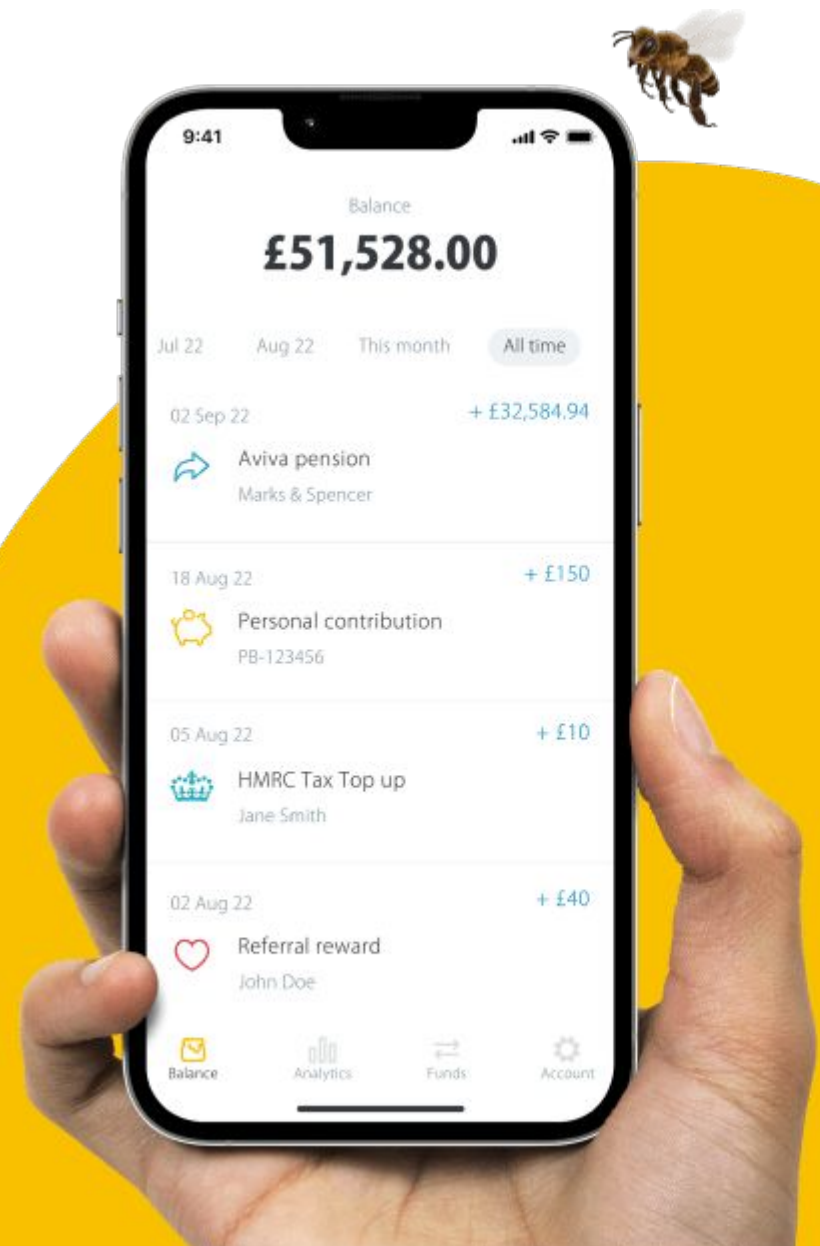




4Q 2022 Results Presentation

for the year ended 31 December 2022



Agenda



- 1 Overview of Q4 2022
- 2 Financial Update
- 3 Outlook
- 4 Appendix

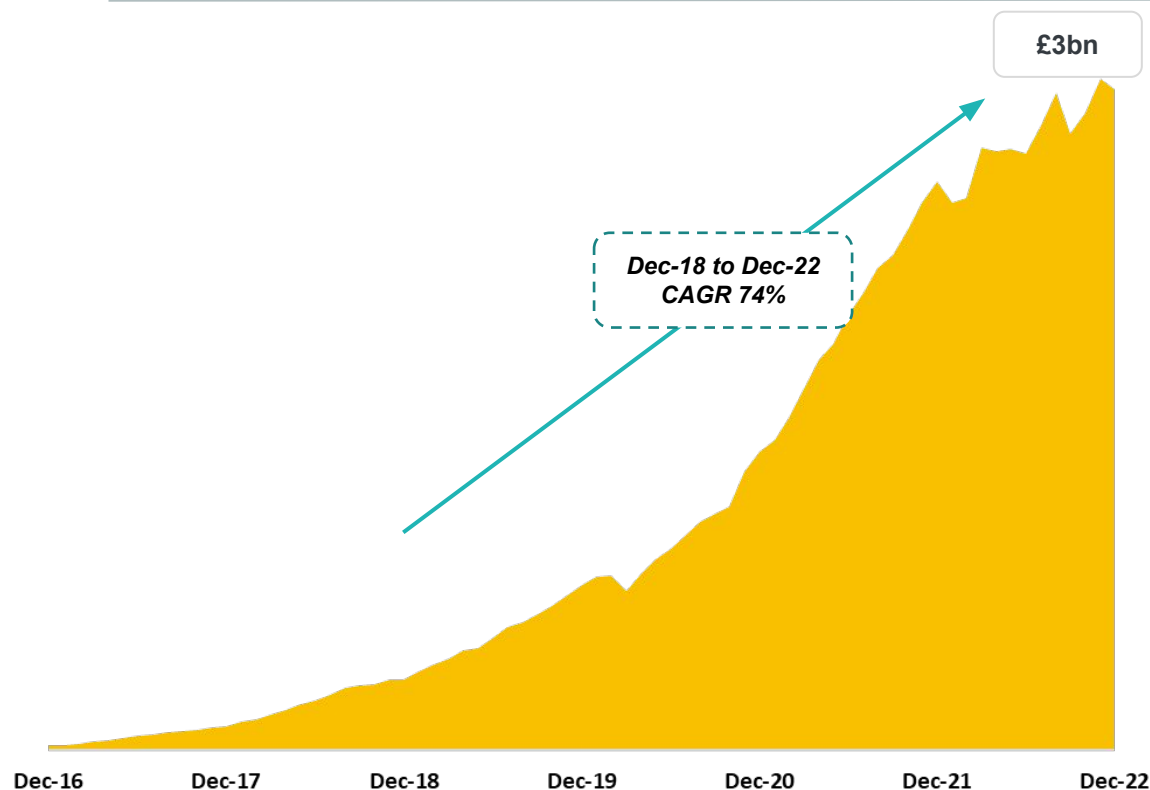
1 Overview of Q4 2022

Q4 2022 Financial & Operational Highlights ^(1/2)

