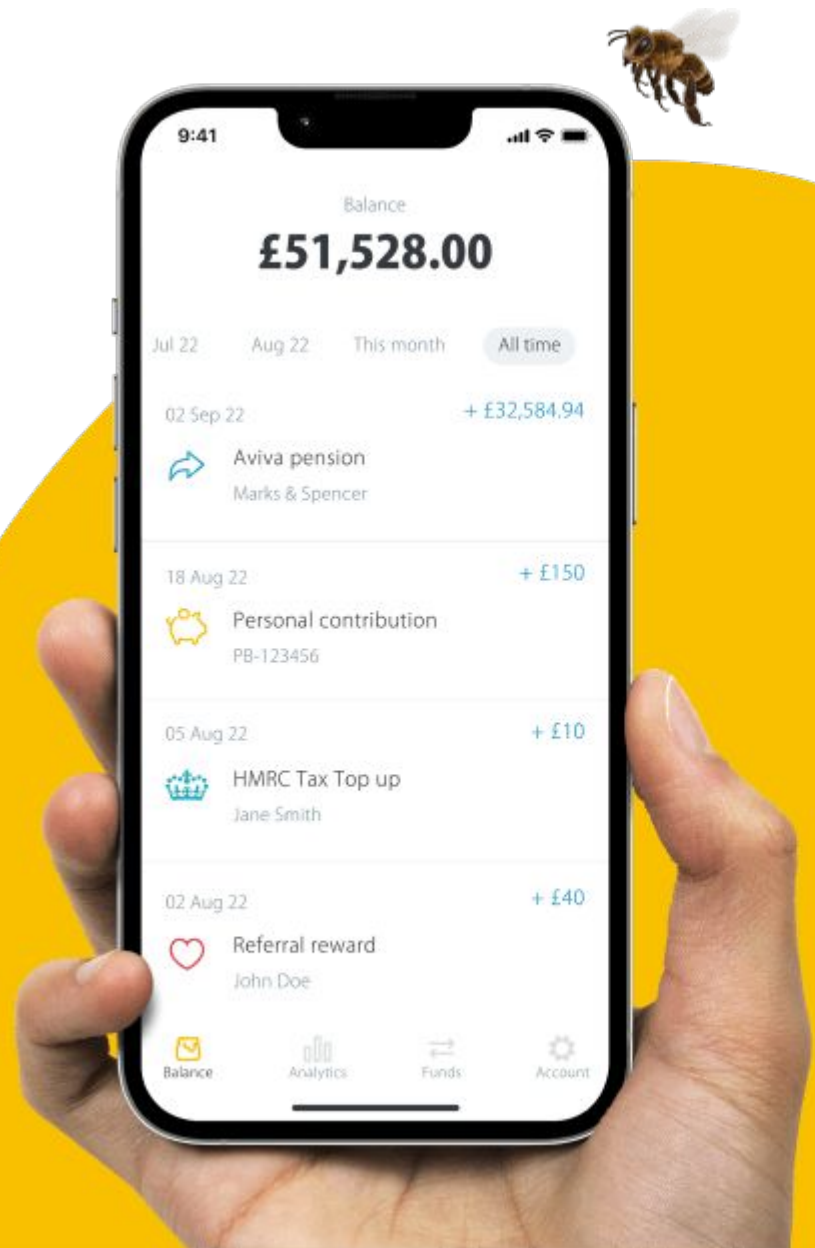




1H 2023 Results Presentation

For the six months to 30 June 2023



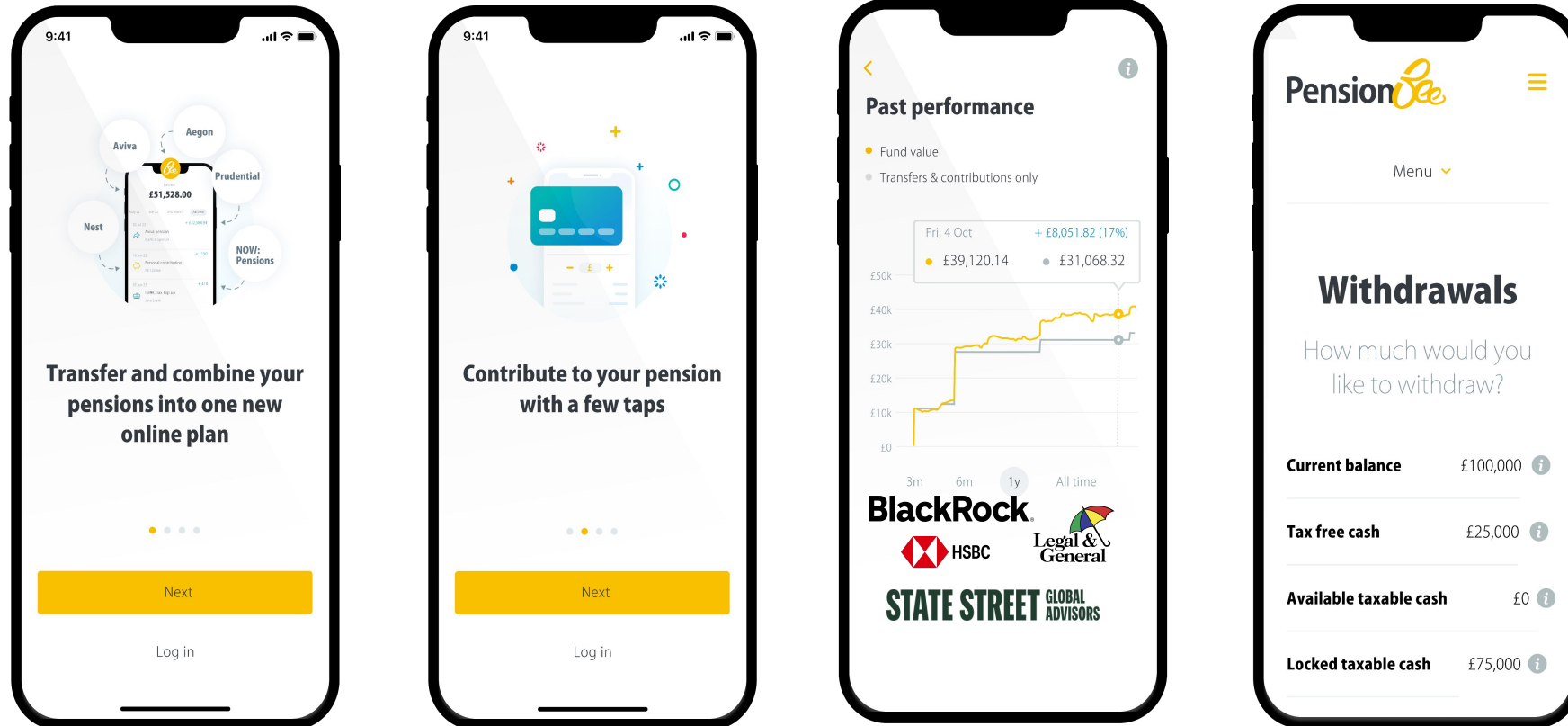
Agenda



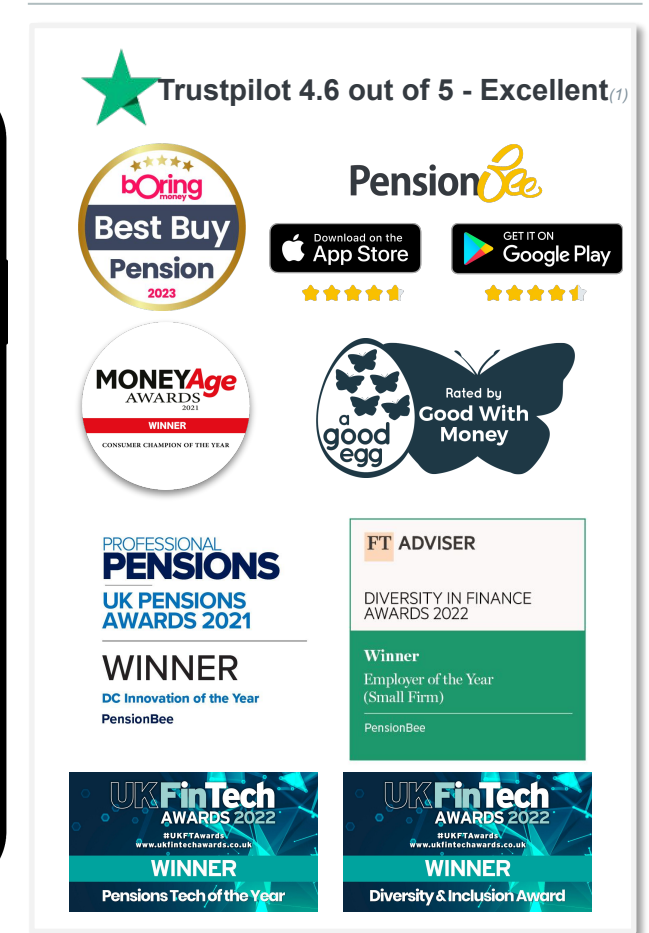
- 1 Overview of 1H 2023
- 2 Financial Update
- 3 Conclusion
- 4 Appendix

1 Overview of 1H 2023

A Leading Online Pension Provider in the UK: Solving Genuine Problems for Consumers



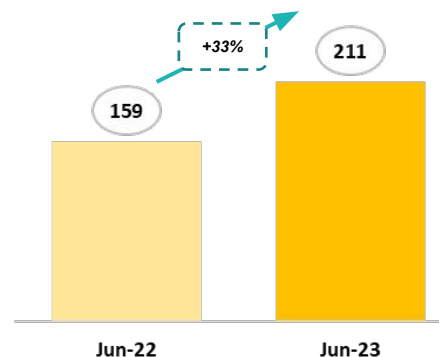
Award-winning offering



(1) Trustpilot score of 4.6★ out of 5 (based on 9,105 reviews) recorded 17.07.23

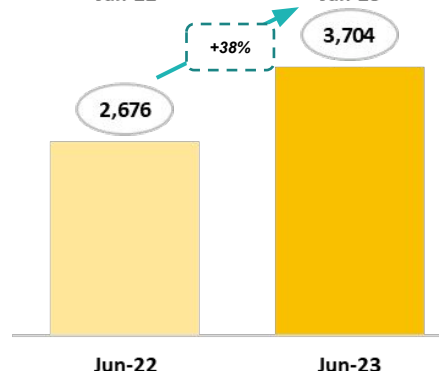
Significant Continued Growth in 1H 2023

Growth in Invested Customers (000s)



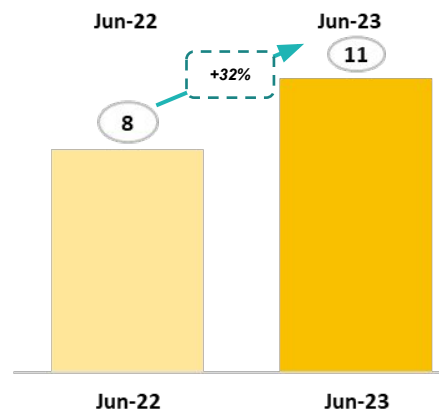
- Excellent momentum in the growth of the customer base
- c.28k new Invested Customers for 1H23
- Overall Invested Customer base now c.211k

Translating into Increasing AUA Base (£m)



- AUA increased by 38% year on year to £3.7bn
- AUA increases driven by strong net flows from new and existing customers
- Consistently strong customer and AUA Retention Rate of c.97%

Driving Revenue Growth (£m)



- Overall Revenue in the first half was £11m
- Year on year growth rate of 32%
- Annualised revenue of £23.3m
- LTM revenue increased by 30% to £20m⁽¹⁾

All figures as at 30 June 2023

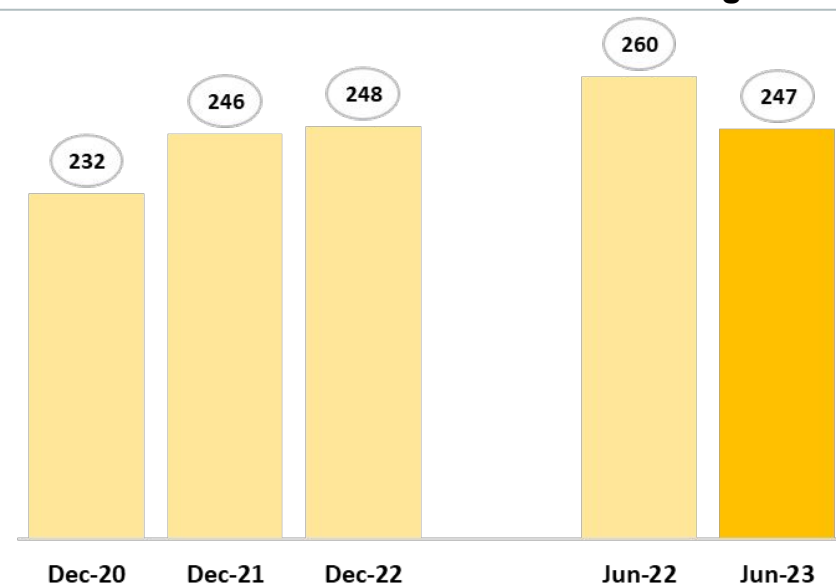
See glossary for definitions

