

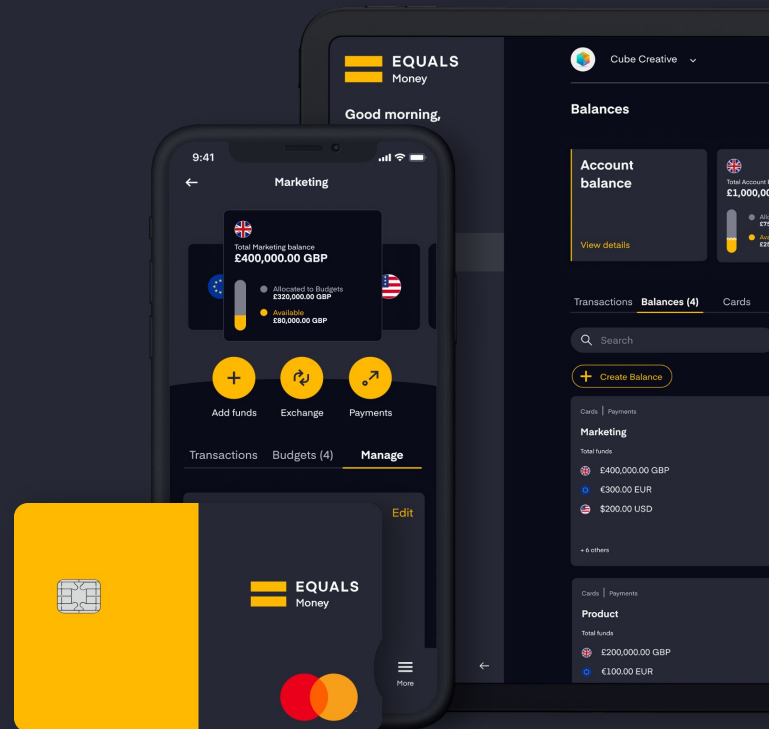


FY-2022 Results and Q1-2023 Trading Update

March 2023

Ian Stafford-Taylor
CEO, Equals Group

Richard Cooper
CFO, Equals Group



Agenda

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Summary

Products

Accounts

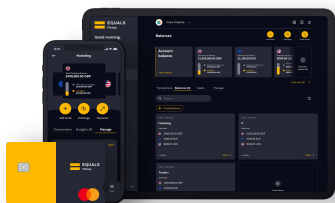
Own-name multi-currency IBANs

Cards

Debit & Prepaid

Payments

FX or same currency



Differentiators

Platform

Payments & Cards

Connectivity

Direct integration into payment networks

Compliance

Strategic focus

Human interaction

FinTech capabilities augmented by personal service



Platform

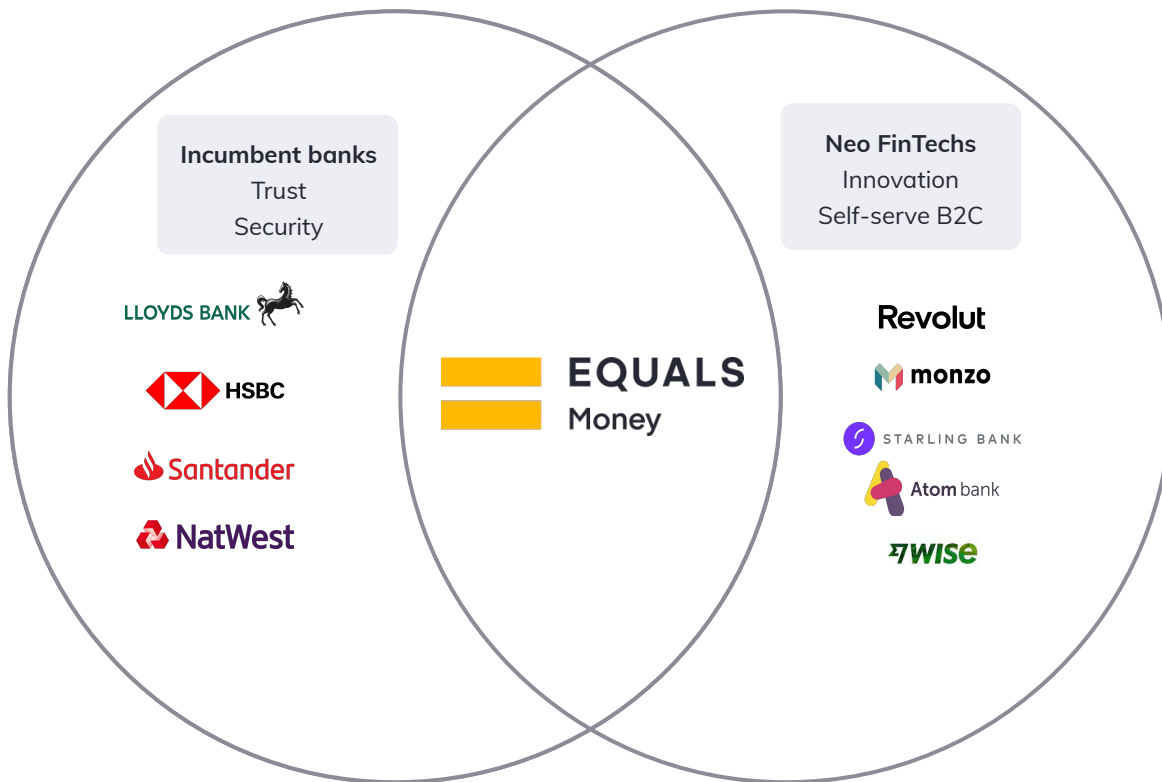
- Unified platform, combining account-to-account transfers & card payments underpinned by own-name multi-currency IBAN
- Unlimited accounts / sub-accounts
- Highly configurable - approvals and permissions
- Rapid onboarding and enhanced due diligence
- **Equals Money** - SMEs
- **Equals Solutions** - larger corporates