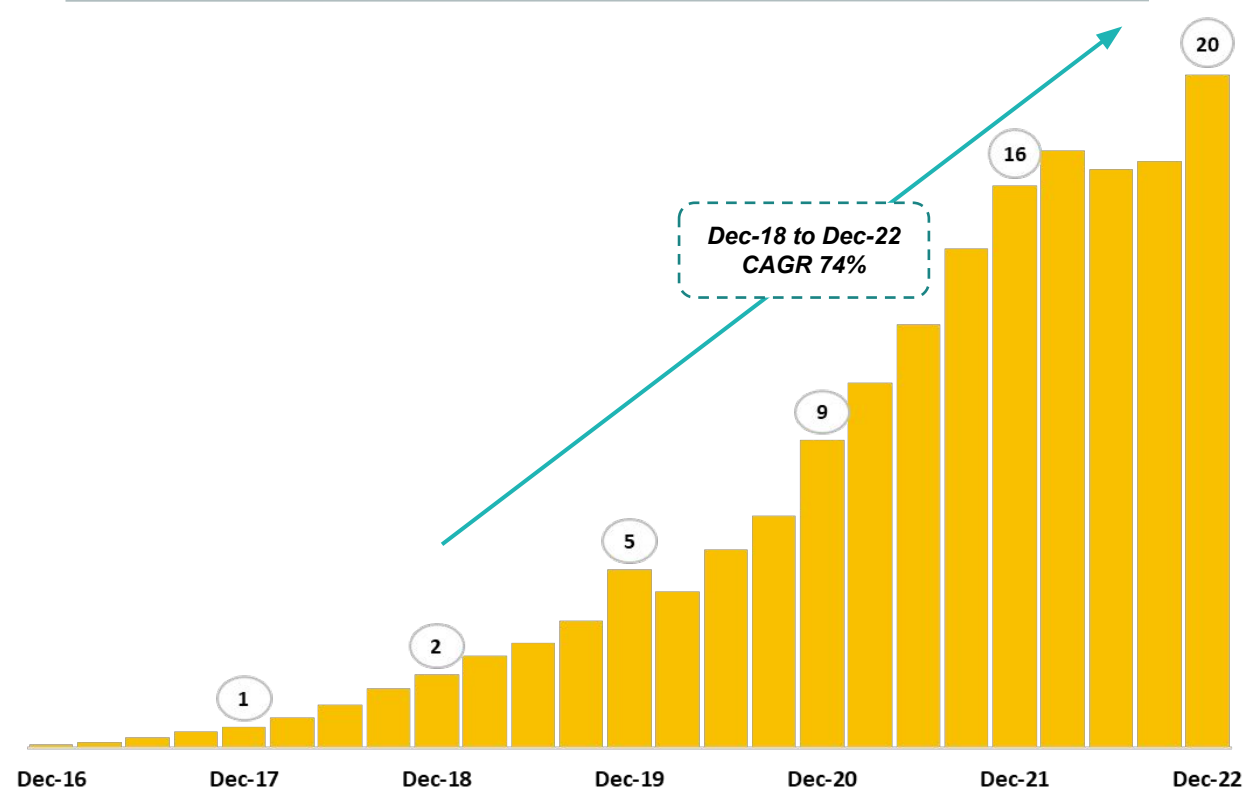
- Assets Under Administration continued growing and exceeded £3 billion, despite challenging macroeconomic conditions.
- Overall Revenue for the year of £18 million, representing a year on year growth rate of 38%, driven by strong net flows from new and existing customers and a Customer Retention Rate of over 97%.
- Excellent momentum in the growth of the customer base, with the addition of c.66k new Invested Customers for the year and c.10k for the fourth quarter, taking the overall Invested Customer base to c.183k.
- Pre-marketing profitability (Adj. EBITDAM) milestone achieved for the fourth quarter, demonstrating the scalability of the technology platform, with monthly Adjusted EBITDA profitability expected by end of 2023, in line with longstanding guidance.

Q4 2022 Financial & Operational Highlights (2/2)

Development of AUA since Inception (£bn)



Development of ARR Revenue since Inception (£m)



1m

Registered
Customers
Dec 2022

273k

Active
Customers
Dec 2022

183k

Invested
Customers
Dec 2022

£3bn

Assets under
Administration
Dec 2022

£18m

LTM
Revenue
Dec 2022⁽¹⁾

£20m

Annual Run Rate
Revenue
Dec 2022

97%

Customer
Retention Rate
Dec 2022

Business Updates to further our Strategic Goals (1/2)

1 Efficient investment in customer acquisition and brand awareness

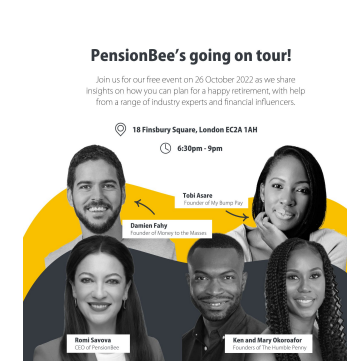
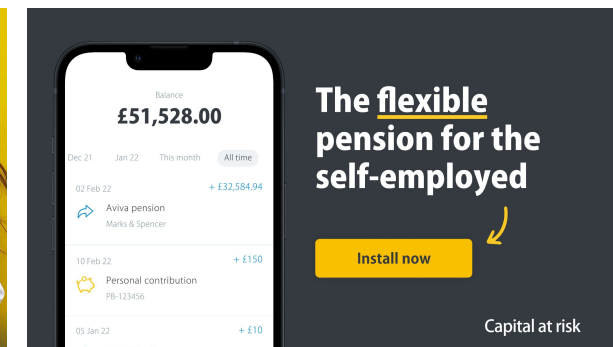
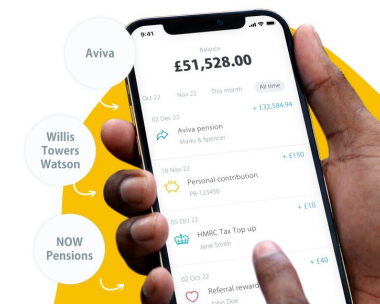
- Overall marketing budget of £16.6 million deployed for the year, with seasonally reduced expenditure across the fourth quarter as expected
- Household brand name status achieved with prompted brand recognition of >50%⁽¹⁾

2 Leadership in product innovation

- Impact Plan launching to existing customers and subsequently to wider market; plan offers a portfolio with 200-300 companies helping to solve the world's greatest social and environmental challenges (as identified by the United Nations Sustainable Development Goals)
- Regular withdrawal functionality in use with customer tester group
- Tax relief calculator to help customers make the most of their pension contributions in the run up to 2022/2023 tax year-end launching imminently



