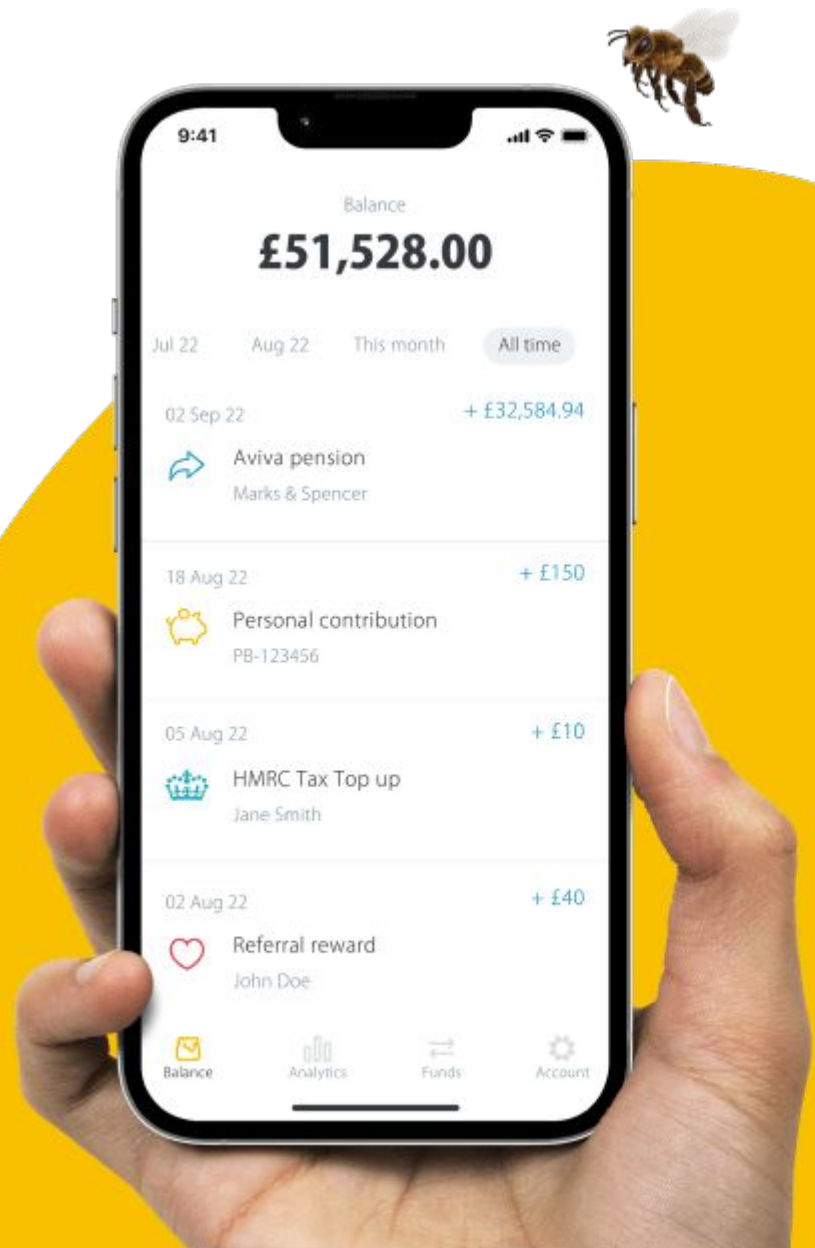




Q4 2023 Results Presentation

for the year ended 31 December 2023



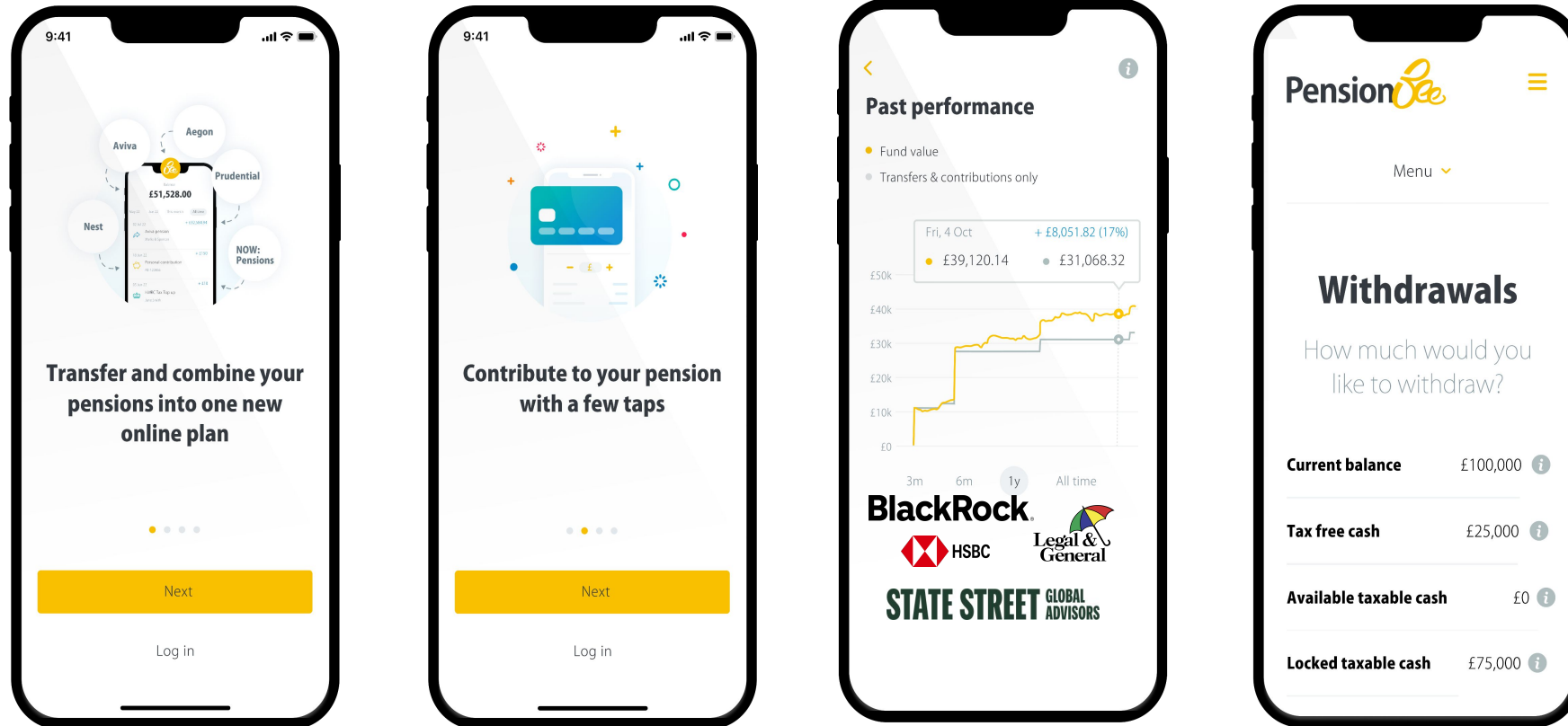
Agenda



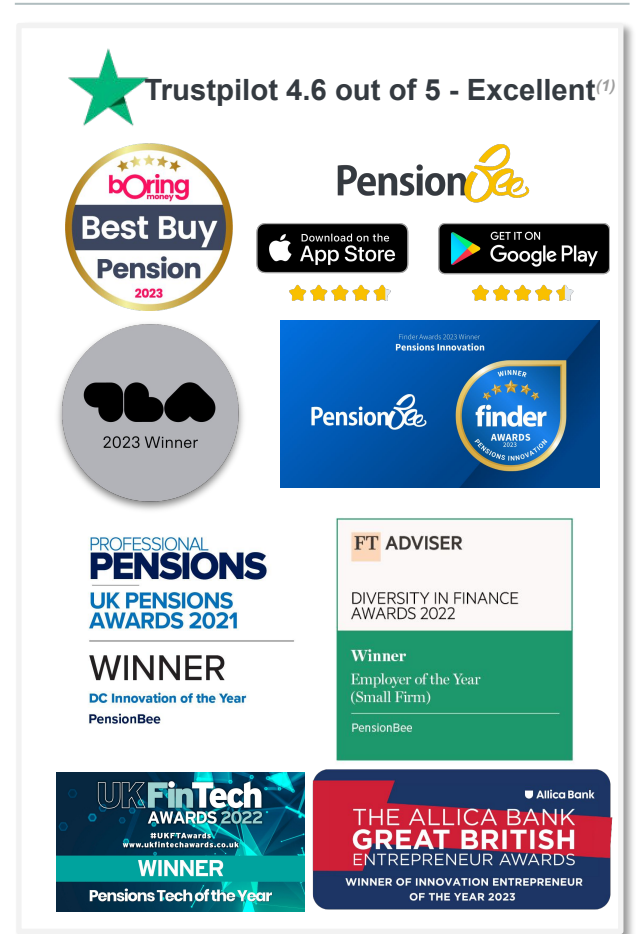
- 1 Overview of Q4 2023
- 2 Financial Update
- 3 Conclusion
- 4 Appendix

1 Overview of Q4 2023

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



Award-winning offering

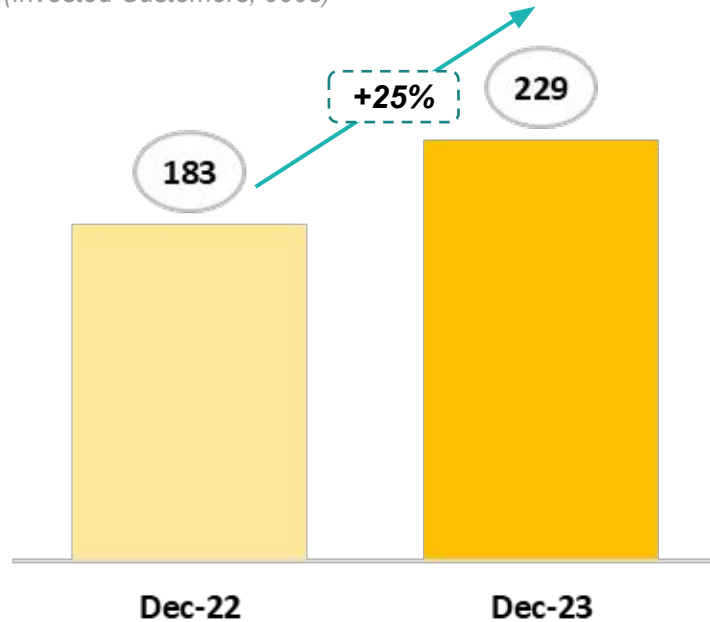


(1) Trustpilot score of 4.6★ out of 5 (based on 10,004 reviews) recorded 12 January 2024.