Equals' customers can access **cards and wire payments** on a **single platform** through our **front end, white label** or **API**

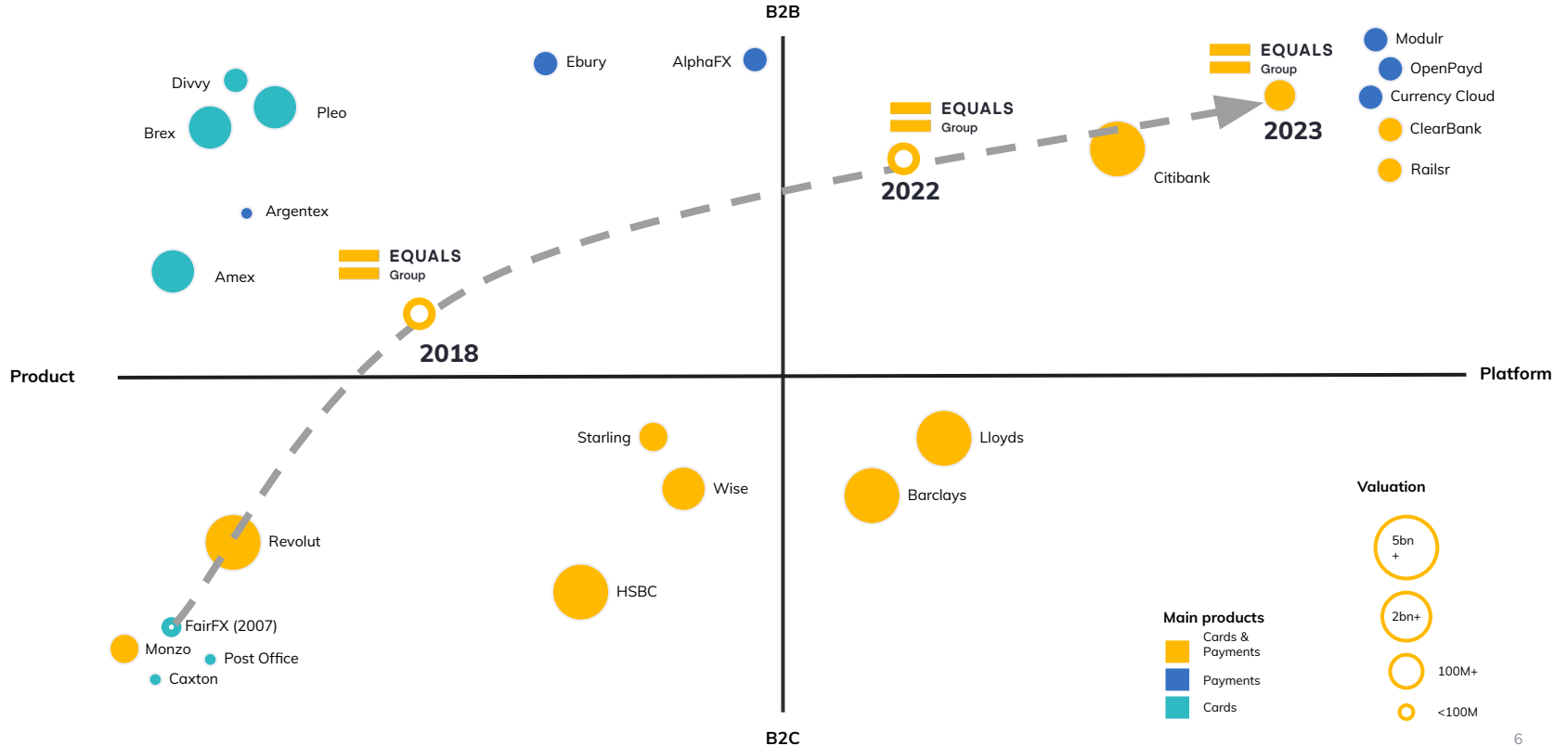
This allows us to provide **highly customised** payments, expense management and account **solutions platform**

Equals will handle the licensing and payment complexity to **'make money movement simple'**

Strategic mapping



Evolution of Equals market positioning



FY-2022 Highlights

Strong Growth

Transactions +41% at £9.2bn
Revenue +58% to £69.7m
EBITDA* +81% to £12.1m

Platform

New web & mobile app, multiple accounts on single login, increased flexibility of customer self-serve platform configuration

Equals Solutions

API integrations live with multiple accounts in first wave. Upgraded reporting capabilities. Increased flexibility of account / sub-account structures.