Simplify your pension with PensionBee

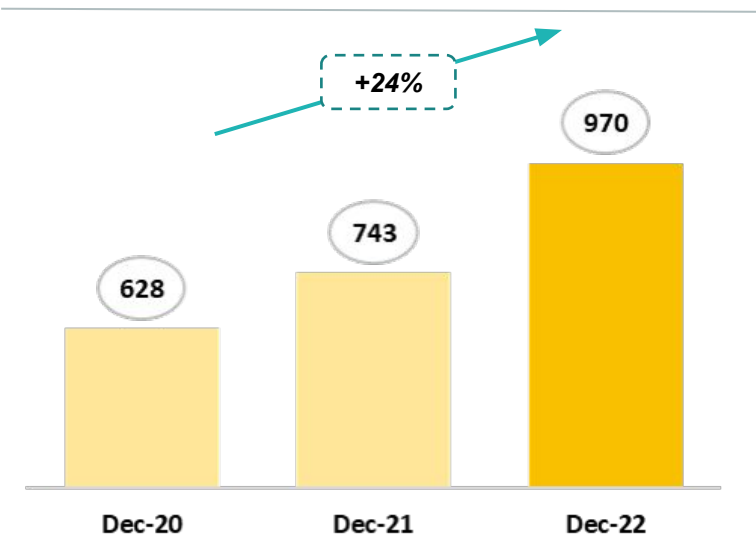


(1) PensionBee brand tracker, January 2023. Prompted brand awareness measured through a consumer survey asking 'Which of the following have you heard of?' with respect to UK financial services brands: Aviva 83%, Scottish Widows 77%, Standard Life 66%, Royal London 55%, PensionBee 52%, Hargreaves Lansdown 36%, Vanguard 32%, Fidelity 30%, Nutmeg 30%, AJ Bell 21%, Interactive Investor 9%.

Business Updates to further our Strategic Goals (2/2)

- 3 Continued investment in and development of an industry leading technology platform
 - Continued growth in productivity metric of Invested Customers per Staff Member demonstrating efficiency
 - Onboarding of additional electronic transfer platform, enabling efficient transfers with a top-10 provider previously undertaken through paperwork
 - Annual programme of information security completed successfully
- 4 Continued focus on excellent customer service
 - High customer retention of 97%, driving recurring revenue
 - Strong pick up rates and support times for customers
 - Excellent Trustpilot rating maintained with over 8,000 reviews
- 5 Continued focus on investment solutions designed for customers
 - Impact Plan launching and poised for growth