Significant Continued Growth in Q4 2023

Growth in Invested Customers

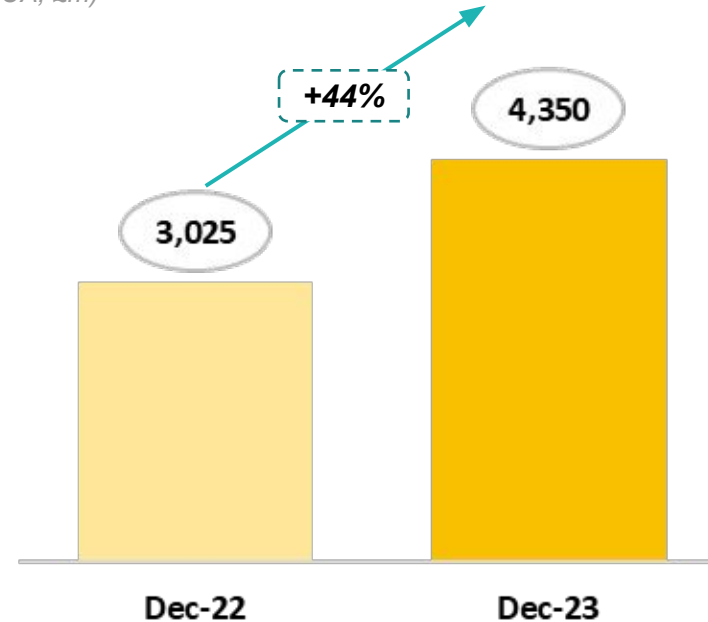
(Invested Customers, 000s)



Excellent momentum in customer growth, adding c.46k new Invested Customers in 2023, closing the year with a total Invested Customer base of c.229k.

Translates into Increasing AUA Base

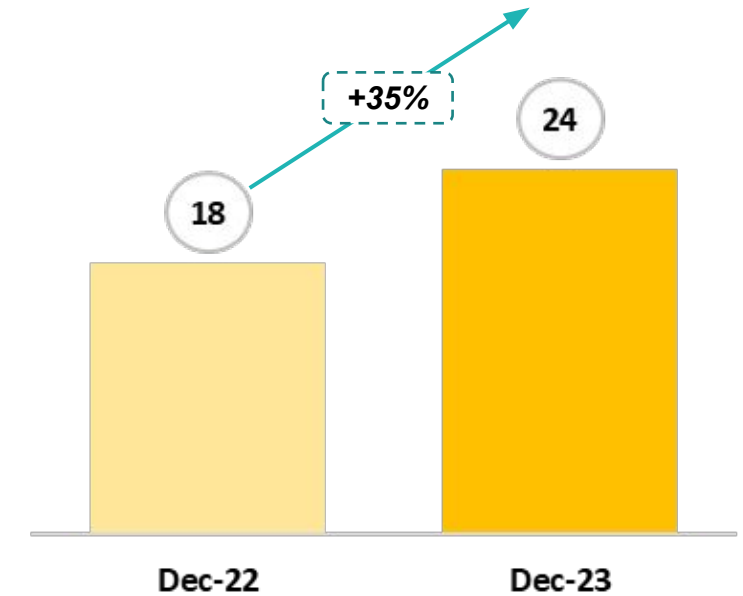
(AUA, £m)



AUA increased by 44% year on year to £4.4bn, driven by strong net flows from new and existing customers, as well as consistently high customer and AUA retention rates (>95%).

