

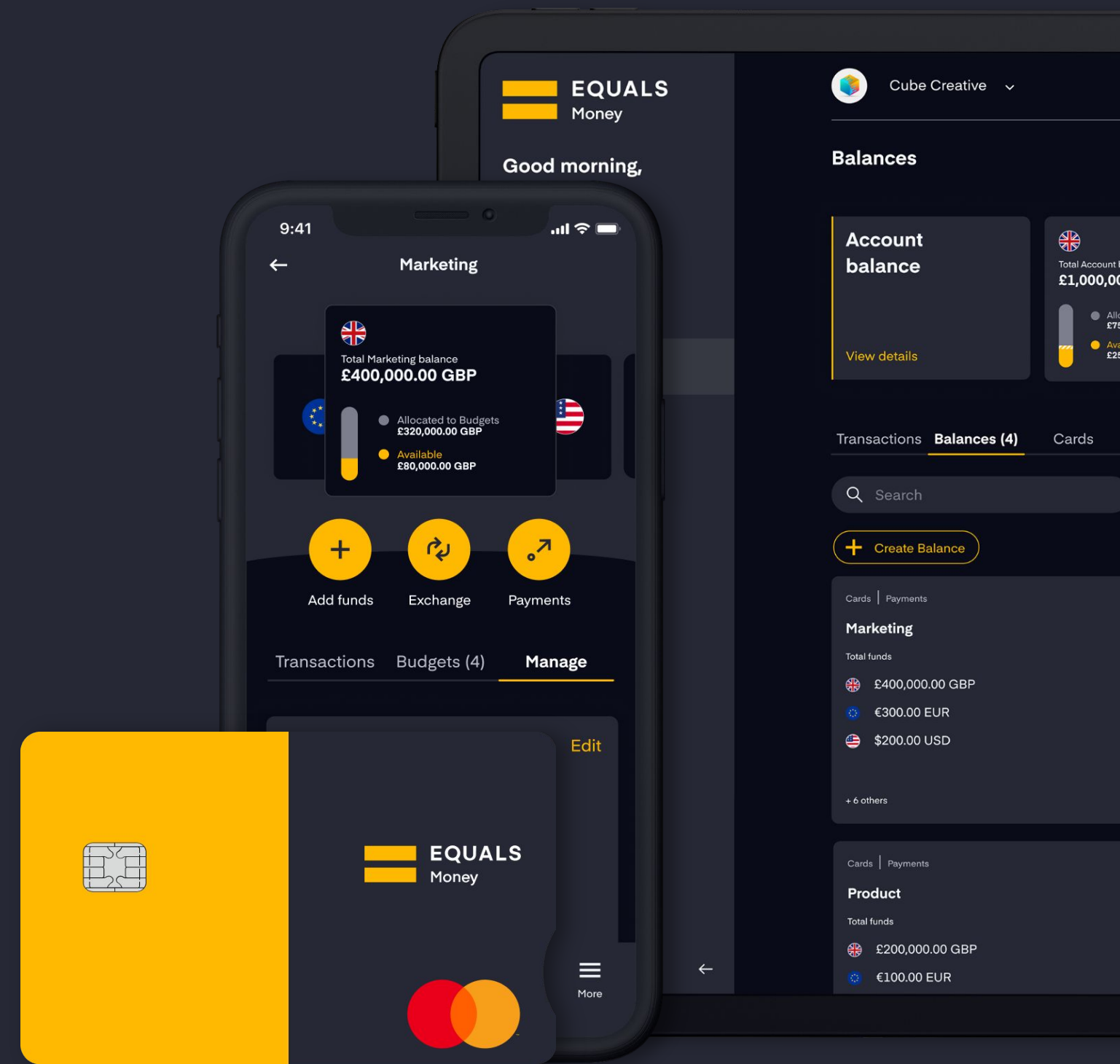


FY-2021 Results & Q1-2022 Trading Update

March / April 2022

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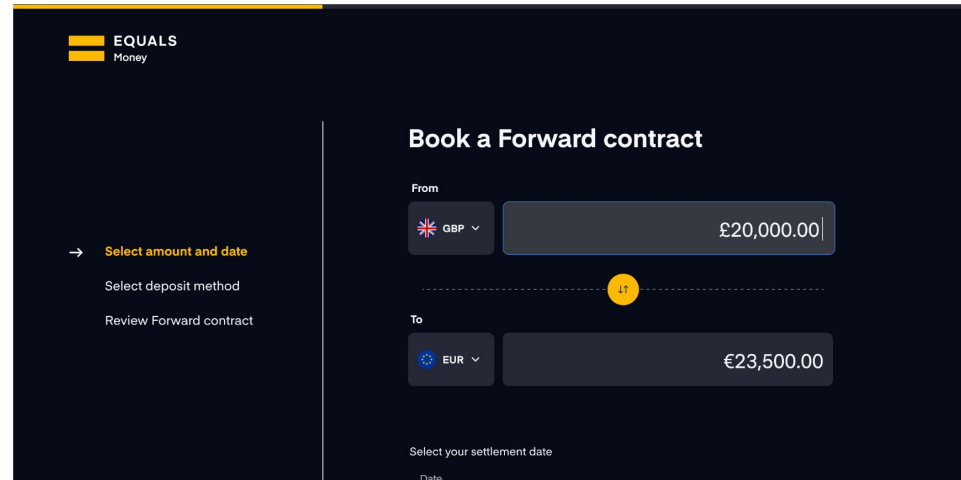
Equals Group investment case

Our history

- Equals (AIM:EQLS) was admitted to AIM in August 2014 as FairFX - a B2C dominated travel money and FX dealing business.
- Equals made strategic decision to pivot from B2C to B2B in 2017 and has successfully transitioned to become a payments provider focussed on SME customers
- Equals provides corporate customers with a highly configurable platform, combining account-account transfers, card payments and current account functionality.
- Underpinned by an own-name multi-currency account and IBAN, providing current account capabilities.
- Equals combines connections to payment networks with cutting-edge technology solutions for customers whilst retaining a strong compliance culture.
- Equals is both a PLATFORM and a PRODUCT business - a challenger brand taking business from incumbent Banks. We are a B2B-focused FinTech.