Invested Customers per Staff Member⁽¹⁾



Revenue '000 per Staff Member⁽¹⁾

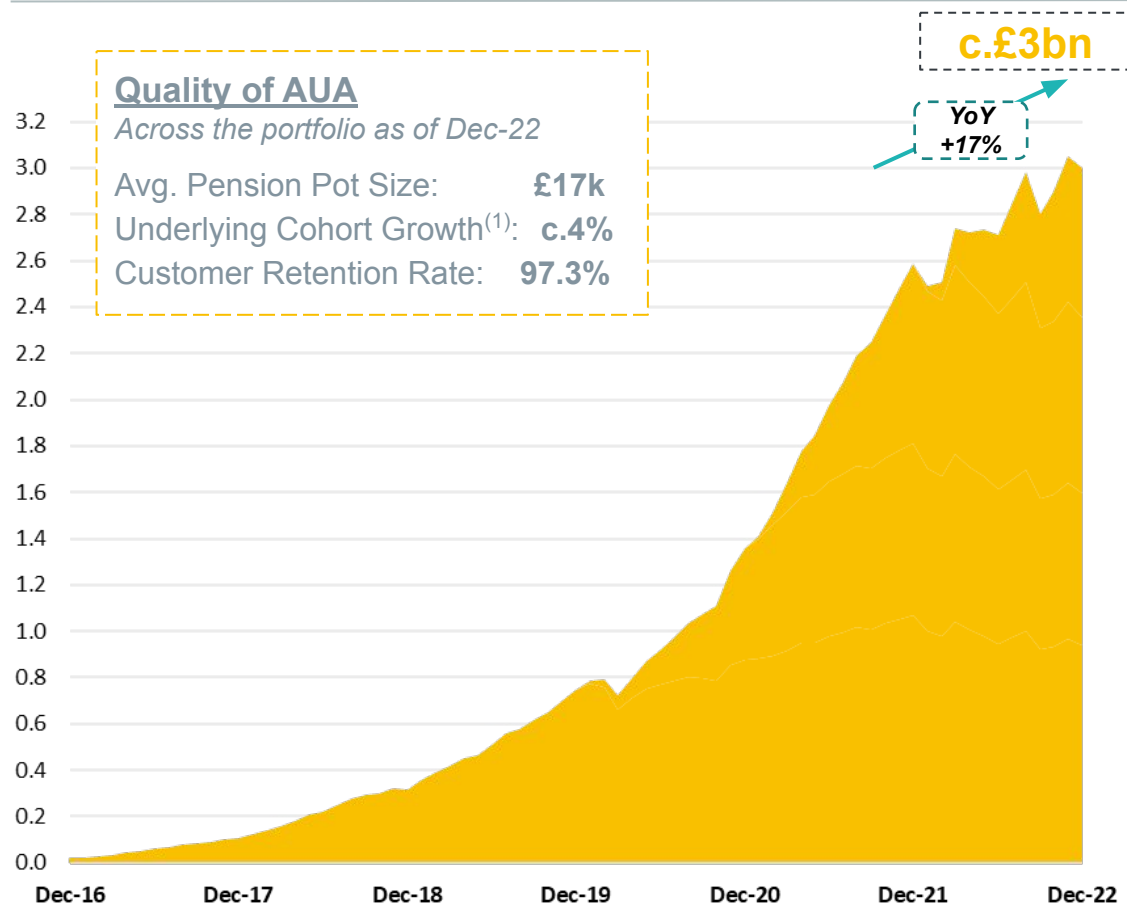


2 Financial Update

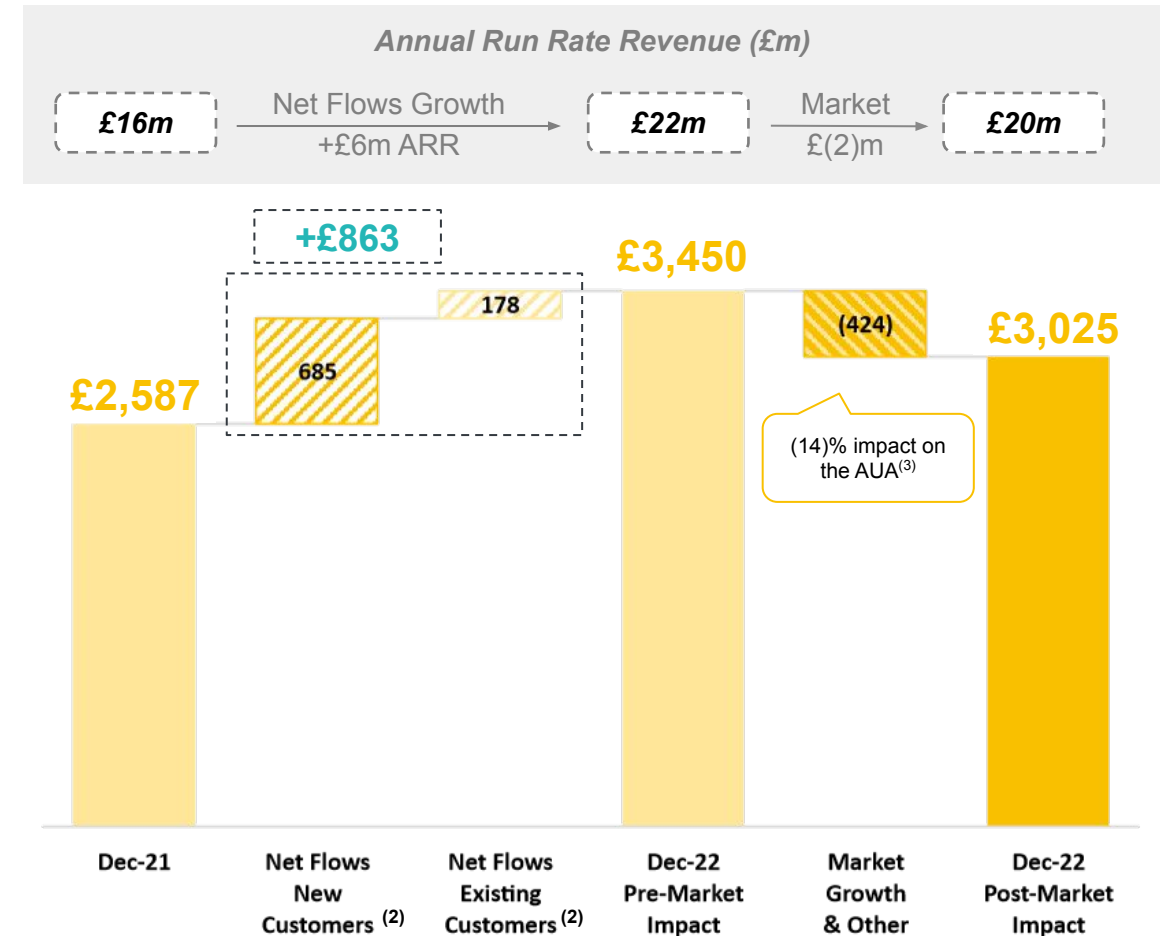
AUA Growth Driven by New and Existing Customers

High customer retention and strong continuous net flows generate attractive lifetime value

Continuous Compounding of AUA (£bn)

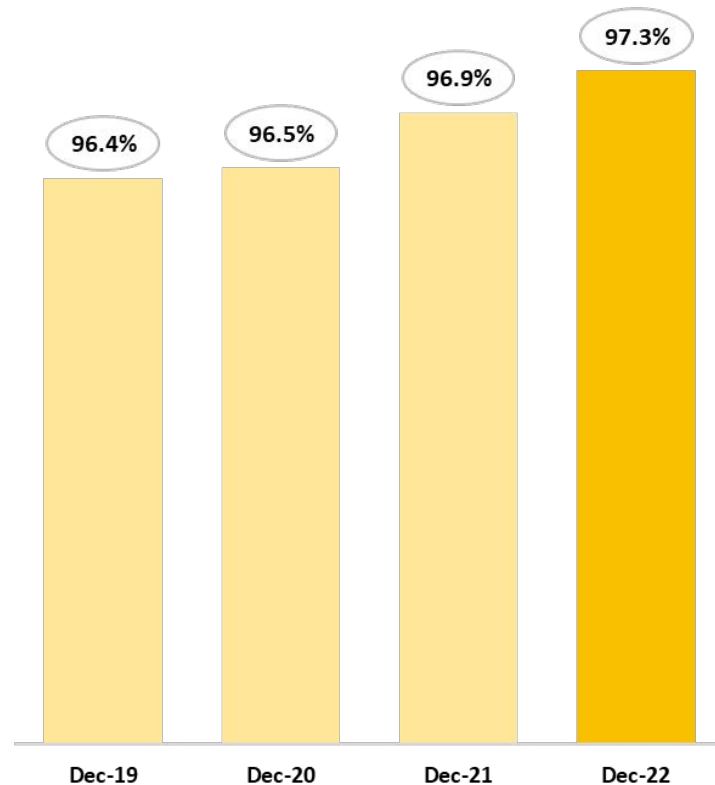


Strong Net Flows from New & Existing Customers⁽²⁾ (£m)