Driving Revenue Growth

(Revenue, £m)



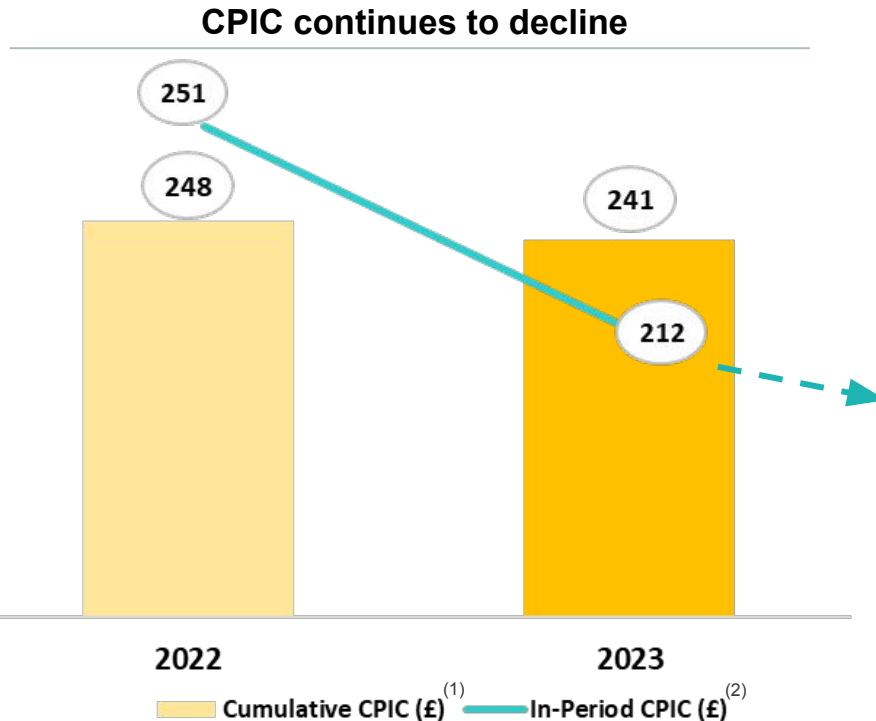
Revenue increased by 35% year on year to £24m.⁽¹⁾

Annual Run Rate Revenue of £28m⁽²⁾

Achievements against our Strategic Goals (1/2)

- 1 Efficient investment in customer acquisition and brand awareness
 - Total marketing investment of £9.7m in 2023, bringing the cumulative marketing investment since inception to £55m
 - Continued refinement of our brand strategy to focus on brand repetition, with performance marketing led by our data insights
 - Cumulative Cost Per Invested Customer⁽¹⁾ (£241) continued to demonstrate a downward trajectory; 2023 In-Period CPIC was even lower (£212)
 - Award-winning podcast drove customer engagement (Lovie Awards 2023 - Best Series in Podcasts and Best Branded Podcast)

- 2 Leadership in product innovation
 - Ongoing development of in-app content with customised articles addressing customer needs
 - Introduction of regular withdrawals in the app, enabling customers over the age of 55 to pay themselves a salary through retirement directly from their mobile phone
 - Investment in consumer and public facing content and tools, including new pension statistics dashboard and imminently available retirement hub



Contribute at a click



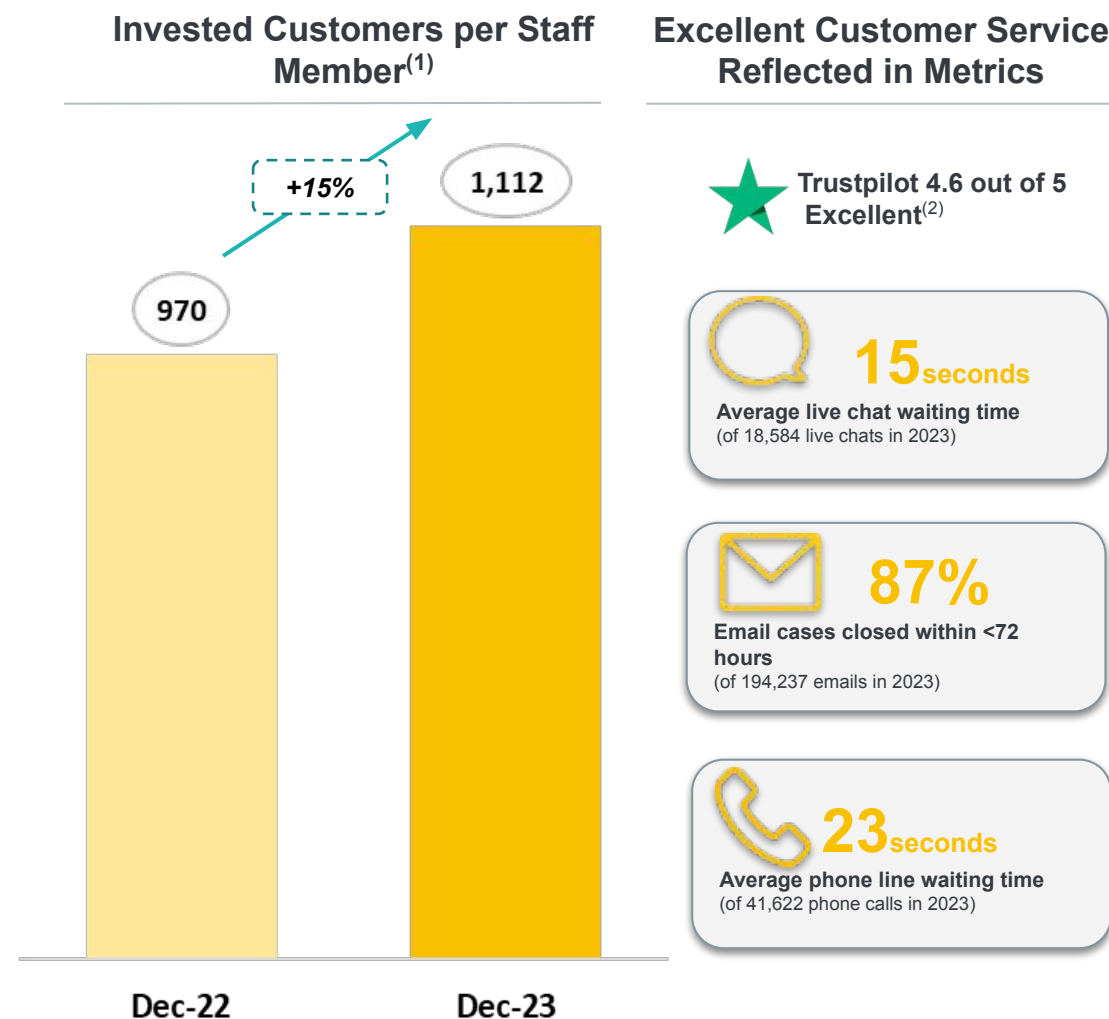
Combine pensions online in minutes



Withdraw with ease

Achievements against our Strategic Goals (2/2)

