

PensionBee Group plc

Incorporated in England and Wales

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PensionBee Group plc

Trading Update for the quarter ending 31 March 2022

Growth Strategy on Track led by Excellent Momentum in Customer Growth

Next important milestone achieved with Transfer to the Premium Segment

PensionBee Group plc ("PensionBee" or "the Company"), a leading online pension provider, today announces a trading update for the quarter ending 31 March 2022.

Highlights

- Strong year-on-year growth in the quarter across all KPIs
- Planned marketing investment delivered 70% increase in Invested Customer base to 138,000 (March 2021: 81,000); Registered Customer base stands at nearly 800,000
- Assets under Administration (AUA) increased by 67% year on year to £2,747m (March 2021: £1,648m)
- Annual Run Rate Revenue increased by 63% to £17m (March 2021: £11m); Revenue increased by 70% to £4m (March 2021: £2m)
- PensionBee transfer to the Premium Segment of the London Stock Exchange, indicates its commitment to strong corporate governance and future growth plans

In line with its stated growth strategy, PensionBee increased its investment in marketing in the period, leading to a substantial increase of new customers. As per previous guidance, the Cost per Invested Customer increased to £268. The Customer Retention Rate remained in excess of 95%, whilst strong customer service levels were reflected in the achievement of an Excellent 4.6★ Trustpilot rating.

PensionBee also continued to invest in the ongoing innovation of its industry-leading technology platform via pension transfer efficiency improvements, internal automation and information security enhancements to support growth, productivity and security.

The Company is today expected to transfer from the High Growth Segment of the Main Market of the London Stock Exchange to the Premium Segment, following its successful first year as a public company. This important next step for the business reflects PensionBee's continued commitment to strong corporate governance and its dedication to realising its future growth ambitions. The move is expected to further enhance the Company's profile and brand awareness, whilst broadening the opportunity to own the Company's shares to a wider group of shareholders.

Re-iteration of Guidance

The business continues to trade in line with expectations. The Board is pleased to reiterate both the Revenue guidance provided in the January trading update for FY 2022 of at least £20m, and the medium-term guidance provided at the time of the IPO. The Board expects further margin improvement through the year leading to Adjusted EBITDAM profitability by December 2022. Marketing spend will be weighted toward the first half of the year, leading to a reduction in CPIC in the second half of the year. For the full year, CPIC is expected to be firmly within the guidance threshold of £250.

Outlook

The Board remains very confident and excited about the prospects for PensionBee, given its leading market position, powerful customer proposition and the sheer scale of the opportunity in the UK Defined Contribution Pensions Market. The business continues to make effective and targeted investments both in marketing and its technology platform to ensure that it continues to capitalise on the very significant opportunity for growth.

There will be a presentation for analysts and investors this morning at 10 am via webcast. Please contact pensionbee@tulchangroup.com if you would like to attend.

Romi Savova, CEO of PensionBee, commented:

"We are very pleased to have delivered this performance in the first quarter of the year, particularly considering the macroeconomic and geopolitical uncertainty and volatility. PensionBee remains on track with its growth strategy and we are really excited about the opportunities ahead."

"An important next step in our growth plan is the transition to the Premium Segment of the London Stock Exchange. This move will help to progress us further on our mission to make pensions simple for everyone."

Financial Summary*

| | As at Period End | | | |
|--|------------------|--------------|--------------|------------|
| | Mar-2021 | Dec-2021 | Mar-2022 | YoY change |
| AUA (£m)¹ | 1,648 | 2,587 | 2,747 | 67% |
| AUA Retention Rate (% of AUA) ² | >95% | >95% | >95% | Stable |
| Registered Customers (thousands) ³ | 476 | 658 | 799 | 68% |
| Active Customers (thousands) ⁴ | 137 | 172 | 215 | 57% |
| Invested Customers (thousands) ⁵ | 81 | 117 | 138 | 70% |
| Customer Retention Rate (% of IC) ⁶ | >95% | >95% | >95% | Stable |
| Cost per Invested Customer (£) ⁷ | 237 | 246 | 268 | As guided |
| Same Year RC: IC Conversion (% of RC) ⁸ | 17% | 18% | 17% | Stable |
| Contractual Revenue Margin (% of AUA) ⁹ | 0.69% | 0.69% | 0.69% | Stable |

| | For the Trailing 12-month Period Ending | | | |
|---|---|-----------|-----------|------------|
| | Mar-2021 | Dec-2021 | Mar-2022 | YoY change |
| LTM Revenue (£m)¹⁰ | 7 | 13 | 14 | 94% |
| Annual Run Rate Revenue (£m) ¹¹ | 11 | 16 | 17 | 63% |
| LTM Adjusted EBITDA (£m) ¹² | (12) | (16) | (22) | -79% |
| LTM Adjusted EBITDA Margin (% of Revenue) ¹³ | (164)% | (129)% | (151)% | +13ppt |