(1) LTM refers to the last twelve months to June 2023 (unaudited)

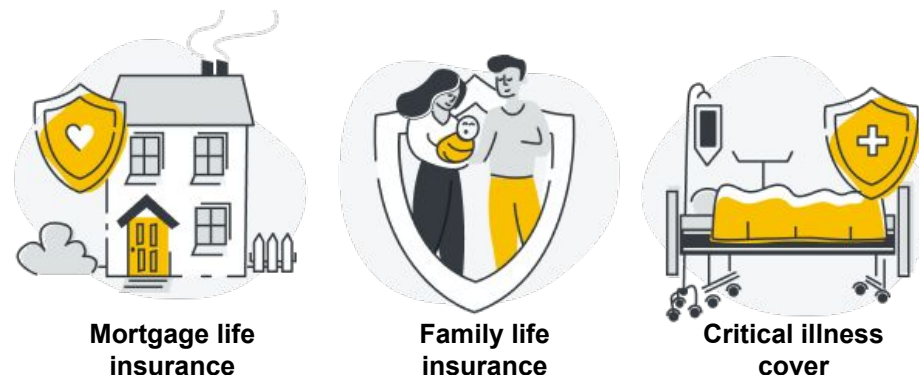
Achievements against our Strategic Goals (1/2)

- 1 Efficient investment in customer acquisition and brand awareness
 - Marketing expenditure of £7m in 1H 2023 supported ongoing household brand name status and new customer growth⁽¹⁾
 - Strong growth in Invested Customers through data-led, multi-channel customer acquisition approach
 - Continued investment in brand awareness through the renewal of our Brentford FC partnership, becoming the left sleeve sponsor of the Men's first team kit, and 'front of shirt' sponsors for the B team, Academy and Women's team kit.
 - Educational initiatives including roadshows, TikTok and podcast broadening appeal
 - Cumulative CPIC⁽²⁾ continues to demonstrate a downward trajectory

Cumulative End of Period CPIC declining⁽²⁾



LifeSearch Partnership Launched



- 2 Leadership in product innovation
 - Free informative content and helpful tools, including state pension age calculator, to attract new customers
 - Launch of in-app content delivering helpful insights to our mobile app users to increase their transfer and saving rates
 - Customised app content currently in production
 - Successful launch of LifeSearch partnership, demonstrating initial positive demand from customers

(1) C. £52 million cumulative marketing expenditure since FY2015.