Cards

Self-issued cards holding 20 currencies live, both prepaid and debit, physical and virtual, and Apple / Google / Samsung Pay

Connectivity

Direct integration to SEPA.
Unified processor for cards
Accountancy integrations

Sales & marketing

Key hires in Sales and marketing
Build-out of partnerships team
Increased use of data / KPI's
Sales Operations - QA, Hubspot

Compliance

Upgrading personnel
Specialist teams
Compliance "culture" & training
AI Transaction monitoring system

People

Bench strength
Strong retention in key roles
SIP & LTIP awards variable
Back-to-office hybrid

* Adjusted EBITDA

CFO Review

Richard Cooper

CFO, Equals Group

Explanatory Notes:

Adjusted EBITDA is defined as operating profit before: depreciation, amortisation, impairment charges and share option charges and items of an exceptional nature.

Operational cashflows are before earn-outs and R&D credits.

Percentages are calculated based on underlying rather than rounded figures.

The size and shape of our business

	FY-2022	FY-2021
Underlying transaction values	£9.2bn	£6.5bn
% of FX book represented by Spot	80%	79%
Average FX transaction size	£30k	£30k
Total Number of Loads	1.2m	0.7m
Total number of card transactions	8.0m	4.2m
Total Number of Equals-owned bank accounts	600	515
Our productivity, revenue per employee	£260k	£173k

Key messages

- Fast growing
- Strong cost control
- Profitable
- Investing
- **Cash-generative**

= Surge in EPS

* Adjusted EBITDA

Revenue

58% growth to £69.7m

EBITDA*

81% growth to £12.1m

EBITDA* margin

17.4% - up on 15.1% due to strong cost control

Investments

Internal £4.2m; acquisitions £3.4m

Cash

After investment and CBILS, cash increased 15% to 8.3p per share

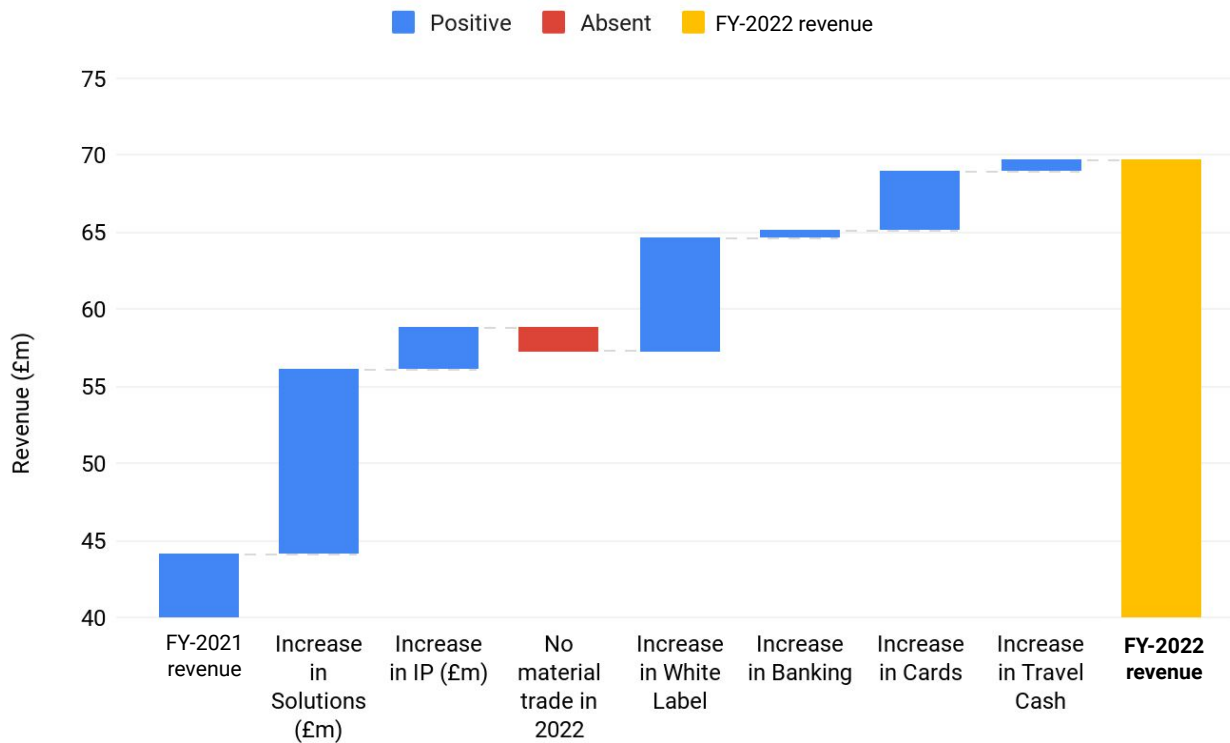
EPS (adj, diluted)