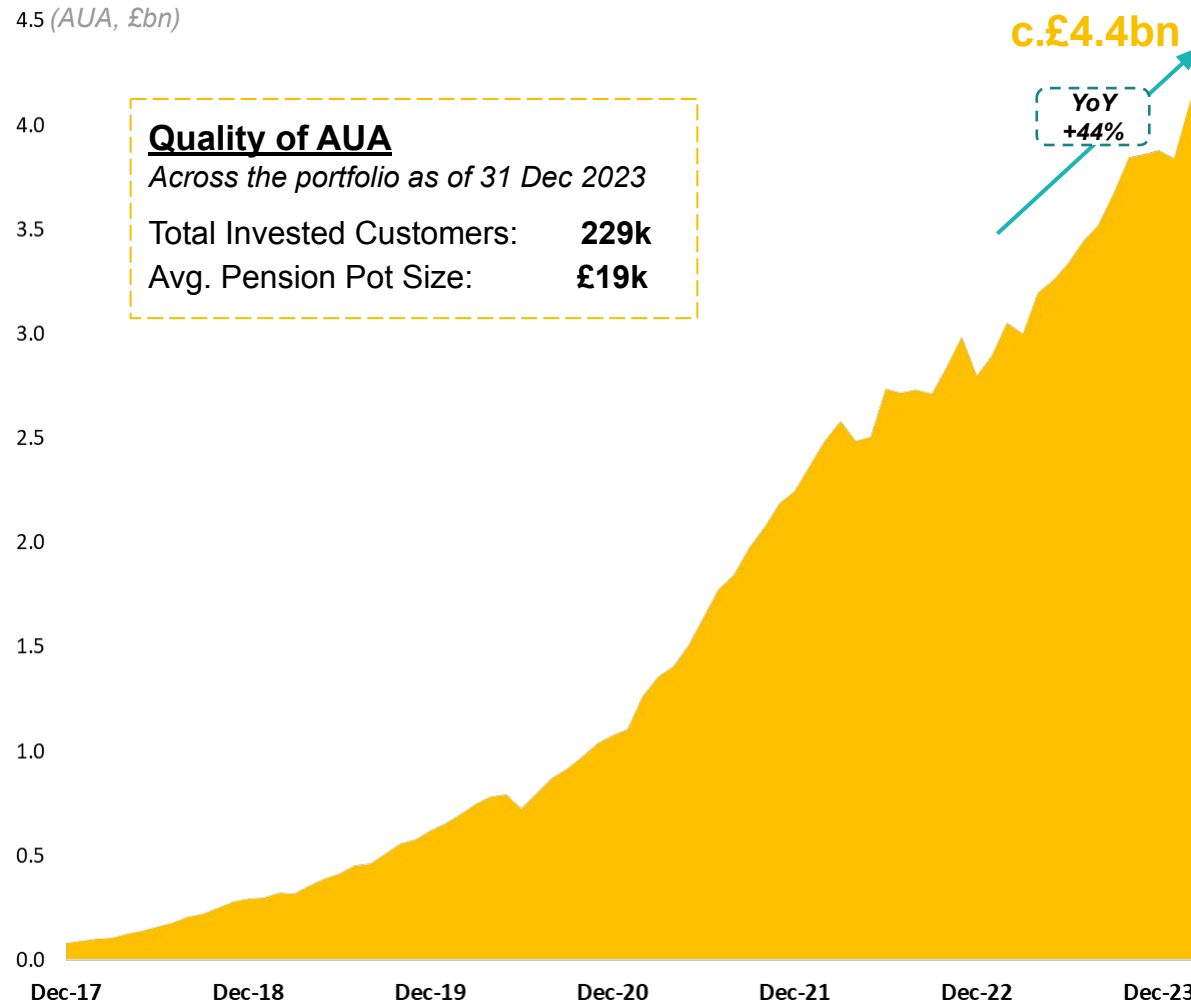
- 3 Continued investment in and development of an industry leading technology platform
 - Successful re-certification to ISO 27001 Information Security Management System standard after three year cycle; 24/7 Security Operations Centre deployed
 - Automation and operational leverage improvements reflected in key metric of Invested Customers per Staff Member
 - Upgrades of platform infrastructural elements to generate further efficiencies
- 4 Continued focus on excellent customer service
 - High customer retention of >95%, driving recurring revenue
 - Excellent Trustpilot rating maintained with c.10,000 reviews
- 5 Continued focus on investment solutions designed for customers
 - Continued assessment and maintenance of value for money for customers
 - Emphasis on investment clarity, providing fund breakdowns and updated plan descriptions



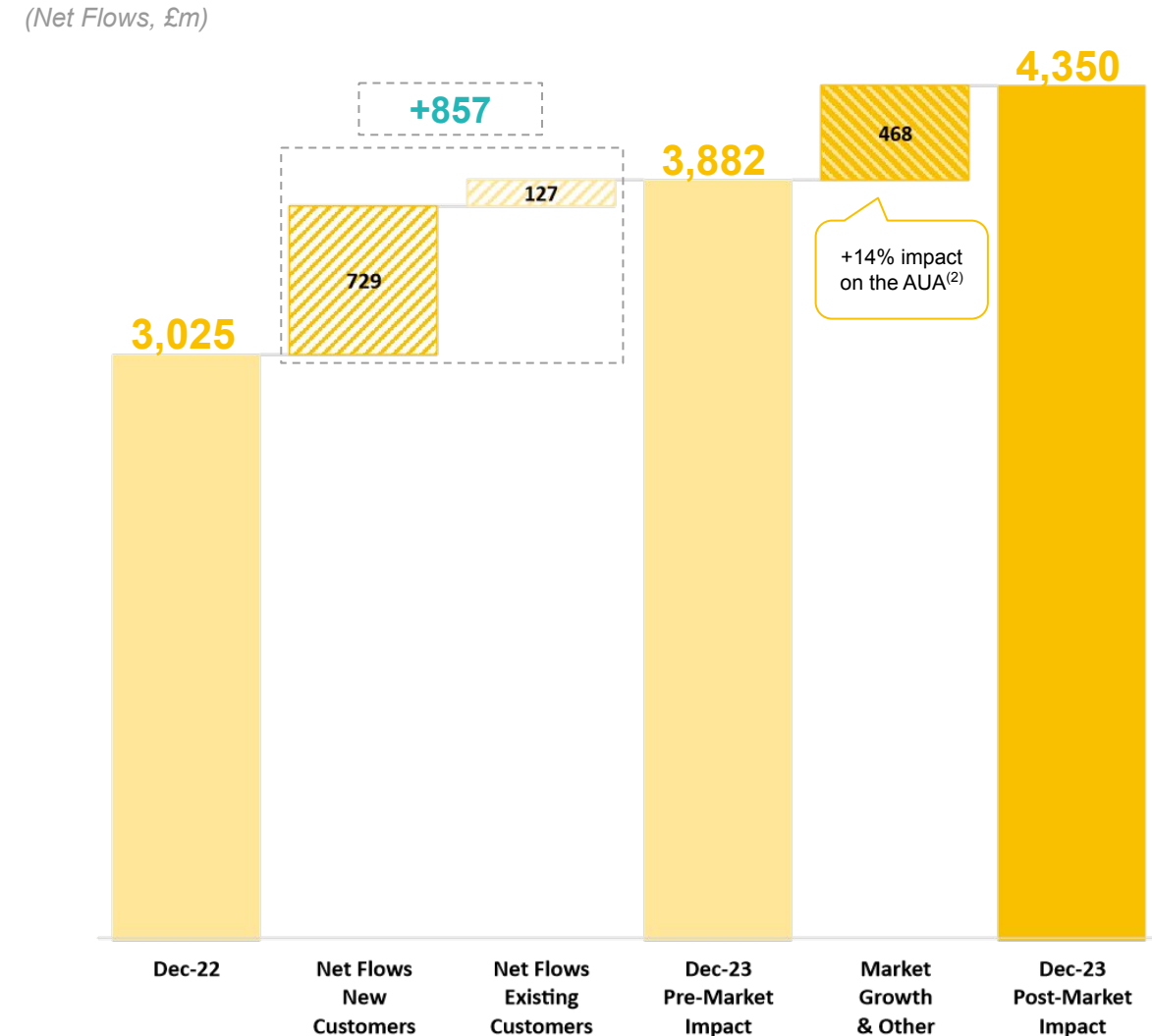
2 Financial Update

£1.3b AUA Growth Driven by New and Existing Customers

AUA Growth Underpinned by New and Existing Cohorts



Strong Net Flows Year to Date⁽¹⁾



(1) New Customers refers to customers acquired between 1 January and 31 December 2023 while Existing Customers refers to customers acquired between 2016 and 2022.