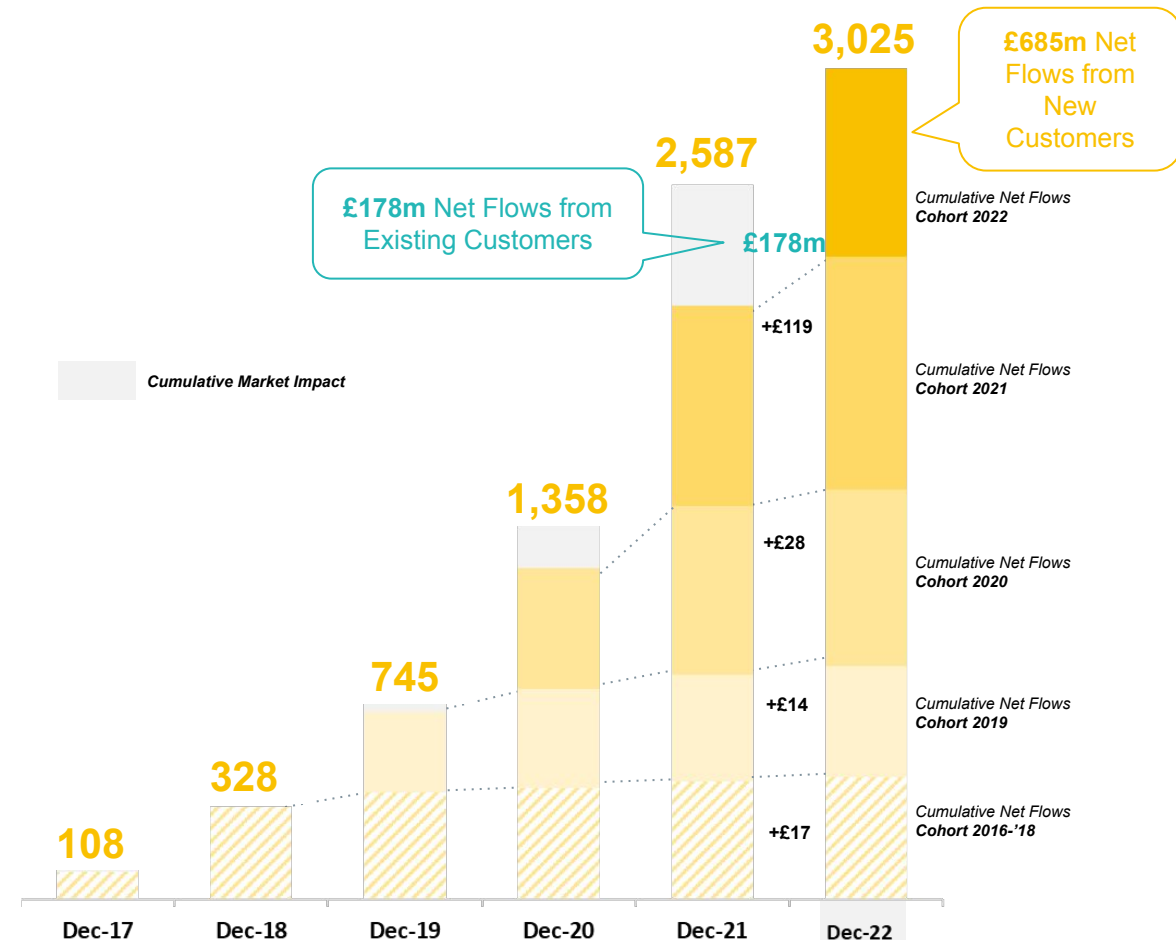


High Retention Rate Generates Compounding AUA

Customer Retention Rate⁽¹⁾ (%)



Net Flows⁽²⁾ by Customer Cohorts (£m)

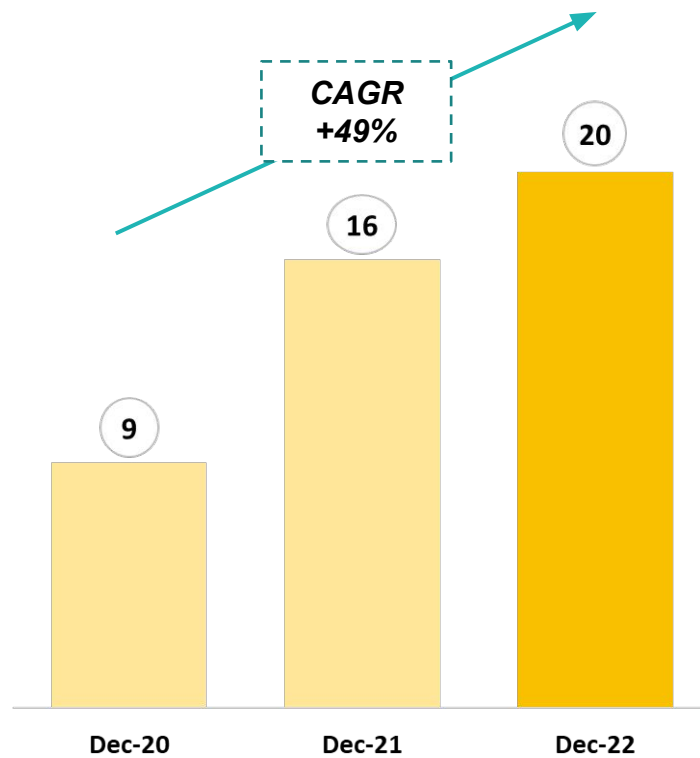


Scalability Generates Operating Leverage

Resilient revenue margin combined with scalable technology platform achieves operating leverage over time

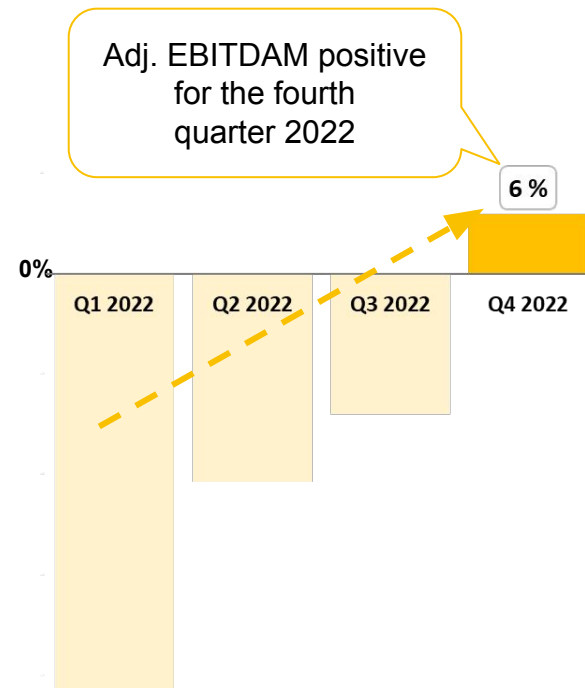
Resilient Gross Revenue Margin of 69 bps

Annual Run Rate Revenue (£m)

