MaddyFeed brings you what you need to know about Wise's listing on the Stock Exchange

Every week, Maddyness curates articles from other outlets on a topic that is driving the headlines. This week, we're talking about the debut of UK fintech, Wise on the London Stock Exchange.

Temps de lecture : minute

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Wise goes public on the London stock exchange

Wise, one of Britain’s largest fintechs has this week listed its shares on the London Stock Exchange. The first trades in shares began on Wednesday.

Founded by two friends in 2018 as a result of the high fees it was costing them to make international money transfers across the UK and Europe, founders Taavet Hinrikus and Kristo Käärmann wanted to make cross-border transfers accessible at the true exchange rate.

The company now has over 10 million customers and processes $6B in cross-border payments every month. It has since doubled its profits to £30.9M in 2021. Revenue climbed 39% to £421M in the same year.

The company’s founders are still its biggest shareholders, but after Wednesday’s listing, external investors can now buy shares through the direct listing.

As an alternative to an initial public offering (IPO), the company will not issue any new shares or fresh capital, avoiding a strenuous pricing process and the large underwriting fees and potential mispricing of shares that comes with this.

The listing is a significant step for London's stock market, which has been trying to attract more tech and fintech firms. The debut also represents the first direct listing of a tech company in London. Read more via *CNBC*.

What does this mean for the founders?

After Wise's debut on the stock exchange, founders Hinrikus and Käärmannhave now become Europe's latest tech billionaires.

Prices, set at £8 per share, alongside the direct listing auction process, means that Käärmann's 18.8% stake in the company is enough to give him an estimated net worth of $2B. He is the first Estonian entrepreneur to reach Forbes' billionaire list.

Early investors in the company also include billionaires, Peter Thiel of Valar Ventures, and Richard Branson.

The listing will also aid the company's 2400 employees based all over the world, who will collectively benefit from an employee option share pool of 9.8%. Find out more via *Forbes.*

Listing changes and the London Stock Exchange

As well as moving away from IPO, early investors will also receive enhanced voting rights for five years as a result of the dual-class share structure. Offering extra voting rights to existing shareholders is risky, but if it pays off, the method could shake up listing rules and boost government plans to allow dual-class share structures to operate on the top tier of the stock exchange. This is currently prohibited.

Direct listing also promises to change how listing are made. Read more via *Sifted*.

What does the listing mean for fintech?

Wise is likely to be only the first in a new wave of fintechs to list.

Hiroki Takeuchi, cofounder and CEO of GoCardless, said, “The Wise direct listing is not only a huge milestone for the company, it’s also a giant vote of confidence for UK fintech. Macroeconomic headwinds, from Covid to Brexit, haven’t damaged business and investor sentiment, and we’re still thriving as a major fintech hub.”

Jeppe Rindom, CEO and founder of Europe's latest fintech unicorn, Pleo, also reflected on the start of an exciting period in fintech, “the successful Wise IPO only highlights the hugely successful eighteen months that we've seen for fintech and payments. We've seen massive investment, significant raises and now a strong direct listing for one of Britain's most successful challengers.”

Since a significant part of the company is employee owned, the listing will also set an example for the effectiveness of employee equity, benefitting the wider economy through injecting and sharing more capital.

Christian Gabriel, CEO & Cofounder at Capdesk said, “The Wise IPO will strengthen the business case for employee equity as a performance-driver and promises to be a huge boost for the wider UK and European tech ecosystem.”

> *“Keeping, growing and sharing the wealth of big tech successes here is exactly what’s needed to ensure the region stays globally competitive.”*

Article by Abby Wallace