3.03p – up from 0.02p

How we make money

	Cards	Banking	Int Payments	White label	Solutions	Travel cash
FX spreads	●		●	●	●	●
Loads	●	●				
POS	●	●				
ATM	●	●				
A/C fees	●	●			●	
Other fees	●	●	●		●	
Partner rebates	●					
Interest	●	●				

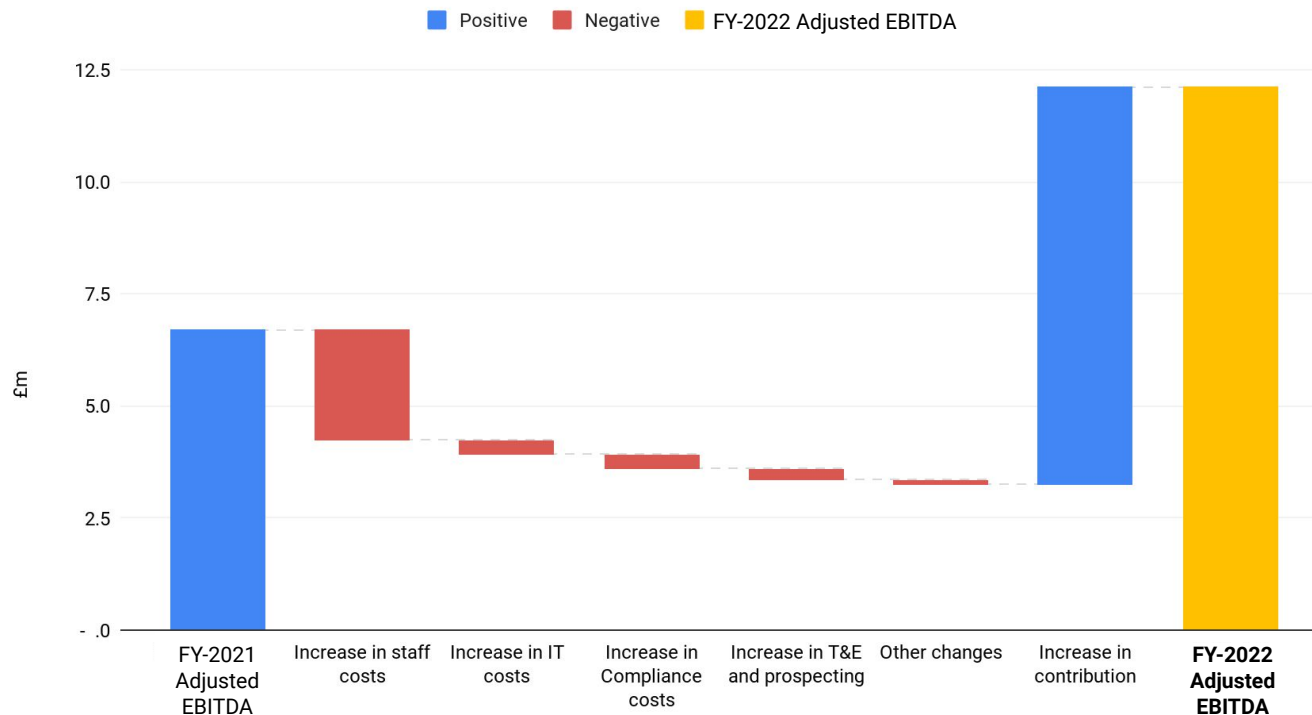
Revenue growth



P&L

	FY-2022	FY-2021
Revenue	69.7	44.1
Gross Profits	33.7	24.2
Less: Marketing	(1.9)	(1.3)
Contribution	31.8	22.9
Staff Costs	(14.4)	(11.9)
Other Costs	(5.2)	(4.3)
ADJUSTED EBITDA	12.1	6.7
Less: Share option expense	(0.9)	(0.3)
Less Acquisition Costs and (Exceptional Items)	(0.2)	(0.7)
EBITDA	11.0	5.7
Depreciation and Amorisatation	(6.9)	(7.2)
Impairment of the Bureau Operations	-	(1.6)
Finance Costs and FX Differences	(0.7)	(0.7)
PROFIT/(LOSS) BEFORE TAX	3.4	(3.8)
ADJUSTED EBITDA %	17.4%	15.1%

