate presentation in order to aid the reader's understanding of the Group's financial performance. Such items include costs associated with the changes in the Group's organisational structure and direct listing.

Corporate cash

In addition, the tables below show a non-IFRS view of the “Corporate cash” metric that is used by the Group management as a Key Performance Indicator in assessment of the Group's ability to generate cash and maintain liquidity. Corporate cash represents cash and cash equivalents that are not considered customer related balances.

Information presented in the tables below is based on the Group's internal reporting principles and might differ from the similar information provided in IFRS disclosures:

	Half-year ended 30 September	
	2022 £m	2021 £m
Cash flows from operating activities		
Profit for the period	37.3	12.7
Adjustments	(7.2)	37.9
Change in corporate working capital	(24.5)	21.5
Receipt of interest	13.7	0.2
Payment of income tax and interest charges	(11.1)	(9.9)
Net cash generated from operating activities	8.2	62.4
Net cash used in investing activities	(4.6)	(6.8)
Net cash used in financing activities	77.5	-
Net increase in corporate cash	81.1	55.6
Corporate cash at beginning of the period	357.8	286.1
Effects of exchange rate changes on corporate cash	28.4	2.9
Corporate cash at end of the period	467.3	344.6

Breakdown of corporate and customer cash:

	Note	Half-year ended 30 September	
		2022 £m	2021 £m
Cash and cash equivalents and short-term financial investments	11, 12	9,823.0	5,391.0
Receivables from customers and payment processors		127.6	72.5
Adjustments for:			
Outstanding money transmission liabilities and other customer payables		(249.5)	(169.7)
Wise Accounts	13	(9,233.8)	(4,949.2)
Corporate cash at end of the period		467.3	344.6

Corporate cash includes the ‘Receivables from payments processors’ as disclosed in note 10, as well as receivables from customers and partners. Those balances are reported under ‘Other receivables’ in note 10, but exclude those elements which are considered customer related balances.

Similarly, corporate cash includes the ‘Outstanding money transmission liabilities’ and the payables reported under ‘Deferred revenue’ and ‘Other payables’ in note 13, which are not considered customer related balances.

Principal risks and uncertainties

The principal risks and uncertainties that the Group faces for the rest of the financial year are consistent with those previously reported in the Annual Report and Accounts 2022 and are summarised below:

- Regulatory compliance risk
- Financial crime risk
- IT system control failure risk
- Market risk
- Fraud risk
- Third-party risk
- Security risk
- Data privacy risk
- Risk of disruptive competition
- Economic uncertainty

A summary of our current policies and practices regarding the management of risk and our principal risks analysis is set out in the 'Risk management' section on pages 41 to 49 of the Annual Report and Accounts 2022.

Our risk taxonomy has not been significantly impacted from the Russian invasion of Ukraine and we continue to actively monitor its financial impact and manage the related risks.

Results presentation

A presentation of the half-year results will be held at 9.30am GMT Tuesday, 29 November 2022 at Wise's London offices in Shoreditch. Participants can register for the event [here](#) or can view the webcast via this [link](#). A replay of the webcast will be made available after on the Wise website: <https://wise.com/owners/>

Enquiries

Martyn Adlam - Head of Owner Relations
martyn.adlam@wise.com

Sana Rahman - Global Head of Communications
press@wise.com

Brunswick Group
Charles Pretzlik / Sarah West / Nick Beswick
Wise@brunswickgroup.com
+44 (0) 20 7404 5959

About Wise

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

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

Over 15 million people and businesses use Wise. Today we process on average over £9 billion in cross-border transactions every month, saving customers over £1 billion a year.

FORWARD LOOKING DISCLOSURE DISCLAIMER

This report may include forward-looking statements, which are based on current expectations and projections about future events. These statements may include, without limitation, any statements preceded by, followed by or including words such as "target", "believe", "expect", "aim", "intend", "may", "anticipate", "estimate", "forecast", "plan", "project", "will", "can have", "likely", "should", "would", "could" and any other words and terms of similar meaning or the negative thereof. These forward-looking statements are subject to risks, uncertainties and assumptions about Wise and its subsidiaries. In light of these risks, uncertainties and assumptions, the events in the forward-looking statements may not occur.

Past performance cannot be relied upon as a guide to future performance and should not be taken as a representation that trends or activities underlying past performance will continue in the future, and the statements in this report speak only as at the date of this report. No representation or warranty is made or will be made that any forward-looking statement will come to pass and there can be no assurance that actual results will not differ materially from those expressed in the forward-looking statements.

Wise expressly disclaims any obligation or undertaking to update, review or revise any forward-looking statements contained in this report and disclaims any obligation to update its view of any risks or uncertainties described herein or to publicly announce the results of any revisions to the forward-looking statements made in this report, whether as a result of new information, future developments or otherwise, except as required by law.