| | For the Period Ending | | | |
|---|-----------------------|-----------|----------|------------|
| | Mar-2021 | Dec-2021 | Mar-2022 | YoY change |
| Revenue (£m)¹⁰ | 2 | 13 | 4 | 70% |
| Adjusted EBITDA (£m) ¹² | (4) | (16) | (10) | -125% |
| Adjusted EBITDA Margin (% of Revenue) ¹³ | (180)% | (129)% | (238)% | -58ppt |

| | For the Period Ending | | | |
|-------------------------------------|-----------------------|--------------|--------------|------------|
| | Mar-2021 | Dec-2021 | Mar-2022 | YoY change |
| Opening AUA (£m)¹ | 1,358 | 1,358 | 2,587 | 91% |
| Gross Inflows (£m) | 274 | 1,099 | 284 | 4% |
| Gross Outflows (£m) | (33) | (145) | (47) | -43% |
| Net Inflows (£m) | 241 | 955 | 237 | -2% |
| Market Growth and Other (£m) | 49 | 275 | (78) | n/m |
| Closing AUA (£m)¹ | 1,648 | 2,587 | 2,747 | 67% |

* Financial results for 2022 are unaudited.

- 1 Assets under Administration (AUA) is the total invested value of pension assets within PensionBee Invested Customers' pensions. It measures the new inflows less the outflows and records a change in the market value of the assets. AUA is a measurement of the growth of the business and is the primary driver of Revenue.
- 2 AUA Retention measures the percentage of retained PensionBee AUA from Transfer Outs over the average of the trailing twelve months. High AUA retention provides more certainty of future Revenue. This measure can also be used to monitor customer satisfaction.
- 3 Registered Customers (RC) measures customers who have started the sign-up process and have submitted at least a name and an email address and includes those customers who are classified as Active Customers.
- 4 Active Customers (AC) means all customers who have requested to become an Invested Customer by accepting PensionBee's terms of business but for whom the transfer or contribution process is not yet completed and all customers who are classified as Invested Customers.
- 5 Invested Customers (IC) means those customers who have transferred pension assets or made contributions into one of PensionBee's investment plans.
- 6 Customer Retention Rate measures the percentage of retained PensionBee Invested Customers over the average of the trailing twelve months. High customer retention provides more certainty of future Revenue. This measure can also be used to monitor customer satisfaction.
- 7 Cost per Invested Customer (CPIC) means the cumulative advertising and marketing costs incurred since PensionBee commenced operations up until the relevant point in time divided by the cumulative number of Invested Customers at that point in time. This measure monitors cost discipline of customer acquisition. PensionBee's desired CPIC threshold is £200-£250.
- 8 Same Year RC:IC Conversion percentage is calculated by dividing the number of Invested Customers as at the end of the period by the number of Registered Customers at the end of the period. This measure monitors PensionBee's ability to convert customers through the acquisition funnel.
- 9 Contractual Revenue Margin means the weighted average contractual fee rate across PensionBee's investment plans (before applying any size discount) calculated by reference to the amount of AUA held in each plan across the period.
- 10 Revenue means the income generated from the asset base of PensionBee's customers, essentially annual management fees charged on the AUA, together with a minor revenue contribution from other services.
- 11 Annual Run Rate (ARR) Revenue is calculated using the Recurring Revenue for the relevant month multiplied by 12.
- 12 Adjusted EBITDA is the profit or loss for the period before taxation, finance costs, depreciation, share based compensation and transaction costs.
- 13 Adjusted EBITDA Margin means Adjusted EBITDA as a percentage of Revenue for the relevant period.

Enquiries

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About PensionBee

PensionBee is a leading online pension provider, enabling customers to manage their savings through its unique combination of smart technology and dedicated customer service.

Since it was founded in 2014 by Romi Savova, PensionBee has been a challenger in an industry ripe for disruption. It has grown rapidly by helping consumers to solve the challenges they face when it comes to locating, combining and managing their pension savings. PensionBee counts 138,000 Invested Customers from 18-80 years of age with £2.75bn in Assets under Administration as at 31 March 2022. Its range of pension plans is tailored to its customers and managed by some of the world's largest money managers including BlackRock, HSBC, Legal & General and State Street Global Advisors.

PensionBee uses its proprietary technology and Open APIs to allow customers to manage their pension easily, view their live balance, and with the help of a smart calculator to plan their savings, make contributions and withdrawals online, all with transparency on fees. It continuously engages with customers through its dedicated customer account managers using jargon-free communication and listens to feedback to develop new tools which help customers to easily plan for their retirement. PensionBee has consistently maintained a Customer Retention Rate and an AUA Retention Rate of >95% and an Excellent Trustpilot rating.