Increased Adjusted EBITDA



Investing for growth

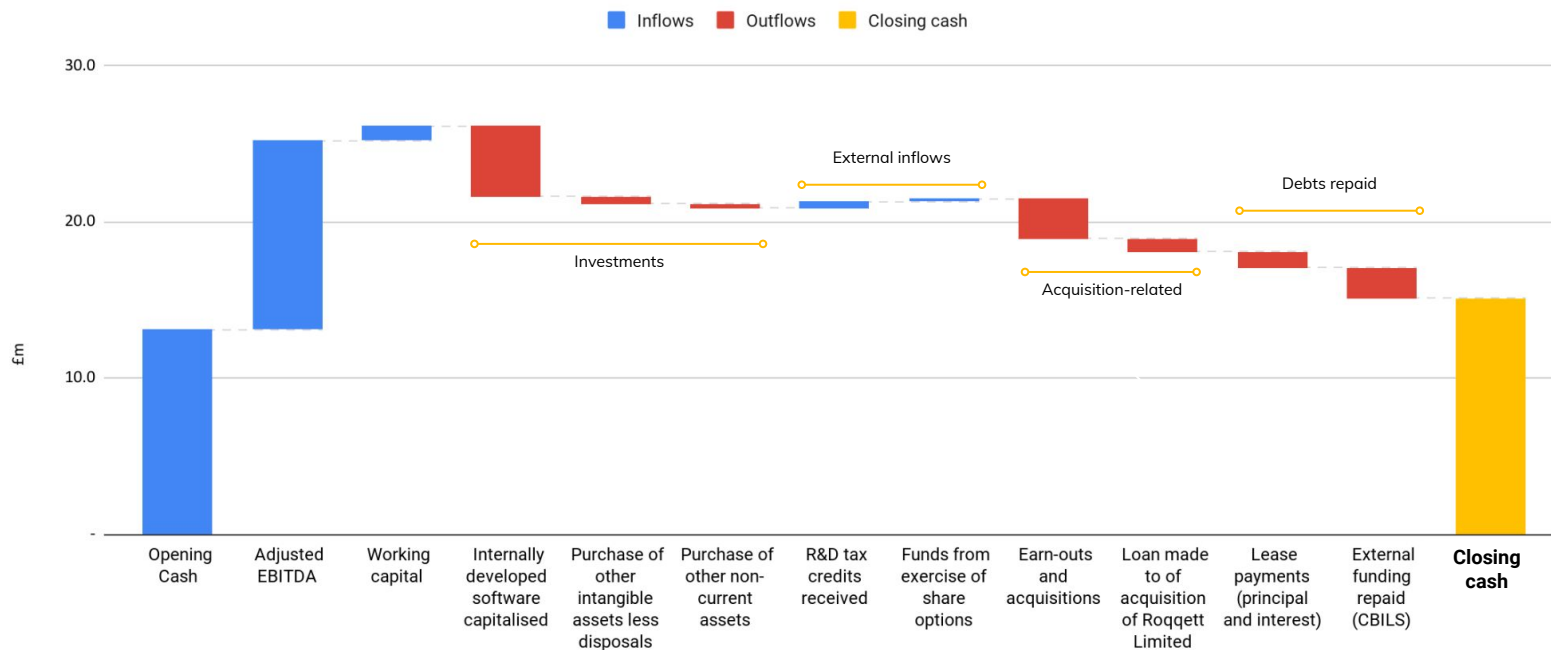
£ millions	<u>FY-2019</u>	<u>FY-2020</u>	<u>FY-2021</u>	<u>FY-2022</u>	<u>Sub-total</u>	<u>FY-2023</u>
INVESTING IN PRODUCT						
Through our own labours	8.3	4.0	3.0	4.2	19.5	5.0
Through third parties	0.8	0.5	0.8	0.8	2.9	0.8
	9.1	4.5	3.8	5.0	22.4	5.8

BUSINESS ACQUISITIONS - focus on performance related						
	<u>FY-2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>Sub-total</u>	<u>FY-2023</u>
Eiger, Hermex, Effective	2.0	0.4	0.4	1.1	3.9	0.0
Casco, including white label*	1.4	0.3	0.8	1.5	4.0	0.9
Roqqett	-	-	-	0.8	0.8	1.4
Hamer and Hamer	-	-	-	-	-	1.5
Oonex	-	-	-	-	-	4.0
	3.4	0.7	1.2	3.4	8.7	7.9

TOTAL INVESTED FOR GROWTH	12.5	5.2	5.0	8.4	31.1	13.7
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Our operations are generating cash

FY-2022



EPS: Earnings and adjusted earnings

Earnings and Adjusted Earnings Calculation (£'000s)	FY-2022	FY-2021
PROFIT/(LOSS) BEFORE TAX	3.4	-3.8
Taxation	0.2	1.5
PROFIT/LOSS FOR THE YEAR	3.6	-2.3
Attributable to Minority interest	0.3	0.2
Attributable to Owners of Equals Group Plc = Earnings	3.3	-2.5
Adjustments:		
Share option charges	1.0	0.4
Amortisation of acquired intangibles	1.3	1.3
Exceptional items	0.0	0.7
Acquisition costs	0.2	0.0
Tax impacts thereon	0.1	0.1
Adjusted Earnings	5.7	0.0