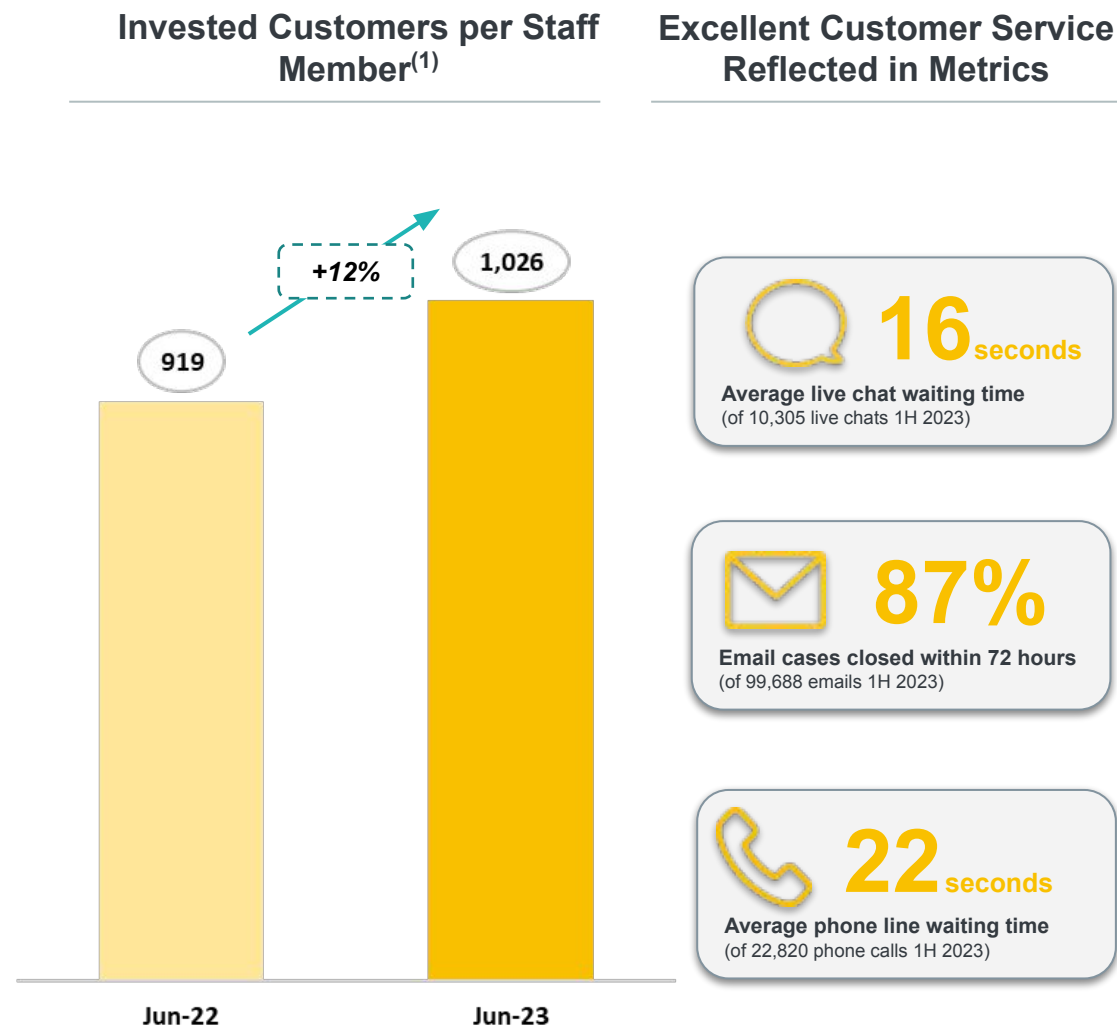
(2) Cumulative CPIC is defined as the cumulative marketing and advertising costs incurred by PensionBee since FY2015 up until the relevant point in time, divided by the cumulative number of Invested Customers at that point in time.

Achievements against our Strategic Goals (2/2)

- 3** Continued investment in and development of an industry leading technology platform
- Consistent focus on automation to support productivity, including streamlining of provider processes, as demonstrated by continued improvement in the Invested Customers per Staff Member metric
 - Ongoing integration of AI into operational processes, including within marketing and software development
 - Developing product-oriented use cases for our data platform to optimise core KPIs
 - Focus on cyber security tooling to maintain best practice

- 4** Continued focus on excellent customer service
- High customer retention of c.97%, driving recurring revenue
 - Rapid pick up times and efficient support delights customers
 - Excellent Trustpilot rating maintained with over 9,000 reviews

- 5** Continued focus on investment solutions designed for customers
- Ongoing engagement with asset managers and customers
 - Continue to monitor value for money from a performance, cost and service perspective



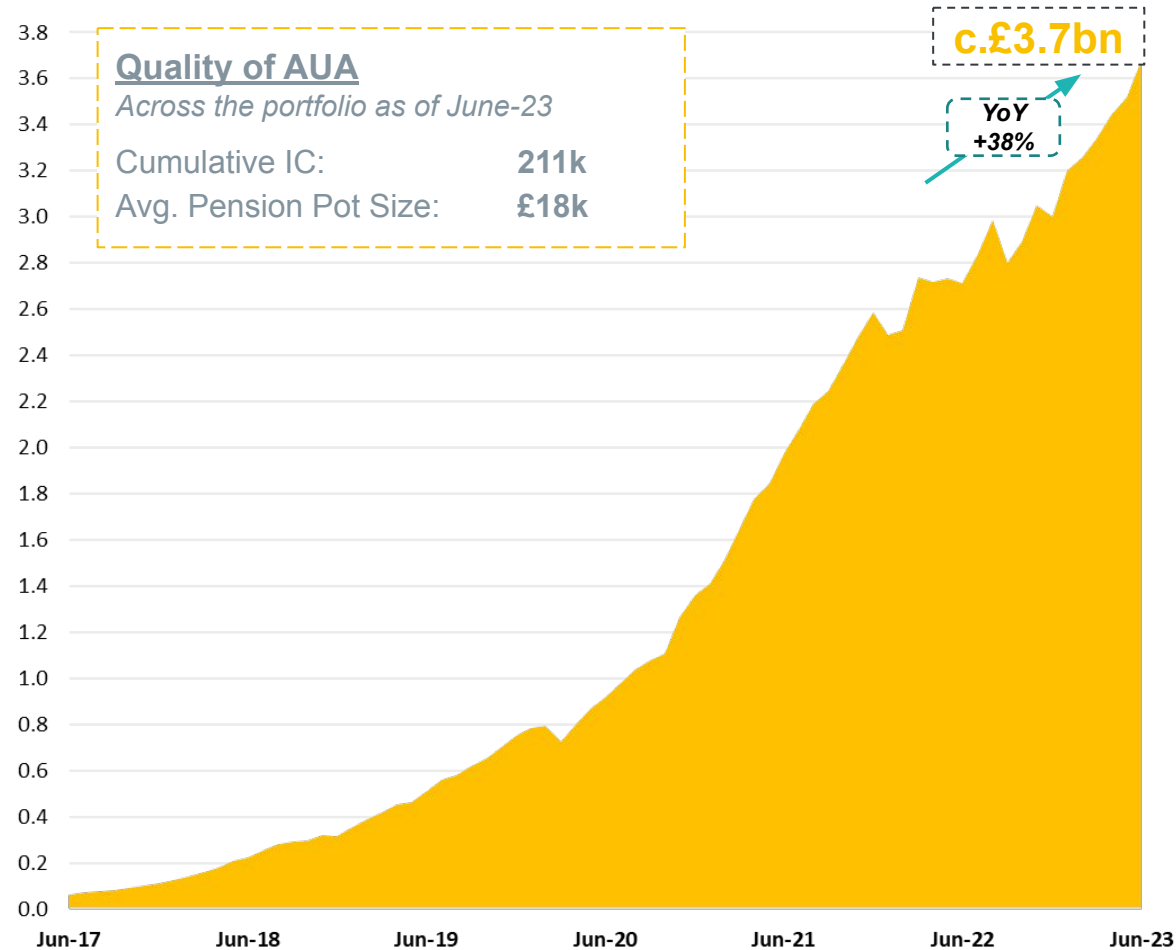
(1) LTM average for total workforce based on management information as at 30 June 2023