(2) The market impact on the AUA is based on the average AUA between 31 December 2022 and (pre-market impacted) 31 December 2023.

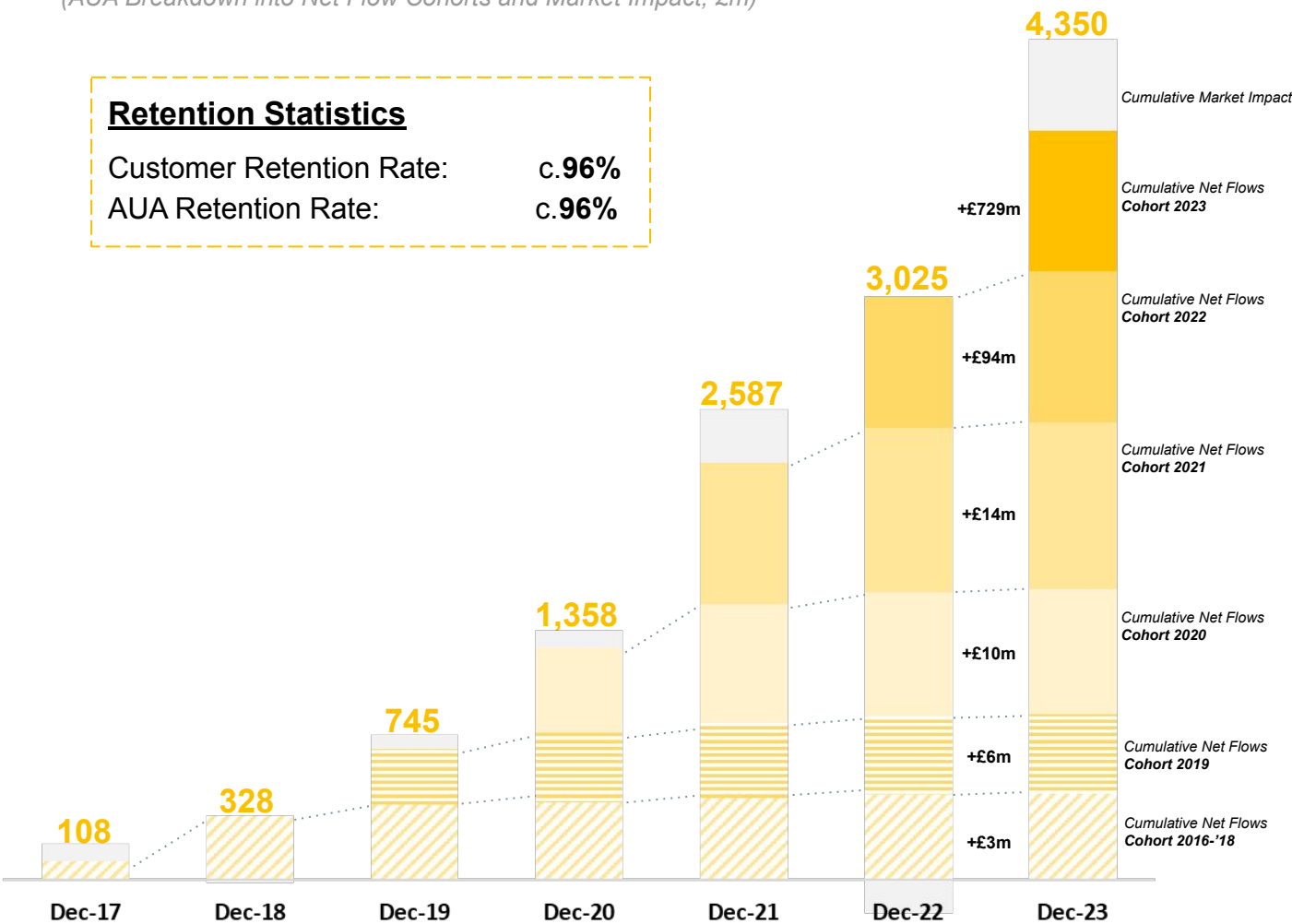
High Retention Rates Compound AUA and Drive Revenue

High Customer and AUA Retention Rates Compound AUA ...

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

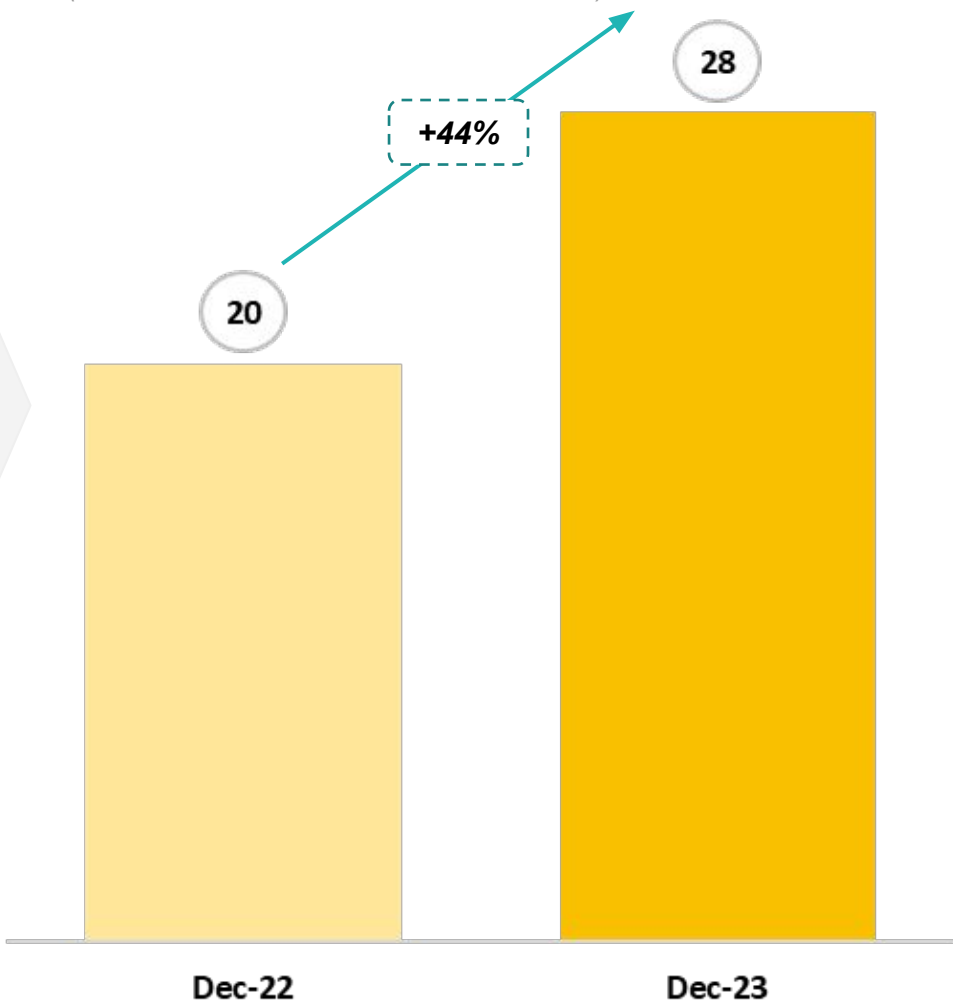
Retention Statistics

Customer Retention Rate: c.96%
AUA Retention Rate: c.96%



... and Drive Revenue

(December Annual Run Rate Revenue⁽¹⁾, £m)