EPS calculation

Shares and Diluted Shares Calculation	<u>FY-2022</u>	<u>FY-2021</u>
Shares in issue (millions)		
- At 1 January	179.34	178.60
- Issued in year	1.37	0.74
- At 31 December	<u>180.71</u>	<u>179.34</u>
- Weighted average	180.30	178.96
Share price at 31 December (pence)	89.5	65.0
Total Options at 31 December (millions)	15.3	13.1
"in-the-money" measure of # of options - dilutive (millions)	7.3	3.6
Earnings Per Share and Adjusted Earnings Per Share Calculations	<u>FY-2022</u>	<u>FY-2021</u>
Basic Earnings per Share (pence)	1.80	(1.35)
Diluted Earnings per Share (pence)	1.73	(1.35)
Basic Adjusted Earning per Share (pence)	3.15	0.02
Diluted Adjusted Earnings per Share (pence)	3.03	0.02

Dilutive impact:
 Only the "in-the-money" portion is used.
 The option figure is the YEAR-END only.
 Options ignored if "earnings" is a loss



Q1-2023

Ian Trafford-Taylor

CEO, Equals Group

Q1-2023 Trading Update*

Revenue (£ millions)	FY-2021	FY-2022	Q1-2023 to date*
Solutions	3.6	15.6	6.1
White-Label	7.7	15.0	4.2
Other International Payments	18.2	19.4	5.1
Cards (retail and corporate)	8.5	12.5	2.8
Banking	5.5	6.1	1.9
Bureau	0.4	1.1	0.1
	44.1	69.7	20.2
Revenues per Working day (£k)	174.3	278.7	342.4
vs Comparative period	+52%	+58%	+54%

Q1-2023 Highlights

Oonex acquisition

European payments platform
National Bank of Belgium approval awaited
European licences and local IBANs
New Banking partners - ING / KBC

Hamer & Hamer acquisition

B2B International Payments business
Subject to FCA change-in-control
£1.6 million revenue in FY-2022
2 x revenues, 3 x EBITDA with deferral

Roqqett acquisition

Open banking platform
Completed following FCA permission
Checkout now in production for FairFX
Expands Equals capabilities

Sale of travel cash business

Disbursement of non-core B2C asset
Business sold to FexCo / No1 Currency
Retain cash service via outsource

Product development

Transaction monitoring integration
API & white label developments
US single currency card live
Accountancy integration - Xero

Growth

Increased Sales cadence
Digital optimisation
Partnerships model development
Dubai rep office, increase US footprint