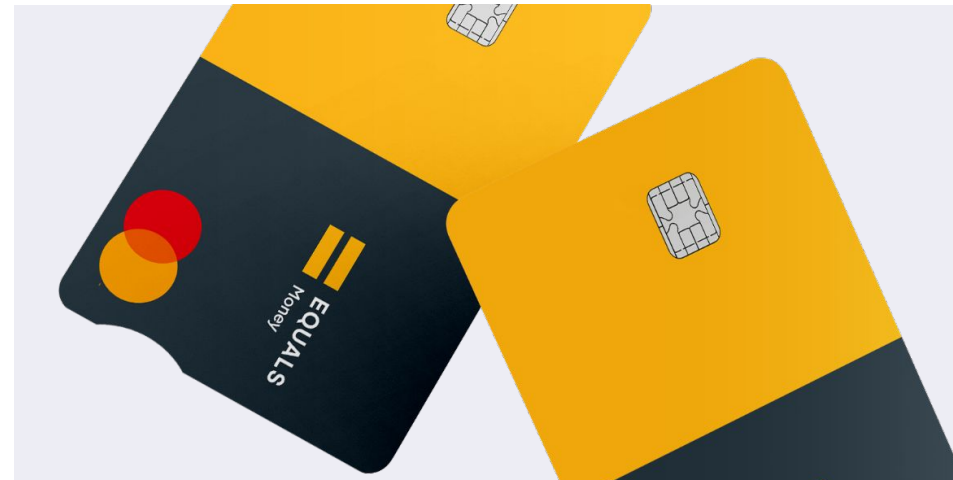


Core products



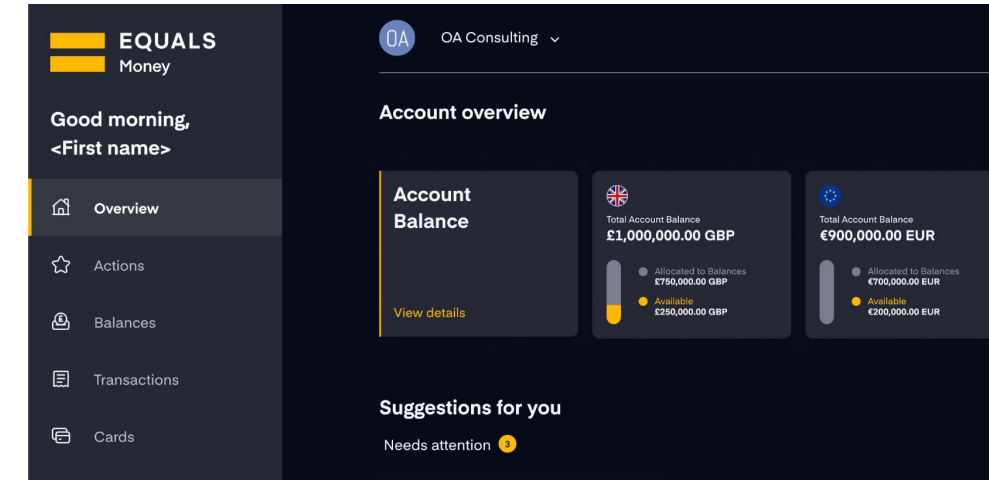
International Payments

- Spot & forward contracts
- Superior service & pricing than incumbent Banks
- Dealer access or self-serve
- Direct connections, local settlement and own-name multi-currency IBAN capabilities
- **Speed and efficiency vital**



Cards

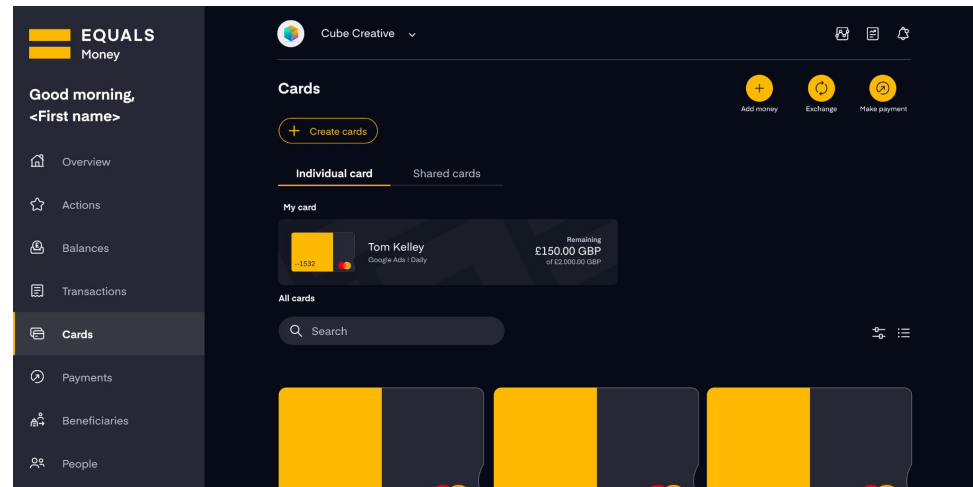
- Corporate (Spend) & retail (FairFX)
- Direct members of Mastercard
- Self-issuance
- Removal of supply chain
- Prepaid and debit
- Physical and virtual
- **Speed and efficiency vital**



Current accounts

- Operate under Electronic Money Institution (EMI) licence
- Direct connections where economic
- Agency banking via Barclays
- Regulated environment
- Underpinned by International Bank Account Numbers (IBANs)
- **Speed and efficiency vital**

Differentiators



Platform

Exceptional user experience (UX) to “demystify” complex payment methods

Efficient processing (STP) at scale

“Boxes” underpins flexibility

Combining cards and payments into one platform.