2 Financial Update

£700m AUA Growth Driven by New and Existing Customers

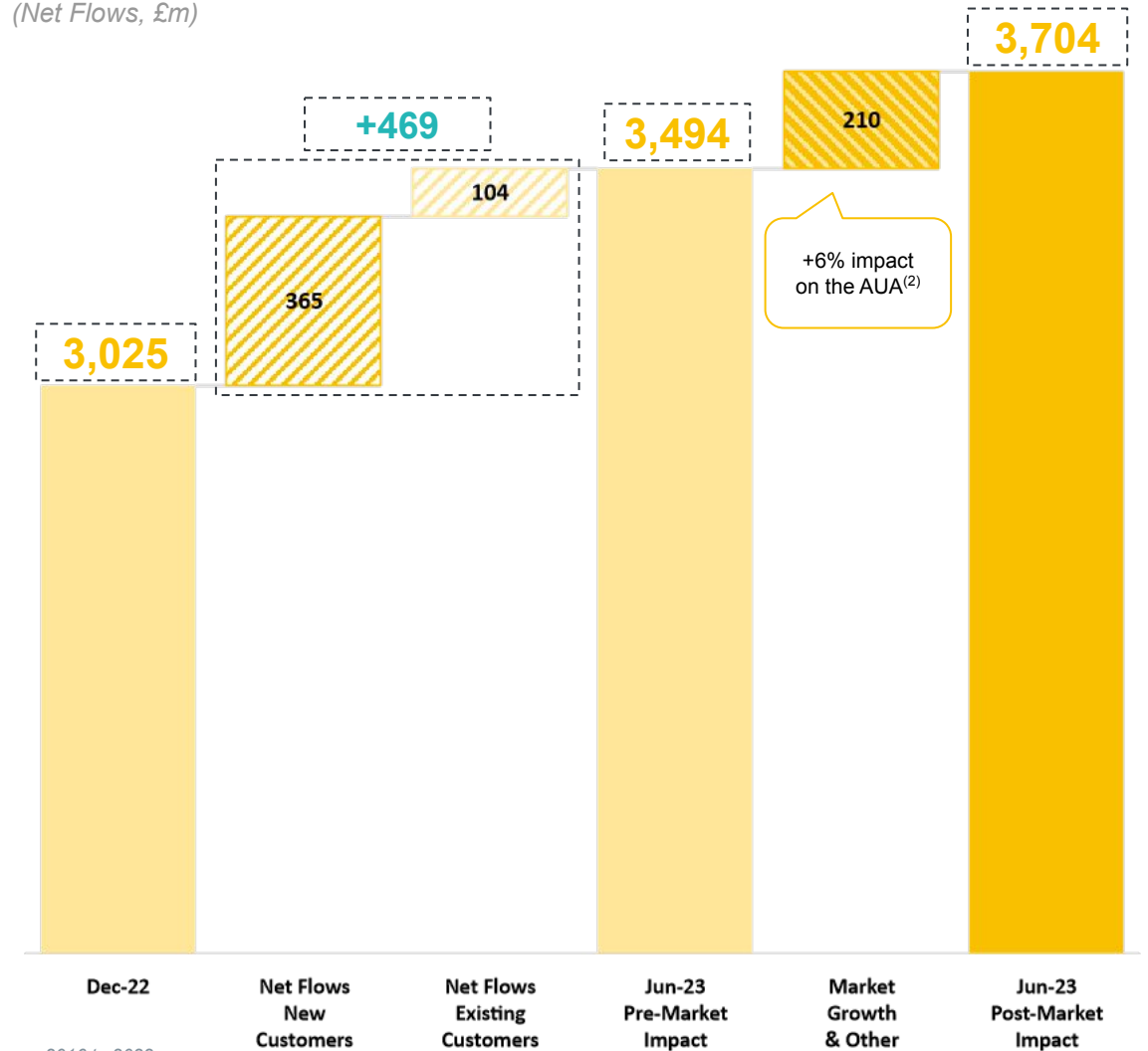
AUA Growth Underpinned by New and Existing Cohorts

(AUA Base, £bn)



Strong Net Flows 1H 2023⁽¹⁾

(Net Flows, £m)



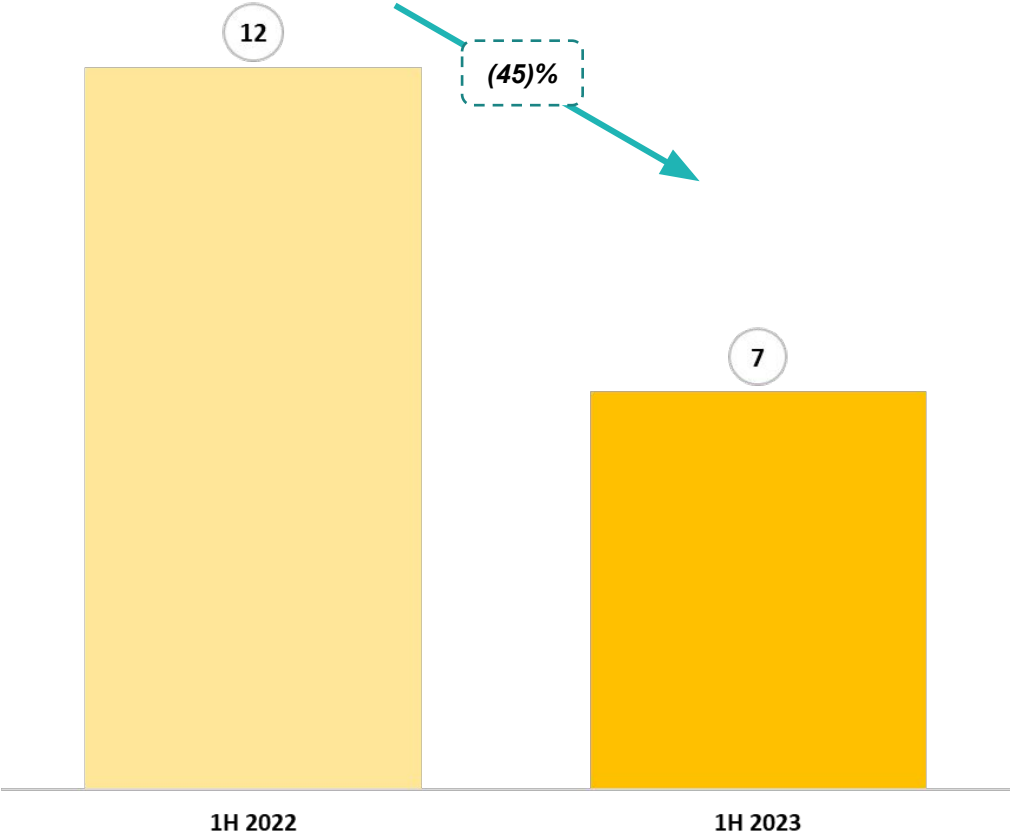
(1) New Customers referring to customers acquired between Jan and Jun-2023 while Existing Customers referring to customers acquired between 2016 to 2022