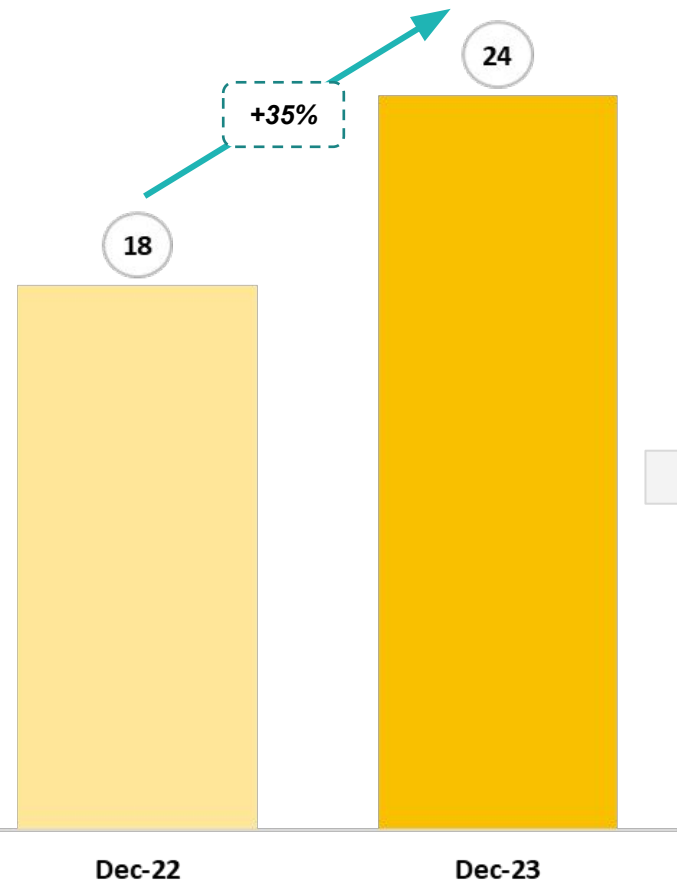


(1) Annual Run Rate (ARR) Revenue is calculated using the Recurring Revenue for the relevant month multiplied by 12.

Scalable Cost Base Drives Operating Leverage & Profitability

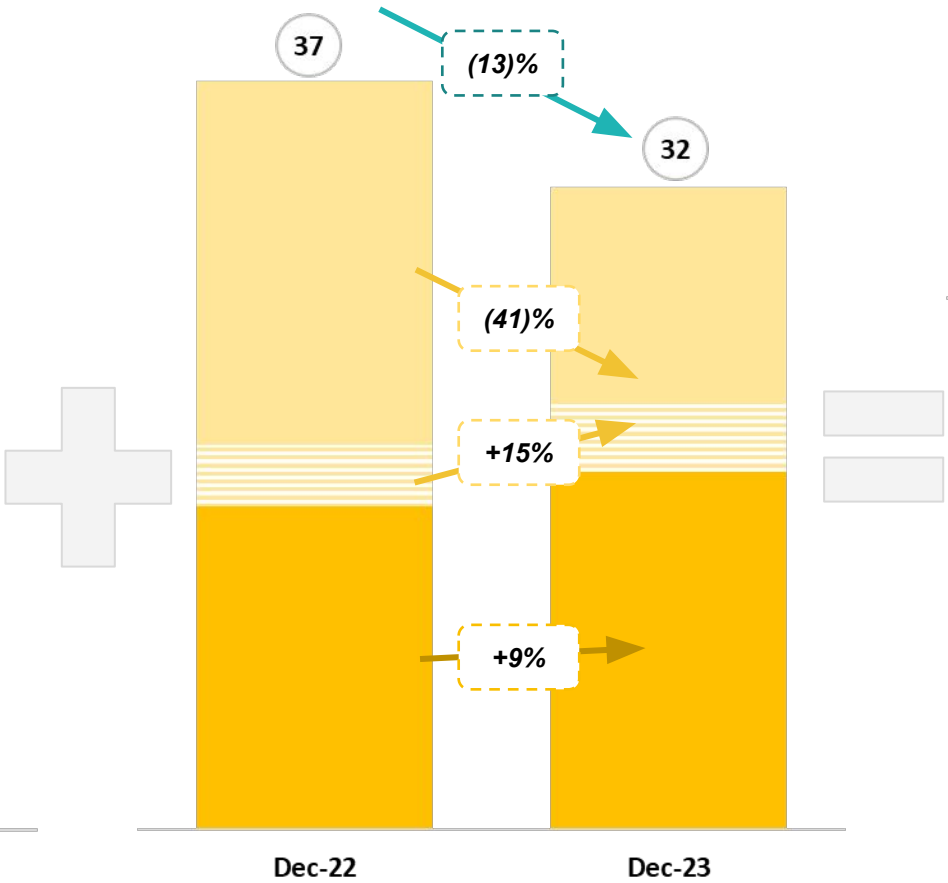
Revenue ...

(Over the 12 month period ending Revenue, £m)



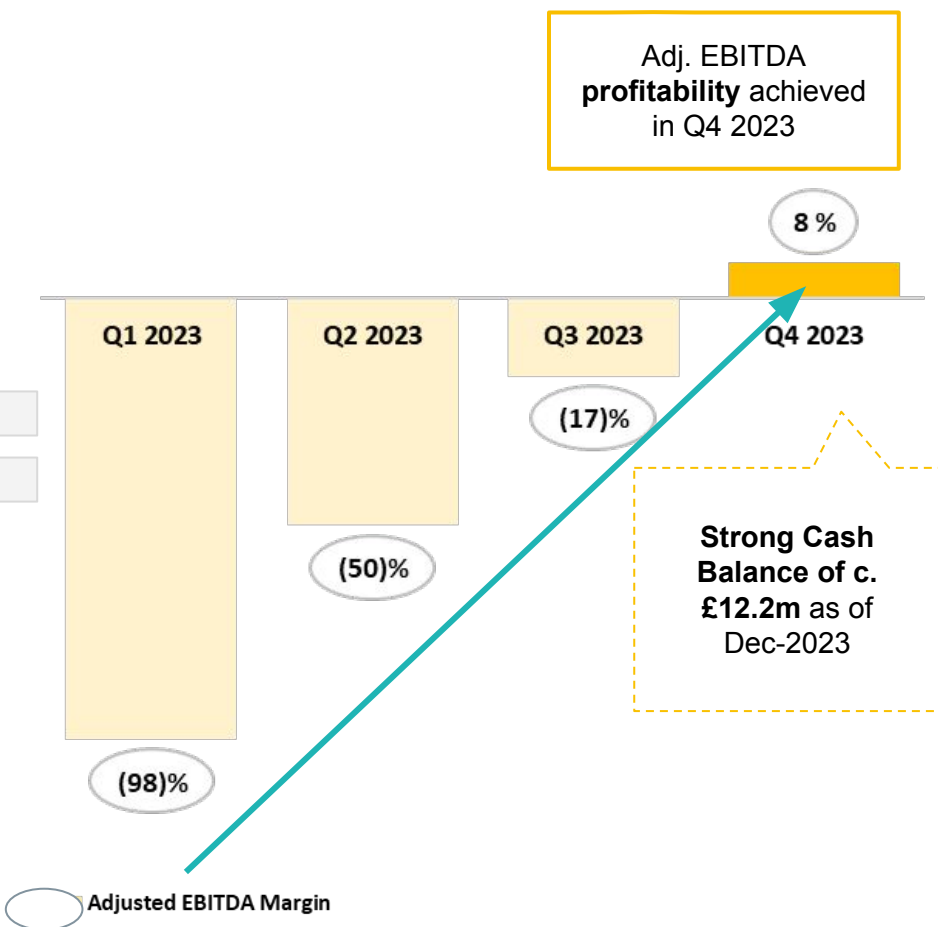
... Coupled with Scalable Cost Base ...