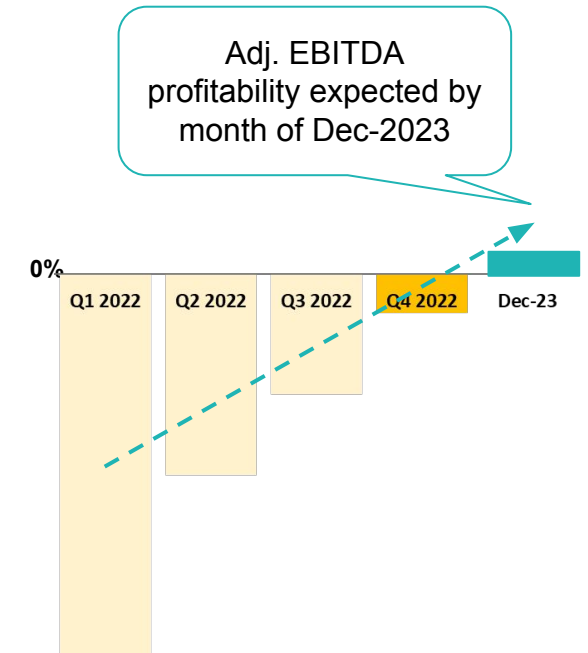


Scalable Technology Platform Drives Margin Improvement

Adj. EBITDAM Margin (%)⁽¹⁾



Adj. EBITDA Margin (%)⁽²⁾

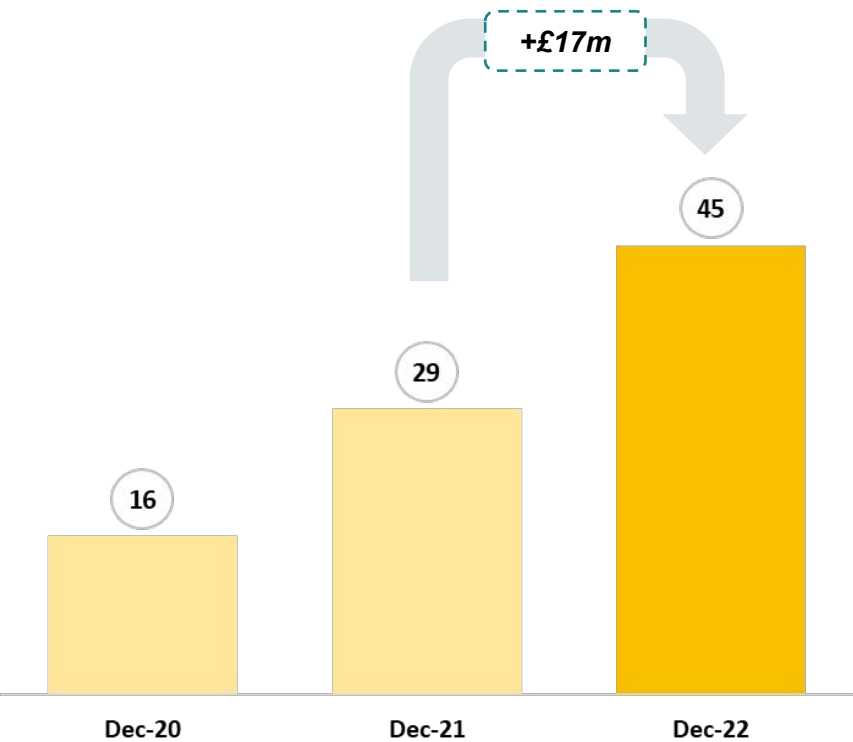


Disciplined Marketing Investment Drives Healthy Growth

Data-driven acquisition approach has enabled scaled-up marketing investment

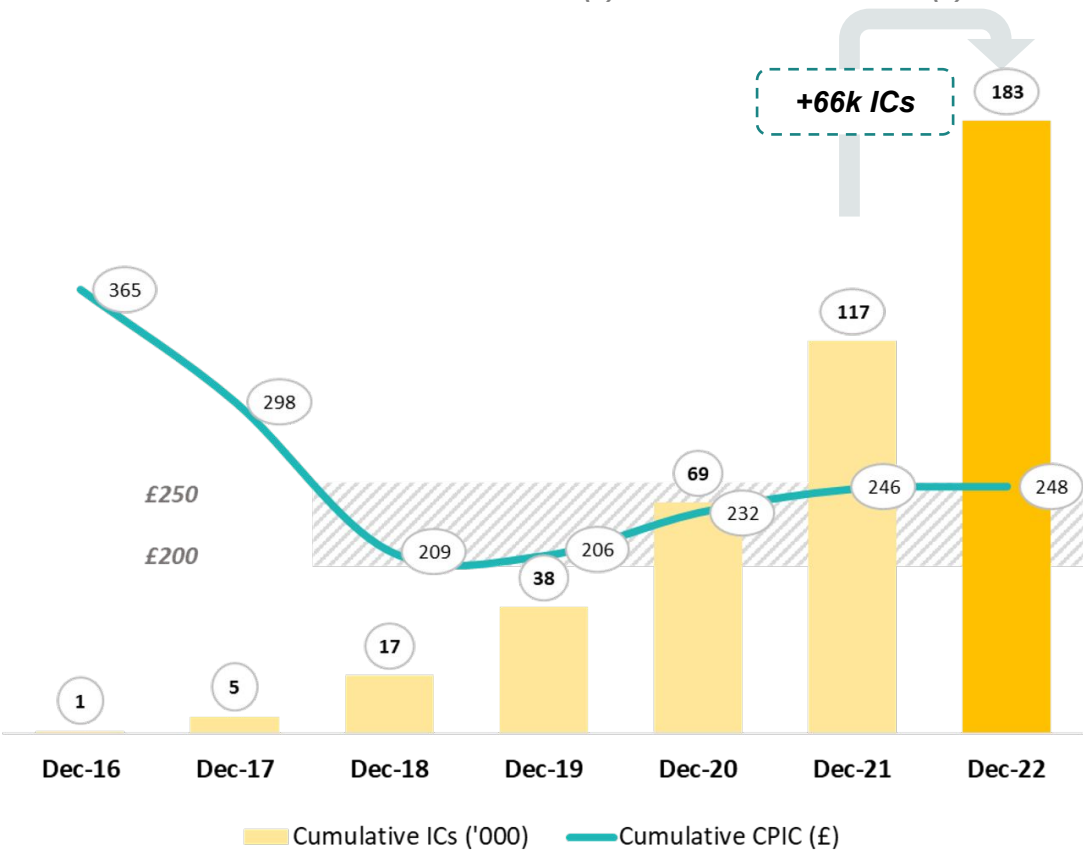
PensionBee Continues to Scale up Marketing Investment

Cumulative Marketing Expenditure (£m)⁽¹⁾



Whilst Maintaining Cost Discipline

Cumulative Invested Customers (k) and Cumulative CPIC (£)⁽²⁾








(1) Cumulative Marketing Expenditure since FY2015

(2) Cumulative CPIC is defined as the cumulative marketing and advertising costs incurred by PensionBee since FY2015 up until the relevant point in time, divided by the cumulative number of Invested Customers at that point in time

3 Outlook

2022 Guidance & Objectives

Metric	Guidance	2022
Revenue Growth	High double digit revenue growth expected in the short-term. Range of global market scenarios place 2022 revenue expectations in the £17-£18m range.	
Gross Revenue Margin & Money Manager Fees	To remain consistent with historical levels as a proportion of revenue over the medium term.	
Tech Platform & Other Costs	Targeting around 30% of revenue in the medium to long term. Monthly Adj. EBITDAM profitability by end of 2022, considering a range of global market scenarios.	
Marketing Costs	Current expectation for 2022 is approximately £17m. Flexibility to keep adjusting future marketing investment in line with global capital market conditions to balance achievement of profitability objectives and optimisation of growth in medium to long term.	
Break-even Point & Profitability on Adj. EBITDA Margin ⁽¹⁾	Monthly break-even expected to be achieved on an Adj. EBITDA basis by the end of 2023 with adj. EBITDA margin targets of 25-35% in the medium term and 50%+ in the long term.	

2023 Guidance Framework

Objective	Long Term (5 years+)	Short to Medium Term (next 5 years)
Revenue	<ul style="list-style-type: none"> Pursuing a c.2% market share of the substantial £700bn UK DC pensions target market over the next 5-10 years. Equivalent to c.1m Invested Customers (assuming an average pension pot size of £20,000-£25,000). Expect to maintain relative revenue margin stability, translating into a long term annual Revenue opportunity of c.£150m. 	<ul style="list-style-type: none"> Having achieved household brand name status, continue appealing to the mass market and competing to acquire more new customers with excellent product offering and personalised customer service. Focus on enabling customers to grow their pension balances. Aim to deliver superior and sustained annual revenue growth, underscoring the strength of PensionBee's strategy and execution capability.
Profitability	<ul style="list-style-type: none"> Targeting long-term EBITDA margins of over 50%, leveraging the scalability of the technology platform. 	<ul style="list-style-type: none"> Expect to achieve ongoing Adjusted EBITDA profitability by the end of 2023 and to be profitable for the full year 2024. Will achieve this by steadily continuing to reduce the Cost per Invested Customer and focusing on the scalability of PensionBee's technology platform through further automation.