(2) The market impact on the AUA is based on the average AUA between Dec-22 and (pre-market impacted) Jun-23

Disciplined Marketing Investment Drives Healthy Growth

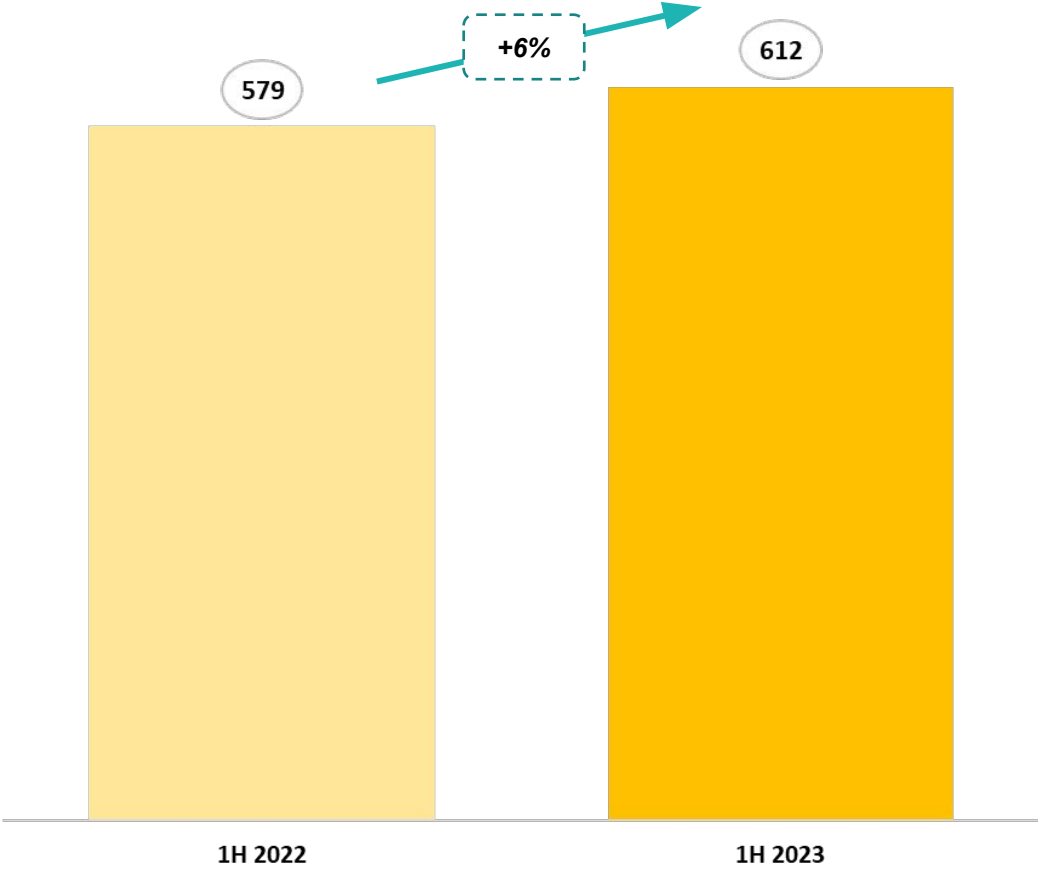
Focus on Marketing Efficiency...

(1H Marketing Expenditure, £m)



... Reflected in Strong Gross Inflows Momentum

(1H Gross Inflows, £m)



(1) inflow of PensionBee AUA from consolidation and contribution ('Gross Inflows')

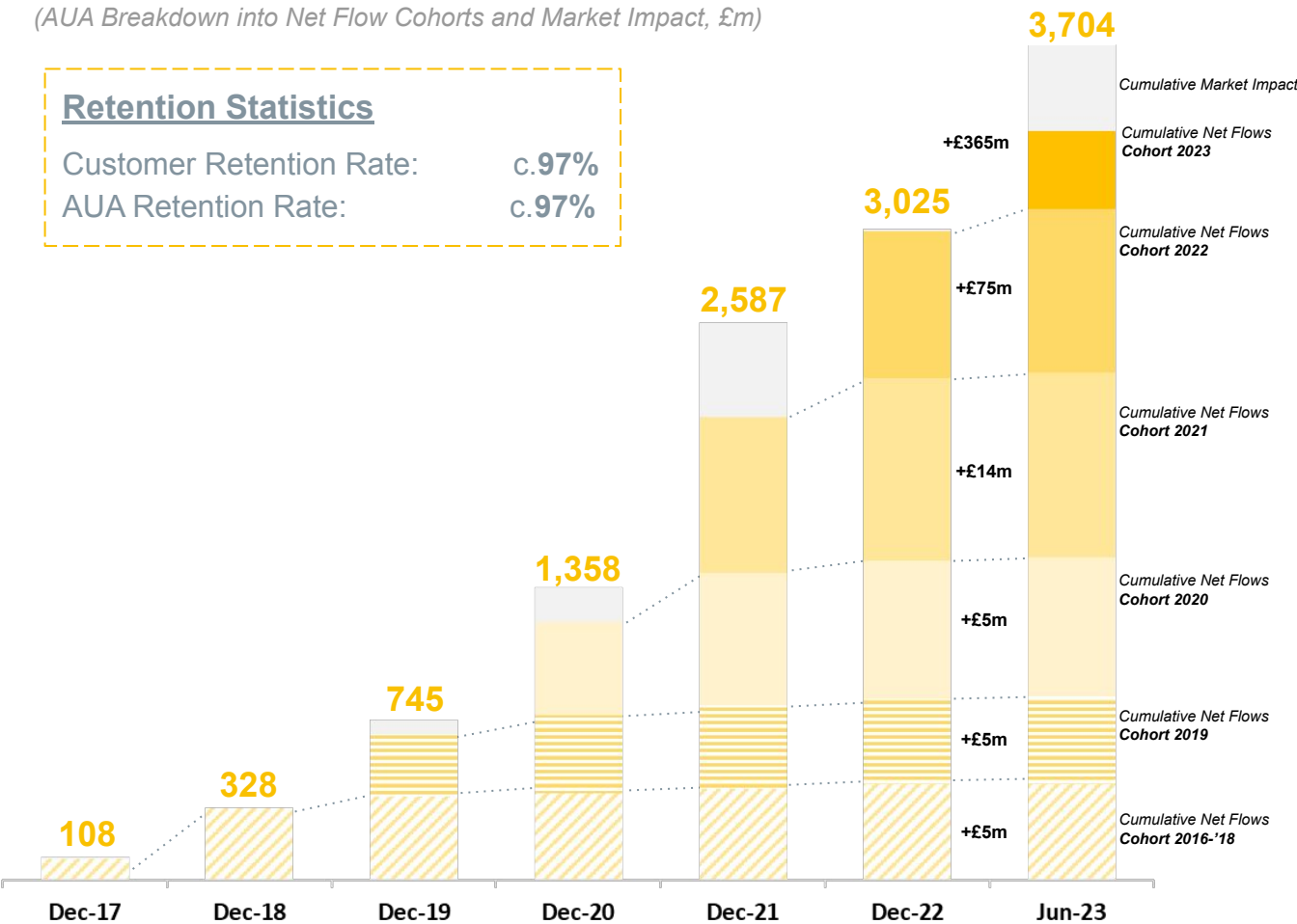
High Retention Rates Compound AUA and Drive Revenue

High Customer and AUA Retention Rates Compound AUA ...