(Over the 12 month period ending Cost Base, £m)



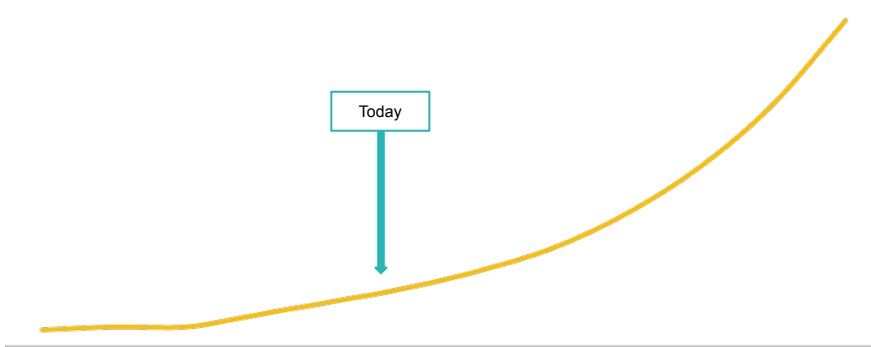
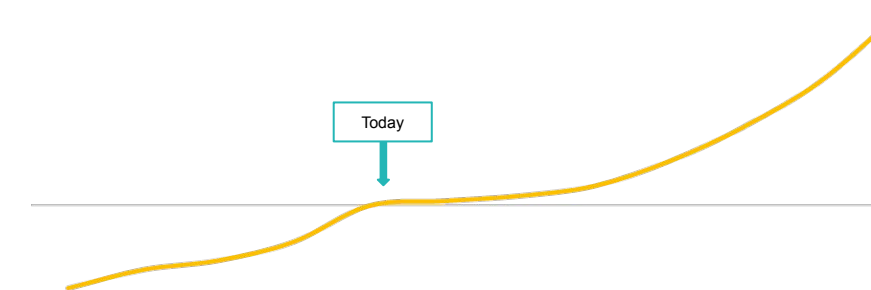
... Creates Strong Operating Leverage

(Over the 12 month period ending Adj. EBITDA, £m)



- Marketing Costs
- Money Manager Costs
- Technology Platform Costs & Other Operating Expenses

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, acquiring more new customers and growing customers' pension balances. Our ambition is to pursue a c.2% market share of the substantial £700bn UK transferable pensions market⁽¹⁾ 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 ambition of c.£150m. 	<p>AUA and Revenue</p> 
Profitability	<ul style="list-style-type: none"> Having delivered Adjusted EBITDA⁽²⁾ profitability in Q4 we are on track to achieve Adjusted EBITDA⁽²⁾ profitability for the full year 2024. Ambition to achieve long-term Adjusted EBITDA⁽²⁾ Margins of over 50%, leveraging the scalability of the technology platform and maintaining our high quality of service. 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) £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.

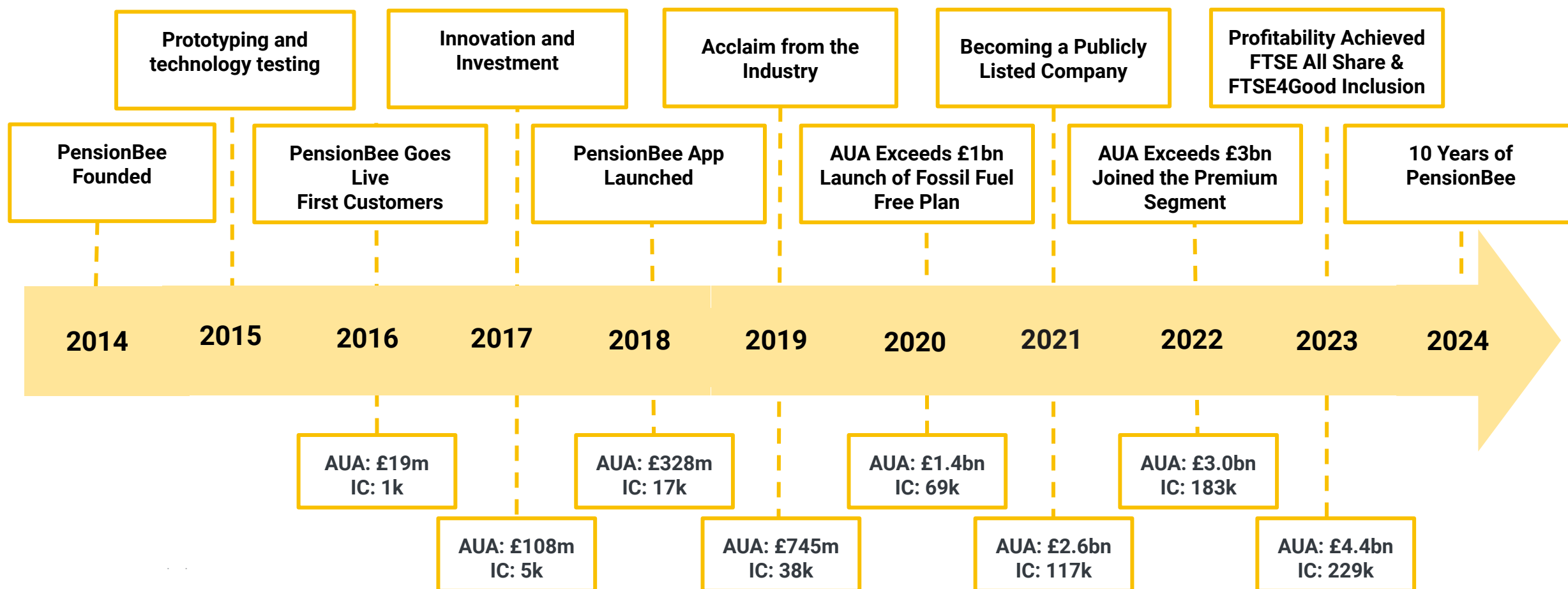
(2) Adjusted EBITDA Margin is defined as earnings for the financial year before taxation, finance costs, depreciation, share based compensation and non-recurring items including transaction costs / Revenue.

(3) All guidance assumes relative market stability.