Connectivity

Direct integration to payment networks (Faster Payments, SEPA, SWIFT)

Remove supply chain where economic

CitiBank for domestic settlement in 42 currencies

Own-name multi-currency IBAN capability



Compliance

Relationship with banks and regulatory bodies key

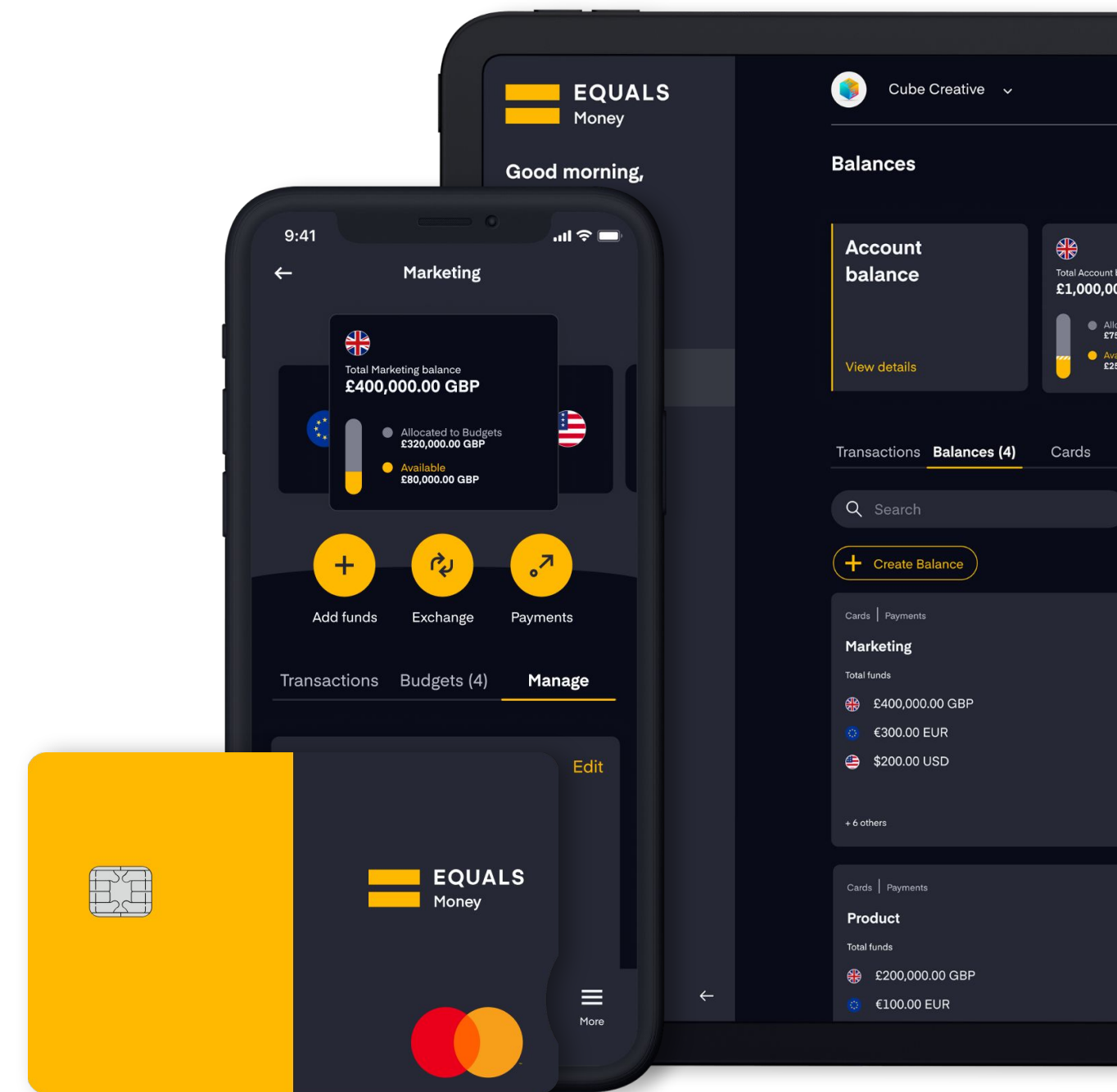
Investment into compliance team and capabilities

Automated onboarding for vanilla verification (KYB/KYC)

Enhanced Due Diligence (EDD)