Key Investment Highlights

- 1 Online Personal Pension Provider with Innovative Customer Offering
- 2 £700bn DC Pension Target Market underpinned by Structural Growth Drivers
- 3 Growing Brand Awareness through Multi-Channel, Data-led Customer Acquisition Activities
- 4 Scalable Technology Platform Developed over past decade underpins Sustainable Competitive Advantage
- 5 High Retention generates Long Term, Recurring Revenue Growth & Cash Flow Generation
- 6 Committed & Experienced Senior Leadership with Strong Ownership Culture
- 7 Demonstrable Leadership in Environmental, Social & Governance Factors

Further Updates

- FY2022 full-year results announcement on Thursday 16 March 2023
- Publication of FY2022 annual report on Thursday 13 April 2023
- Q1 2023 trading update announcement on Thursday 20 April 2023
- Annual General Meeting on Thursday 18 May 2023

FY 2022 Highlights

KPIs		As at Period End			
		Dec-2020	Dec-2021	Dec-2022	YoY
AUA	(£m)	1,358	2,587	3,025	17%
AUA Retention Rate	(% of AUA)	96%	96%	97%	Stable
Registered Customers	('000)	403	658	986	50%
Active Customers	('000)	119	172	273	59%
Invested Customers	('000)	69	117	183	56%
Customer Retention Rate	(% of IC)	97%	97%	97%	Stable
Cost per Invested Customer	(£)	232	246	248	Within Threshold
Same-year RC: IC conversion	(%)	17%	18%	19%	+1ppt
Contractual Revenue Margin	(% of AUA)	0.69%	0.69%	0.69%	Stable

Financials ⁽¹⁾		Over the 12-month Period Ending			
		Dec-2020	Dec-2021	Dec-2022	YoY
Revenue	(£m)	6	13	18	38%
Annual Run Rate (ARR) Revenue ⁽²⁾	(£m)	9	16	20	20%
Adjusted EBITDA	(£m)	(10)	(16)	(19)	(19)%
Adjusted EBITDA Margin	(% of Revenue)	(166)%	(129)%	(110)%	+19ppt

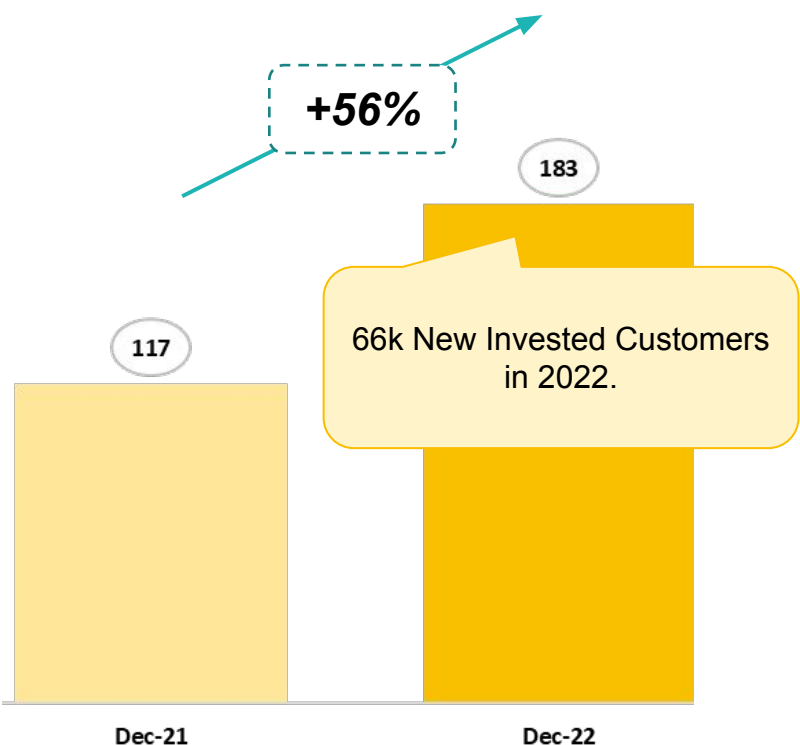
Levels of AUA		Over the 12-month Period Ending			
		Dec-2020	Dec-2021	Dec-2022	YoY
Opening AUA	(£m)	745	1,358	2,587	91%
Gross Inflows	(£m)	593	1,099	1,060	(4)%
Gross Outflows	(£m)	(70)	(145)	(197)	36%
Net Inflows	(£m)	523	955	863	(10)%
Market Growth and Other	(£m)	90	275	(424)	n/m
Closing AUA	(£m)	1,358	2,587	3,025	17%