3 Conclusion

A History of PensionBee and Key Milestones

Pivotal profitability milestone achieved in Q4 2023, driven by strong net inflows from new and existing customers, the inherent scalability of our technology platform and sustainable cost discipline



Key Investment Highlights

- 1 UK's Leading Online Pension Provider: Solving Genuine Problems for Consumers for a Decade
- 2 Mass Market Opportunity Presented by £1 trillion DC Pensions Market Underpinned by Structural Growth Drivers
- 3 Household Brand Name Status Supports Effective, Data-led Marketing Strategy to Acquire Customers
- 4 Scalable Technology Platform Developed Underpins Sustainable Competitive Advantage
- 5 Simple, Long-Term Business Model Demonstrates Growth in Recurring Revenue and Margins

Further Updates

- 2023 Full-year Results on Wednesday 13 March 2024 (post-market close)
- Publication of Annual Report on Thursday 11 April 2024 (am)
- Q1 2024 trading update on Wednesday 24 April 2024 (post-market close)
- Annual General Meeting on Thursday 16 May 2024

Q4 2023 Highlights

KPIs		As at Period End			
		<u>Dec-2021</u>	<u>Dec-2022</u>	<u>Dec-2023</u>	<u>YoY</u>
AUA	(£m)	2,587	3,025	4,350	44%
AUA Retention Rate	(% of AUA)	>95%	>95%	>95%	Stable
Invested Customers	('000)	117	183	229	25%
Customer Retention Rate	(% of IC)	>95%	>95%	>95%	Stable
Cost per Invested Customer	(£)	246	248	241	(3)%
Realised Revenue Margin	(% of AUA)	0.64%	0.63%	0.64%	+1bp

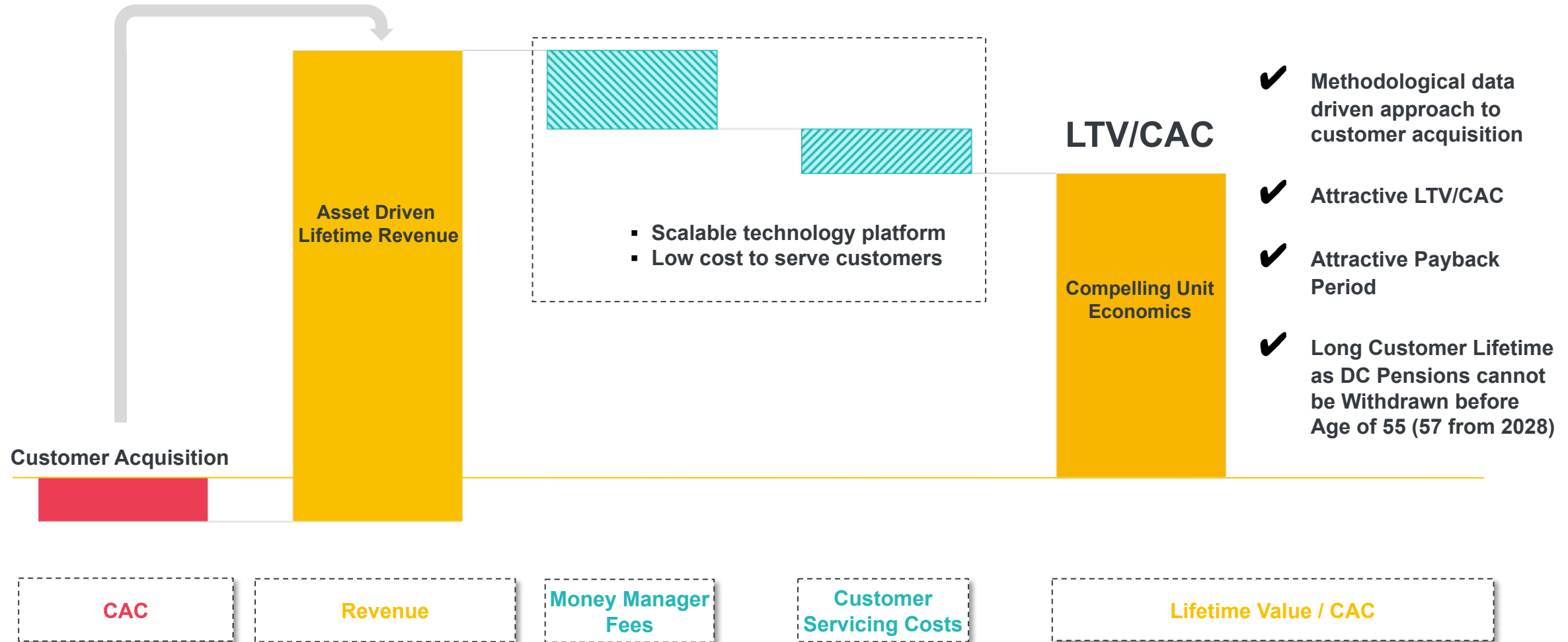
Levels of AUA		Over the 12-month Period Ending			
		<u>Dec-2021</u>	<u>Dec-2022</u>	<u>Dec-2023</u>	<u>YoY</u>
Opening AUA	(£m)	1,358	2,587	3,025	17%
Gross Inflows	(£m)	1,099	1,060	1,174	11%
Gross Outflows	(£m)	(145)	(197)	(318)	61%
Net Inflows	(£m)	955	863	857	(1)%
Market Growth and Other	(£m)	275	(424)	464	n/m
Closing AUA	(£m)	2,587	3,025	4,350	44%

Financials		Over the 12-month Period Ending			
		<u>Dec-2021</u>	<u>Dec-2022</u>	<u>Dec-2023</u>	<u>YoY</u>
Revenue	(£m)	13	18	24	35%
Cost Base	(£m)	(29)	(37)	(32)	(13)%
Adjusted EBITDA	(£m)	(16)	(20)	(8)	57%
Adjusted EBITDA Margin	(% of Revenue)	(129)%	(110)%	(35)%	75ppt

Financials		Over the 3-month Period Ending			
		<u>Q4-2021</u>	<u>Q4-2022</u>	<u>Q4-2023</u>	<u>YoY</u>
Revenue	(£m)	4	5	7	39%
Adjusted EBITDA	(£m)	(5)	(1)	1	n/m
Adjusted EBITDA Margin	(% of Revenue)	(118)%	(25)%	8%	33ppt

4 Appendix

Illustrative Unit Economics Demonstrate Attractive Returns



Scalable Technology Platform generates Operating Leverage

KPI & Financials	Over the 12-month Period Ending			YoY (2022 to 2023)	Drivers
	Dec-21	Dec-22	Dec-23		
Assets under Administration	£2,587m	£3,025m	£4,350m	+44%	Drivers of AUA and embedded growth include: (i) efficient customer acquisition driven by strong brand awareness (ii) retention rate >95% and (iii) continued strong Net Flows
Total Revenue	£12.8m	£17.7m	£23.8m	+35%	Revenue driven by recurring and robustness of underlying AUA and stable revenue margin
Realised Revenue Margin	0.64%	0.63%	0.64%	stable	Stable Realised Revenue Margin reflects demand for customer value proposition
Operating Costs (excl. Marketing)	£(16.3)m	£(20.6)m	£(22.6)m	+9%	Scalable technology platform generates operating leverage over time
of which Money Manager Fees	£(2.3)m	£(2.8)m	£(3.2)m	+15%	Money Manager costs are variable costs and remained within consistent range
of which Tech Platform & Others	£(14.0)m	£(17.8)m	£(19.3)m	+9%	Scalability of platform demonstrated thanks to automation and customer self-service features
Advertising and Marketing	£(12.9)m	£(16.6)m	£(9.7)m	(41)%	Improvement in marketing efficiency drives future long-term recurring revenue growth
Adj. EBITDA Margin	£(16.4)m (129)%	£(19.5)m (110)%	£(8.4)m (35)%	n/m	As a result of recurring revenue and its scalable technology platform, PensionBee is well positioned to drive long term operating leverage

Glossary

Annual Run Rate (ARR)	Revenue Annual Run Rate (ARR) Revenue is calculated using the Recurring Revenue for the relevant month multiplied by 12.
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.
Net Cash Flow	Net Cash Flow is the sum of cash generated by operations, investments and financing activities, less cash used in operations, investments and financing activities.
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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