(AUA Breakdown into Net Flow Cohorts and Market Impact, £m)

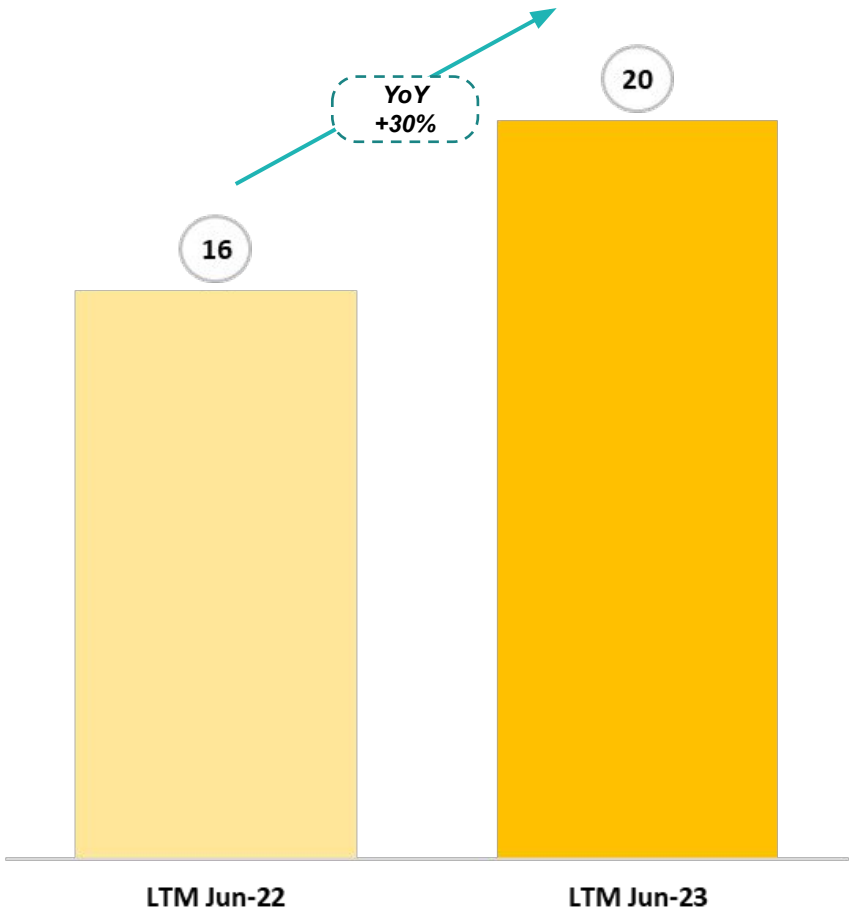
Retention Statistics

Customer Retention Rate: c.97%
AUA Retention Rate: c.97%



... and Drive Recurring Revenue

(LTM Revenue to June⁽³⁾, £m)



(1) New Customers referring to customers acquired between Jan and Jun 2023 while Existing Customers referring to customers acquired between 2016 to 2022

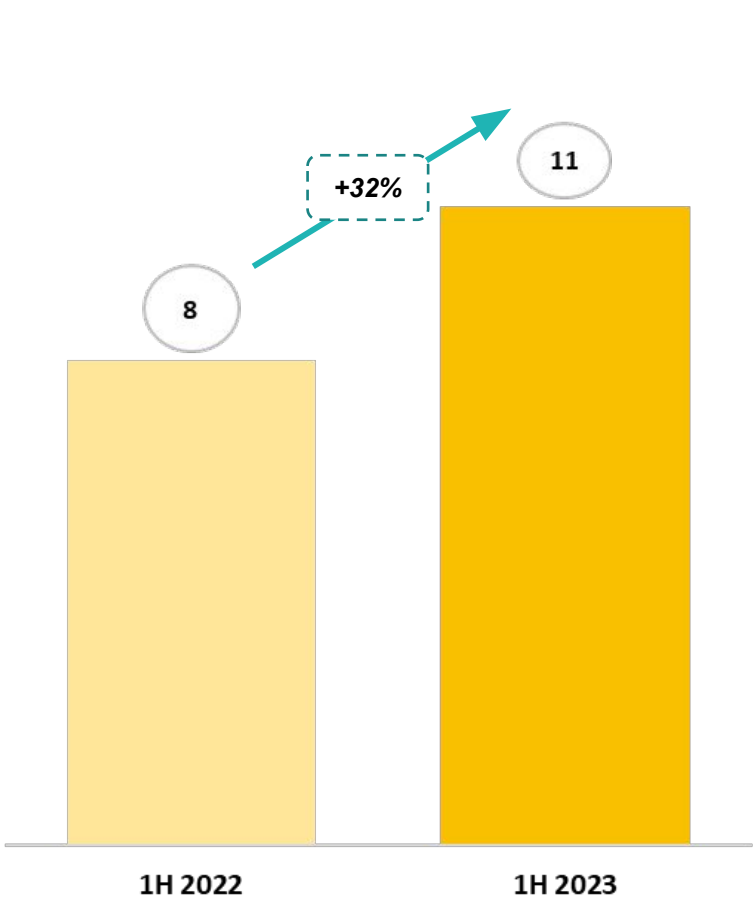
(2) The market impact on the AUA is based on the average AUA between Dec-22 and (pre-market impacted) Jun-23

(3) LTM refers to the last twelve months to June 2022 and June 2023

Scalable Cost Base Creates Strong Position for YE Profitability

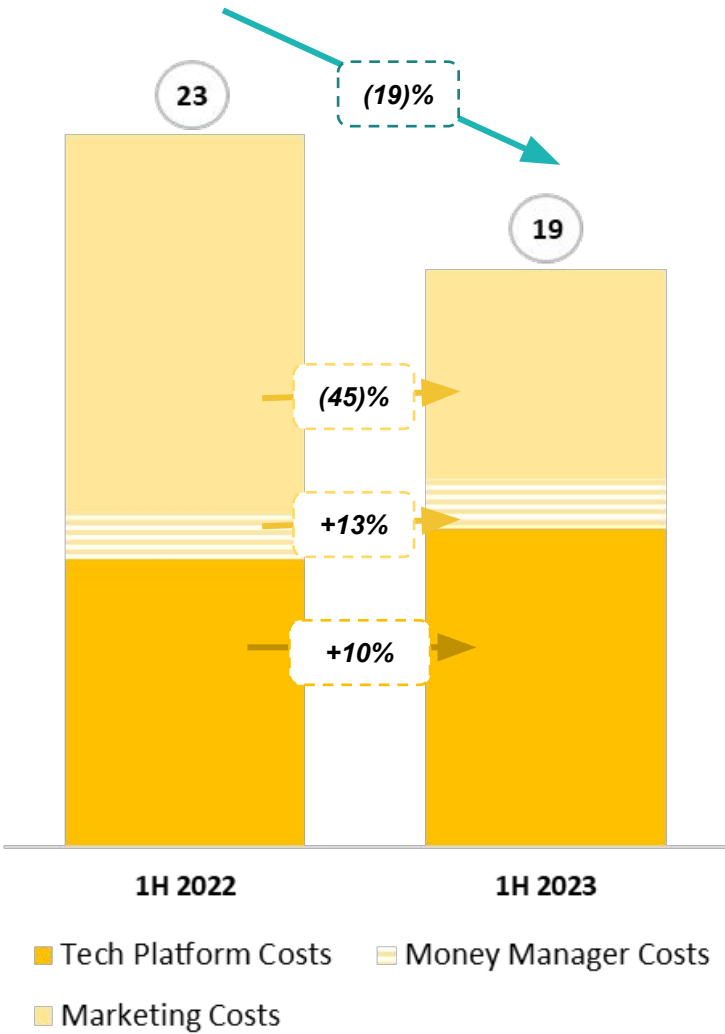
Recurring Revenue ...