Looking forward

Ian Stafford-Taylor

CEO, Equals Group

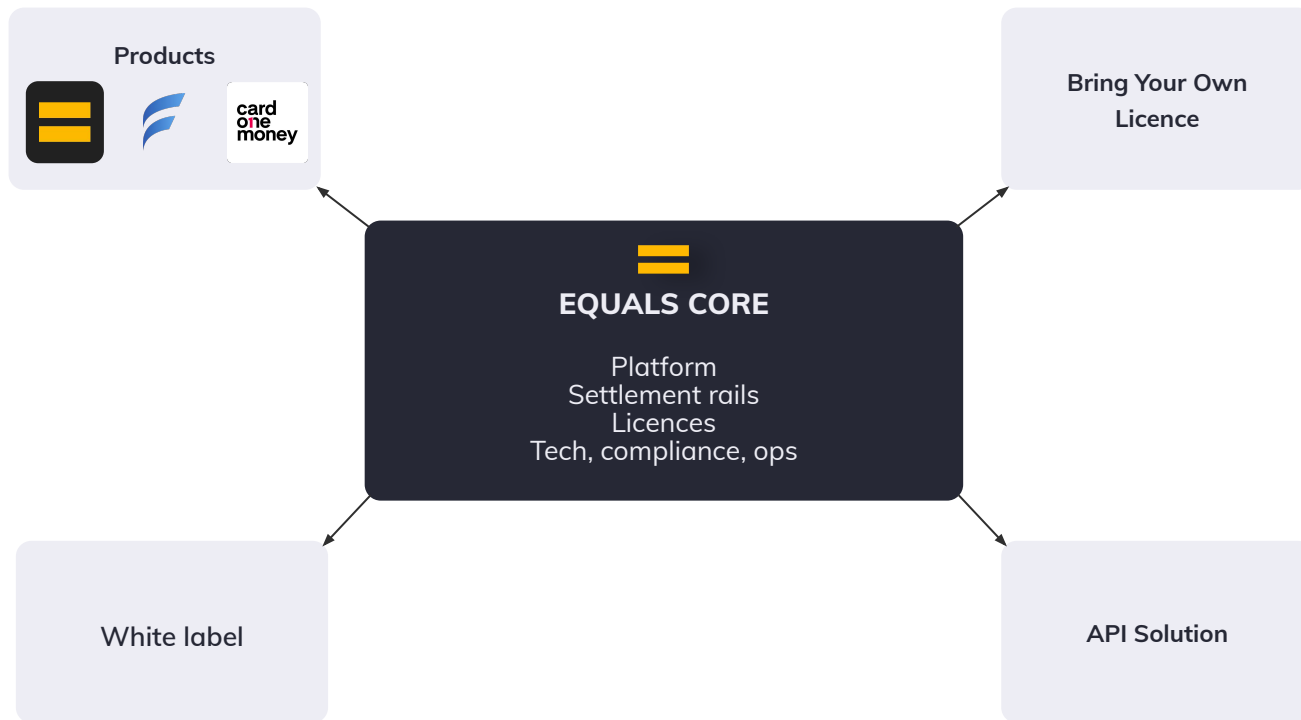
Distribution



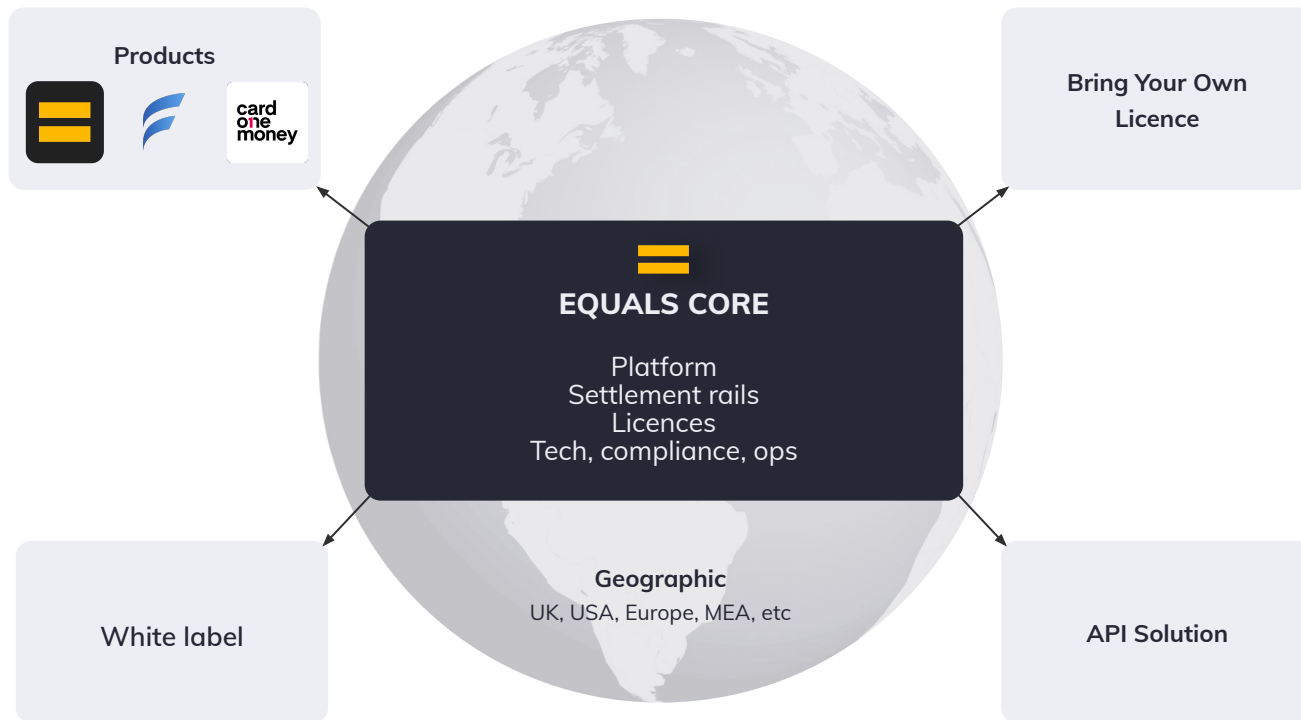
EQUALS CORE

Platform
Settlement rails
Licences
Tech, compliance, ops

Distribution



Distribution



	ALPHA	 Currencycloud	Clear.Bank	UK Tier 1 Banks	 Wise	 EQUALS Money
Multi-currency IBANs		✓ 17	✓ 30			✓ 38
Multi-currency card issuing					✓	✓
International payments in 100+ currencies	✓	✓	Fewer than 100	✓	Fewer than 100	✓
Modern APIs	✓	✓	✓		✓	✓
White label offering	✓	✓	✓		✓	✓
SEPA instant	✓				✓	✓
Direct participant of UK Faster Payments			✓	✓	✓	✓
Debit and prepaid cards				✓	✓	✓
Virtual cards				Some	✓	✓
Speak to a human - account manager	✓					✓
Enterprise value / Market cap	£772.2m <small>LON:ALPH 20.03.23</small>	£700m <small>value at acquisition 22.07.22</small>	£470m (est) <small>Valuation undisclosed 18.03.22</small>	Billions (various)	£5.57bn <small>LSE:WISE 17.03.23</small>	£143.15m <small>LON:EQLS 20.03.23</small>

Growing fast: Sales and marketing

Scaling sales through tech

HubSpot - real-time access to marketing and sales data
Playbooks for compliant, plug-and-play
Hiring - quality & experience
Enhanced pipeline management

Sales Operations enhanced

CRM process and automations revamp
QA team across all first line roles
Top of funnel pipeline improved with multi-channel approach

Digital marketing levelled up

Digital marketing focus - reduced spend, increased high quality leads
System improvements and optimisation
Impressions, conversions & leads up