4 Appendix

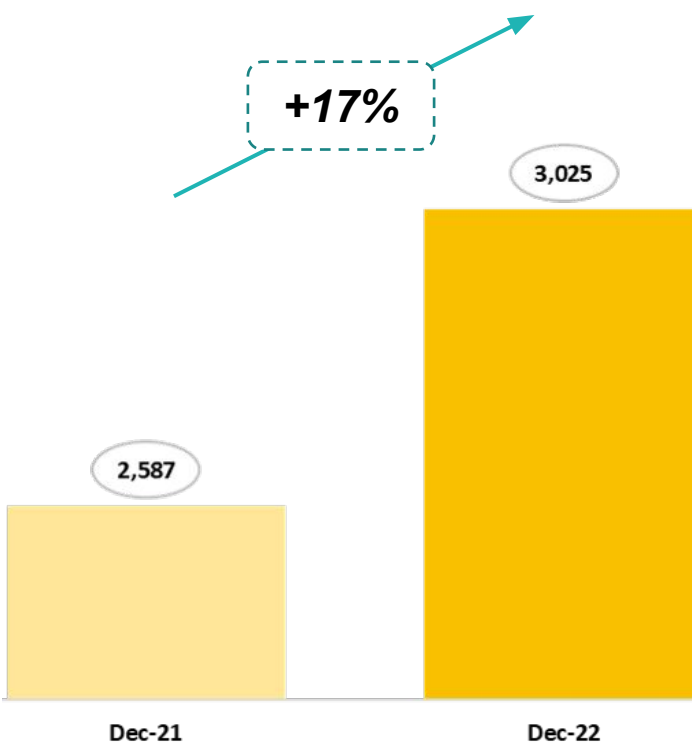
PensionBee's Growth Story

Significant growth achieved across Customers, AUA and Revenue

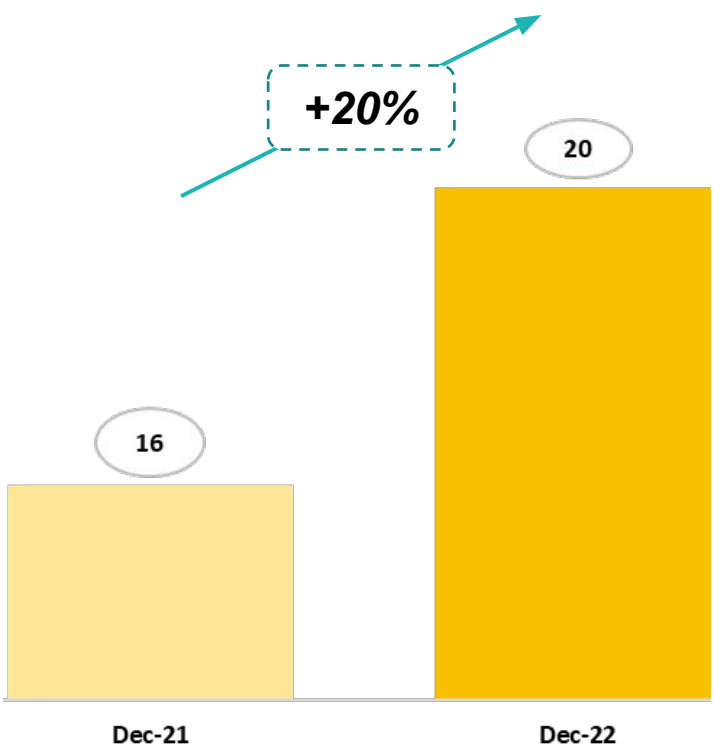
Growth in Invested Customers (000s)



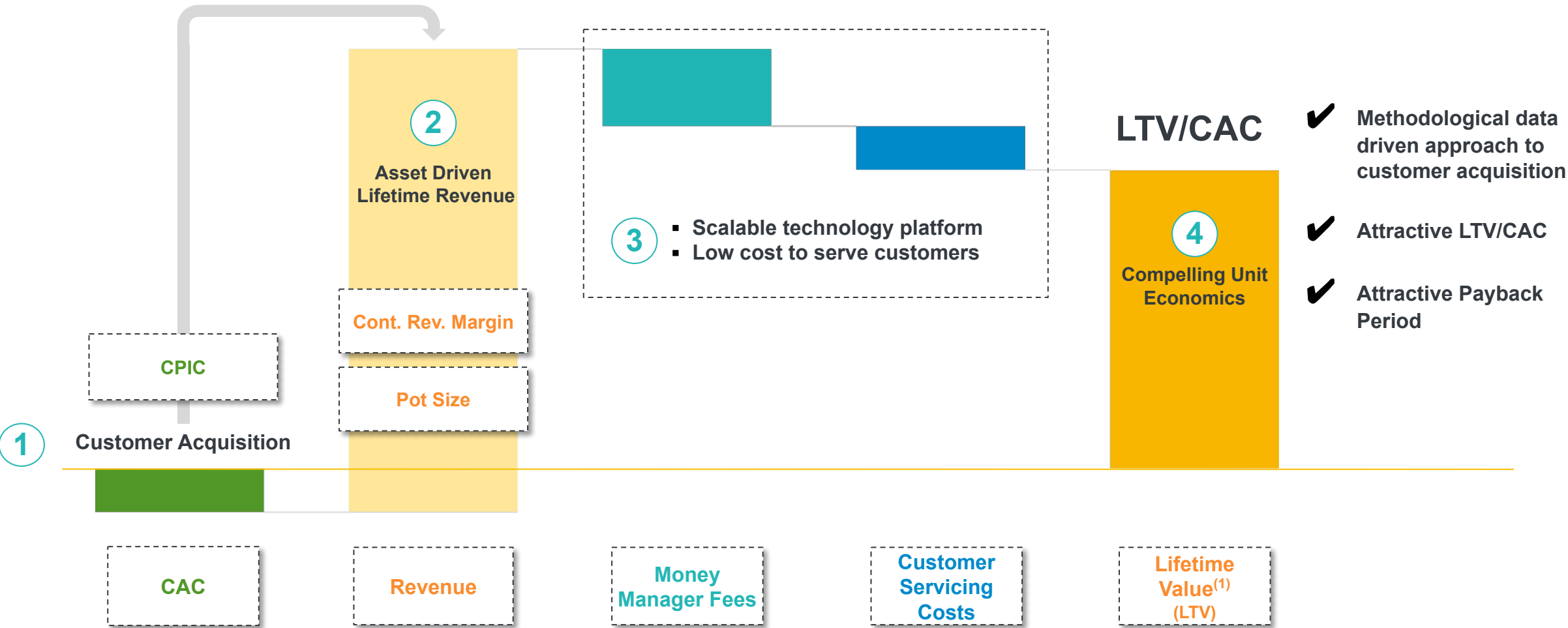
Translates into Increasing AUA Base (£m)



Which Drives ARR Revenue (£m)



Illustrative Unit Economics Demonstrate Lifetime Revenue Profile



Glossary

Assets under Administration (AUA)	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.
AUA Retention Rate (% of AUA)	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.
Registered Customers (RC)	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. <i>Note: This metric will be retired from the Company's ongoing regular reporting framework for the FY2023 onwards, with a continued focus on the Invested Customer metric.</i>
Active Customers (AC)	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. <i>Note: This metric will be retired from the Company's ongoing regular reporting framework for the FY2023 onwards, with a continued focus on the Invested Customer metric.</i>
Invested Customers (IC)	Invested Customers (IC) means those customers who have transferred pension assets or made contributions into one of PensionBee's investment plans.
Customer Retention Rates (% of IC)	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.
Cost per Invested Customer (CPIC)	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.
Same Year RC:IC Conversion (% of RC)	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. <i>Note: This metric will be retired from the Company's ongoing regular reporting framework for the FY2023 onwards.</i>
Contractual Revenue Margin (% of AUA)	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.
Revenue	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.
Annual Run Rate (ARR) Revenue	Annual Run Rate (ARR) Revenue is calculated using the Recurring Revenue for the relevant month multiplied by 12. <i>Note: This metric will be retired from the Company's ongoing regular reporting framework for the FY2023 onwards.</i>
Adjusted EBITDA	Adjusted EBITDA is the profit or loss for the period before taxation, finance costs, depreciation, share based compensation and transaction costs.
Adjusted EBITDA Margin	Adjusted EBITDA Margin means Adjusted EBITDA as a percentage of Revenue for the relevant period.
Adjusted EBITDAM Margin	Adjusted EBITDAM Margin is the profit or loss for the period before taxation, finance costs, depreciation, share based compensation, transaction costs and marketing as a percentage of Revenue for the relevant period.

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