(1H Revenue, £m)



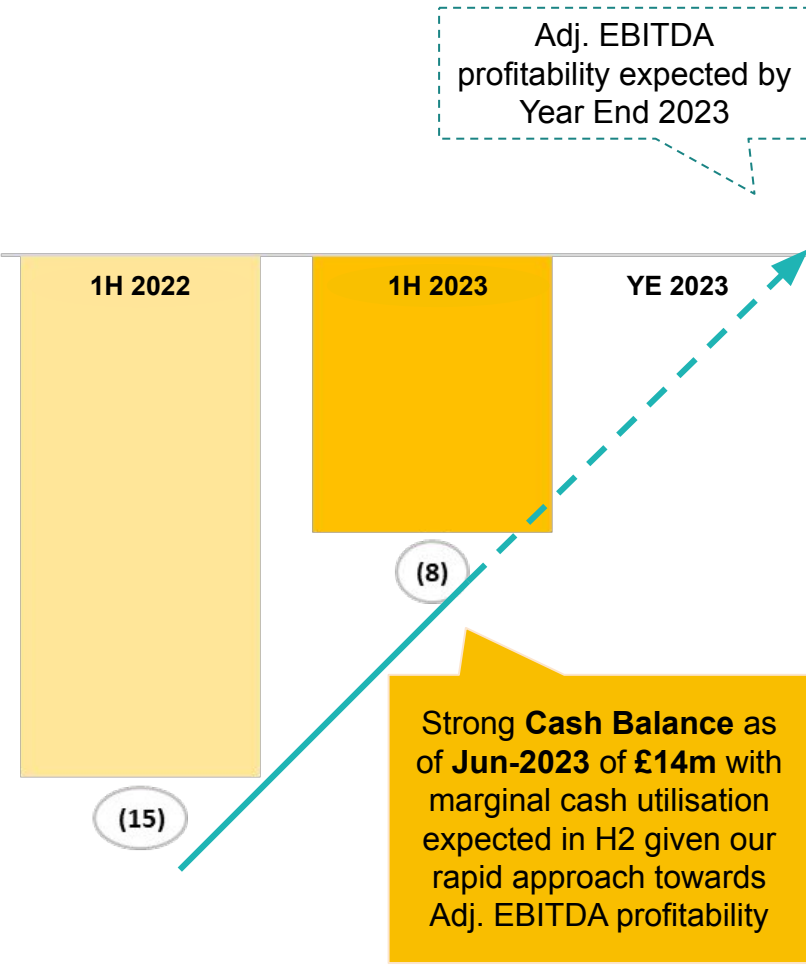
... Coupled with Scalable Cost Base ...

(1H Cost Base, £m)

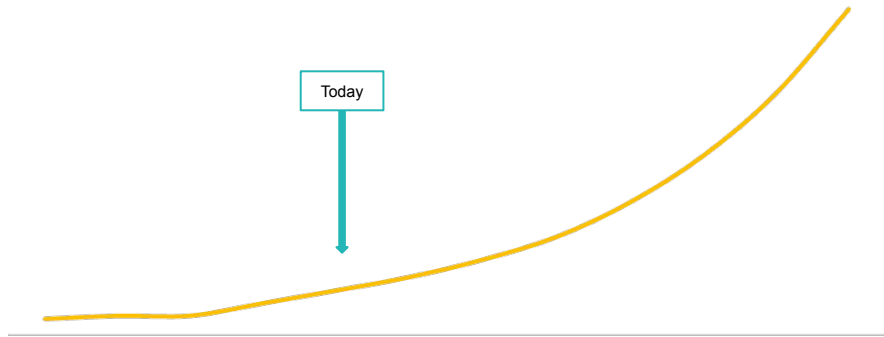
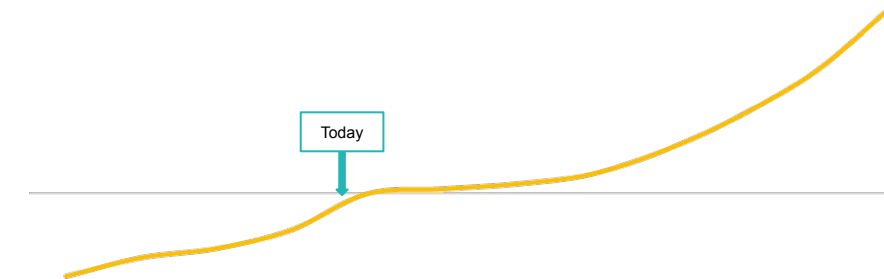


... Creates Strong Position for YE Profitability

(1H Adj. EBITDA, £m)



Expectations of Long Term Growth and Profitability

| Objective | Guidance | Long Term Illustration |
|---------------|--|---|
| Revenue | <ul style="list-style-type: none"> Aim to deliver sustained high annual revenue growth Continue appealing to the mass market and acquiring more new customers and growing customers' pension balances. Pursuing a c.2% market share of the substantial £700bn UK transferable pensions market⁽³⁾ 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. | <p>AUA and Revenue</p>  |
| Profitability | <ul style="list-style-type: none"> Expect to achieve ongoing Adjusted EBITDA⁽¹⁾ profitability by the end of 2023 and to be profitable for the full year 2024. Targeting long-term Adjusted EBITDA⁽¹⁾ margins of over 50%, leveraging the scalability of the technology platform. 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. | <p>Adj. EBITDA Margin (%)</p>  |

(1) Adjusted EBITDA Margin is defined as earnings for the financial year before taxation, finance costs, depreciation, share based compensation and non-recurring items including transaction costs / Revenue

(2) All guidance assumes market recovery by year end FY2023 and relative market stability beyond FY2023

(3) £700bn transferable pensions market figure refers to date over the 2018-2020 period/ mid-point 2019, which is expected to continue to grow - Source: Office of National Statistics, Wealth in Great Britain: Pension Wealth, February 2022.

3 Conclusion

Key Investment Highlights

- 1 A Leading Online Pension Provider: Solving Genuine Problems for Consumers
- 2 £700bn Core Target Market of Transferable Pensions Presents Mass Market Opportunity
- 3 Household Brand Name Supports Effective, Data-led Marketing Strategy to Acquire Customers
- 4 Scalable Technology Platform Developed over Past Decade Underpins Sustainable Competitive Advantage
- 5 Simple, Long-Term Business Model Demonstrates Growth in Recurring Revenue and Margins
- 6 Committed & Experienced Senior Leadership with Strong Ownership Culture
- 7 Purpose-Led Culture with Demonstrable Leadership in Environmental, Social and Governance Factors

Further Updates

- Interim Results 2023 on Thursday 31 August 2023
- 3Q 2023 Trading Update on Thursday 19 October 2023