Organic growth

Better website capabilities & testing
Enhanced SEO capabilities & content
Focused and specific sales and partnership multi-channel campaigns

Automated communications

Lifecycle and event-driven
More touchpoints, more relevance
Enhanced personalisation
Machine learning customer behavioural analysis

Hiring excellent talent

Platform sales specialist team
Sales academy
Marketing channel specialist expertise
Partnerships & distribution sales

Growing sustainably: Compliance and operations

Investment in technology

Significant automation via Boxes
Featurespace now in roll-out
TruNarrative/ComplyAdvantage in situ

Operations / Settlements

Further integration to domestic settlement
Expansion of "instant" transfer currencies
Automation of payments "out"
Additional banking partners

Scalability

Proven scalable platform
Evergreen technology stack
Cloud-based via AWS

Compliance and Risk structure

32 heads in Risk and Compliance
~10% of workforce
Dedicated specialist teams
Ongoing recruitment of experienced hires

Regulatory compliance

Increased headcount during 2022
Consumer Duty
Operational Resilience
ISO27001 accreditation in-flight

Horizon scanning

Increased regulatory focus on payments industry from FCA
APP fraud regulatory change
Senior Managers and Certification Regime (SM&CR) for payments firms - 2024

Four focus areas for FY-2023

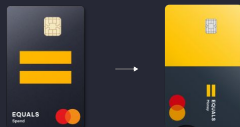
Equals Money



Continuously improve our flagship product

Equals Money also acts as a showcase for our Solutions clients

Efficiency



Reduce complexity for internal teams

Remove bottlenecks in our payments processes

Retire old systems and minimise technical debt

Expansion

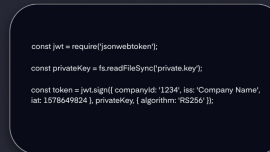


12-24 month lead-time to enter new markets

Scale the business through entering new markets

Growth of the US cards & payments proposition

Embedded Finance



Enhance platform via API suite with 24/7 support & monitoring

Drive new use cases of our embedded finance ecosystem

Easy "plug-in" white label functionality

Summary

Strong growth

Turnover, revenues, profits and distributable reserves

Cash generative

Strong balance sheet
Active in M&A
£18.3 million cash - 10p / share

Platform

Equals Money and Equals Solutions platform incorporating cards and transfers, underpinned by own-name multi-currency IBAN

Growth with control

Equals Core built for scale and resilience
Product development involves all areas
Investment in people and tooling

Compliance culture

Increased headcount (32) and skills
Firm-wide training
Independent audits
FCA focus on payments

Proven track record

Strong, stable team delivering consistent market-beating performance
Trading ahead of expectation



Q&A

Ian Strafford-Taylor

CEO, Equals Group

Richard Cooper

CFO, Equals Group

Financial appendices

1. Revenue by product
2. Cost mix
3. Liquidity

Revenue by product

	2022 MIX	FY-2022 £000's	FY-2021 £000's	Change on 2021
International Payments	28%	19.4	16.7	16%
- Material trade	0%	0.0	1.5	
Solutions	22%	15.6	3.6	333%
White Label	22%	15.0	7.7	95%
Banking	9%	6.1	5.5	11%
Cards (Spend and FFX)	18%	12.5	8.7	44%
Travel cash	2%	1.1	0.4	175%
		69.7	44.1	58%
Progression by half-year	H1- 2021	H2-2021	H1-2022	H2-2022
International Payments	7.5	9.2	9.1	10.3
- Material trade		1.5		
Solutions	0.3	3.3	6.2	9.4
White Label	2.4	5.3	7.2	7.8
Banking	2.8	2.7	2.8	3.3
Cards (Spend and FFX)	3.9	4.8	5.6	6.9
Travel cash	0.1	0.3	0.5	0.6
	17	27.1	31.4	38.3
		44.1		69.7

Cost mix

	FY-2022	FY-2021	Change	% change
Gross staff costs	18.7	15.7	3.0	19%
IT & Communications	2.4	2.0	0.4	20%
Property and office running	1.7	1.8	(0.1)	-6%
Professional fees				
- Audit	0.4	0.3	0.1	33%
- Other	1.0	0.9	0.1	11%
Compliance and onboarding	0.7	0.4	0.3	75%
T&E and sundry	0.4	0.2	0.2	100%
	25.3	21.3	4.0	19%
Less:				
Staff and other cost investment in R&D	(4.6)	(3.3)		
Exceptional items	-	(0.7)		
Acquisition costs	(0.1)	-		
IFRS 16	(0.9)	(1.1)		
Net costs	19.7	16.2	3.5	22%

Liquidity

£000s	<u>FY-2022</u>	<u>FY-2021</u>
Cash at Bank	15,044	13,104
Balances with liquidity providers	1,950	1,675
Pre-funded balances with card provider	1,491	1,615
Gross liquid resources	18,485	16,394
Customer balances not subject to safeguarding	(4,165)	(3,655)
CBILS Loan	-	(2,000)
	(4,165)	(5,655)
Net position	14,320	10,739