1H 2023 Highlights

| KPIs | | As at Period End | | |
|----------------------------|------------|------------------|-----------------|------------|
| | | | | |
| | | <u>Jun-2022</u> | <u>Jun-2023</u> | <u>YoY</u> |
| AUA | (£m) | 2,676 | 3,704 | 38% |
| AUA Retention Rate | (% of AUA) | >95% | >95% | Stable |
| Invested Customers | ('000) | 159 | 211 | 33% |
| Customer Retention Rate | (% of IC) | >95% | >95% | Stable |
| Cost per Invested Customer | (£) | 260 | 247 | (5)% |
| Realised Revenue Margin | (% of AUA) | 0.63% | 0.65% | +1bps |

| Financials | | Over the 6-month Period Ending | | |
|------------------------|----------------|--------------------------------|-----------------|------------|
| | | | | |
| | | <u>Jun-2022</u> | <u>Jun-2023</u> | <u>YoY</u> |
| Revenue | (£m) | 8 | 11 | 32% |
| Cost Base | (£m) | 23 | 19 | (19)% |
| Adjusted EBITDA | (£m) | (15) | (8) | (47)% |
| Adjusted EBITDA Margin | (% of Revenue) | (181)% | (73)% | 108ppt |

| Financials | | Over a Trailing 12-month Period Ending | | |
|----------------------------|----------------|--|-----------------|------------|
| | | | | |
| | | <u>Jun-2022</u> | <u>Jun-2023</u> | <u>YoY</u> |
| LTM Revenue | (£m) | 16 | 20 | 30% |
| LTM Adjusted EBITDA | (£m) | (24) | (13) | (47)% |
| LTM Adjusted EBITDA Margin | (% of Revenue) | (152)% | (62)% | 90ppt |

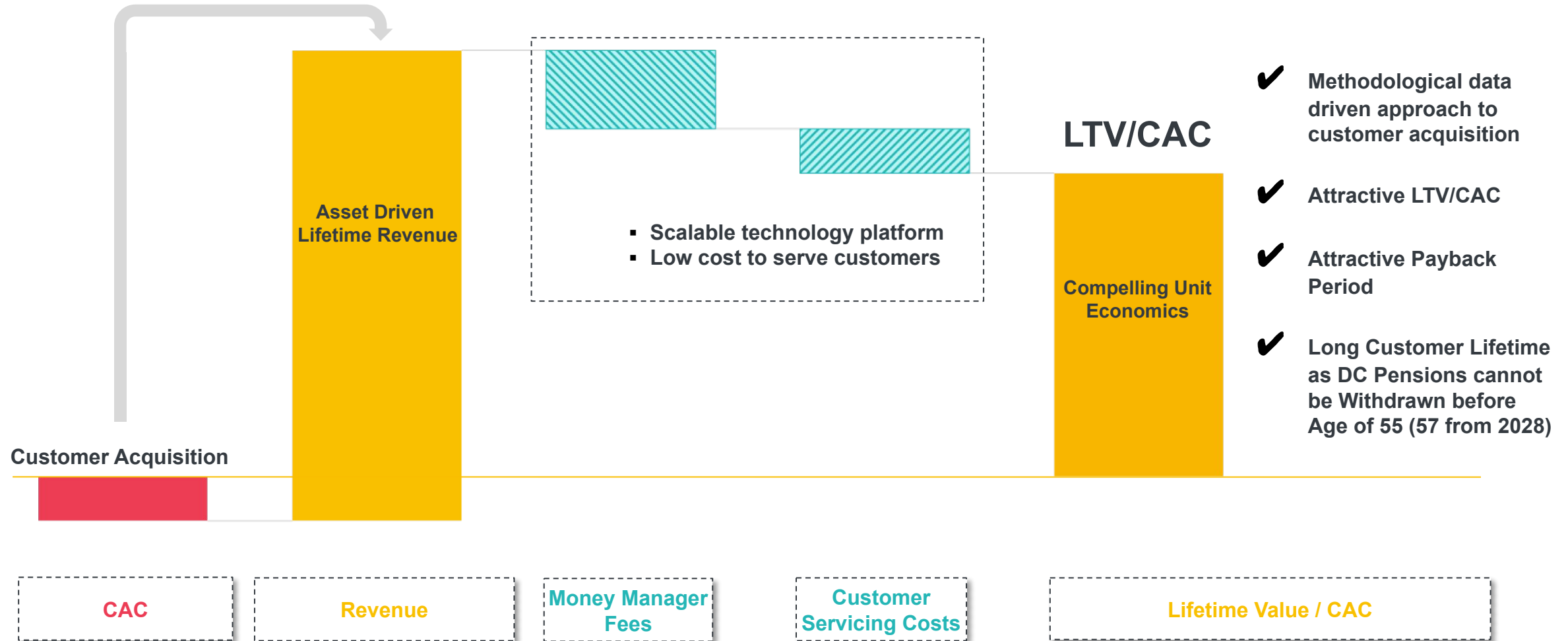
| Levels of AUA | | Over the 6-month Period Ending | | |
|-------------------------|------|--------------------------------|-----------------|------------|
| | | | | |
| | | <u>Jun-2022</u> | <u>Jun-2023</u> | <u>YoY</u> |
| Opening AUA | (£m) | 2,587 | 3,025 | 17% |
| Gross Inflows | (£m) | 579 | 612 | 6% |
| Gross Outflows | (£m) | (98) | (143) | 47% |
| Net Inflows | (£m) | 481 | 469 | (3)% |
| Market Growth and Other | (£m) | (392) | 210 | n/a |
| Closing AUA | (£m) | 2,676 | 3,704 | 38% |

(1) LTM refers to the last twelve months to June 2022 and 2023
(2) ppt is the absolute change in percentage

4 Appendix

Attractive Unit Economics

Illustrative Unit Economics Demonstrates Strong Return Profile



Scalable Technology Platform generates Operating Leverage

| KPI & Financials | Over the 6-month Period Ending | | YoY (1H 2022 to 1H 2023) | Drivers |
|---|--------------------------------|------------------|--------------------------------|--|
| | Jun-2022 | Jun-2023 | | |
| Assets under Administration | £2,676m | £3,704m | +38% | Drivers of AUA and embedded growth include (i) efficient customer acquisition driven by strong brand of awareness c.50% (ii) retention rate c.97% and (iii) continued strong Net Flows |
| Revenue | £8.3m | £10.9m | +32% | Revenue driven by recurrence and robustness of underlying AUA and stable revenue margin |
| <i>Realised Revenue Margin</i> | 0.63% | 0.65% | 1bps | <i>Stable Realised Revenue Margin reflects demand for customer value proposition</i> |
| Operating Costs (excl. Marketing) | £(10.8)m | £(12.0)m | +11% | Scalable technology platform generates operating leverage over time |
| <i>of which Money Manager Costs</i> | £(1.4)m | £(1.6)m | +13% | <i>Money Manager costs are variable costs and remained historically within 15-20% of Revenue</i> |
| <i>of which Tech Platform Costs</i> | £(9.4)m | £(10.3)m | +10% | <i>Scalability of tech platform demonstrated thanks to automation and customer self-service features</i> |
| Marketing Costs | £(12.4)m | £(6.8)m | (45)% | Improvement in marketing efficiency drives future long-term recurring Revenue growth |
| Adj. EBITDA Margin | £(14.9)m (181)% | £(7.9)m (73)% | +108 ppt | As a result of recurring Revenue and its scalable technology platform, PensionBee is well positioned to drive long term operating leverage |

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. |
| 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. |
| Realised Revenue Margin | Realised Revenue Margin is calculated by using the last twelve months of Recurring Revenue over the average quarterly AUA held in PensionBee's investment plans over the period. |
| Revenue | Revenue means the income generated from the asset base of PensionBee's customers, essentially annual management fees charged on the AUA and is recurring in nature, together with a minor revenue contribution from other services. |
| Cost Base | Cost Base is the total operating costs, including Money Manager Costs, Advertising and Marketing Expenses and Technology Platform Costs & Other Operating Expenses, for the relevant period. |
| 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. |

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