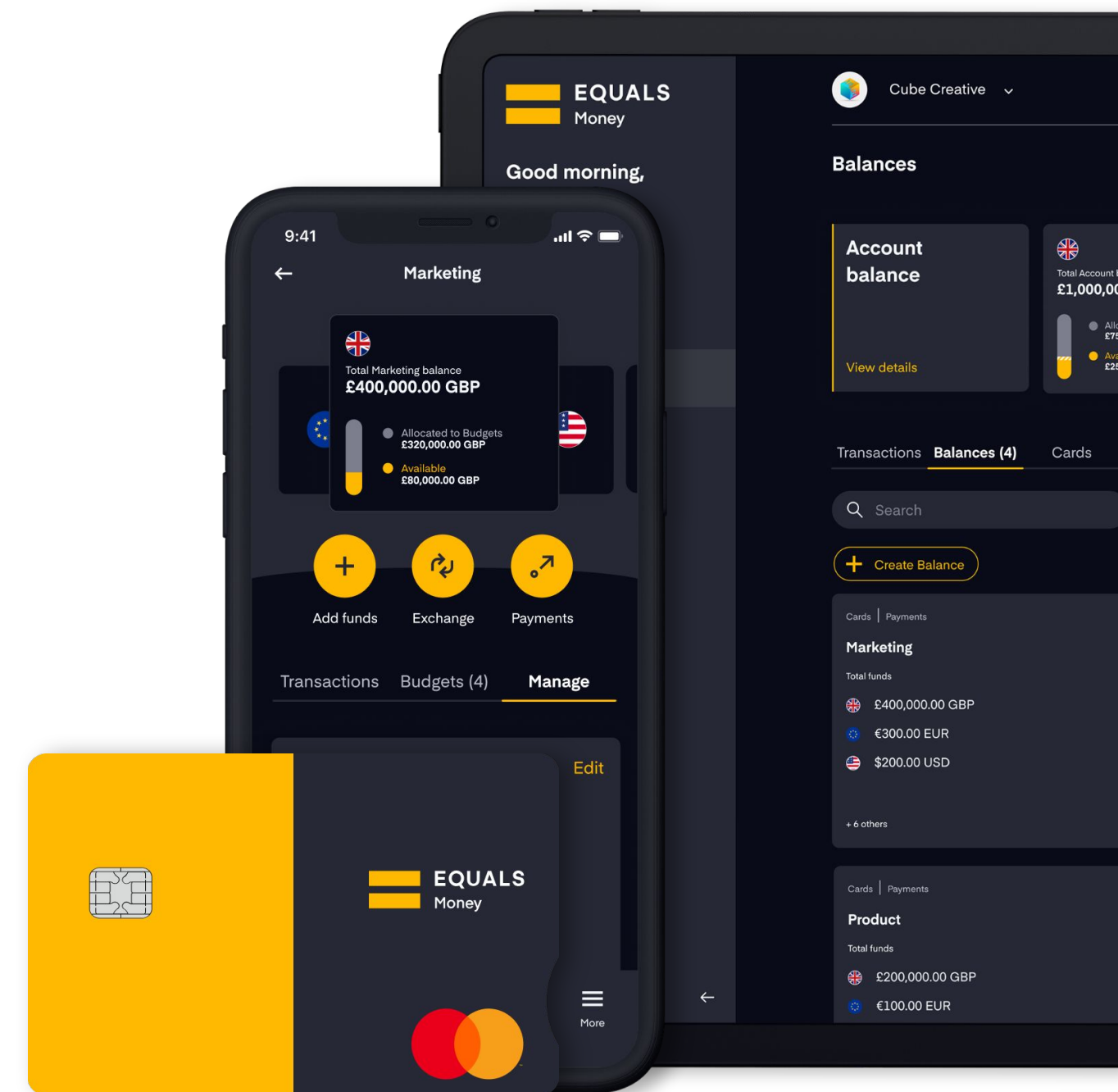
Equals Money

- A highly configurable platform, combining account-account transfers, card payments & current account functionality
- Key differentiator - own-name, multi-currency IBAN
- Target market - “build for” SMEs but applicable for all B2B
- Businesses increasingly need capability to pay by **transfer** or **card** (e-commerce) from one platform and one balance
- Equals Money combines best-in-class security and connections to payment networks with leading edge technology solutions



Equals Solutions

- Based on Equals Money platform, provides bespoke payments and cards solutions to larger / more complex corporate customers, banks
- Own-name multi-currency IBAN capability key differentiator
- Rapid onboarding & enhanced due diligence (EDD)
- Multiple sub-accounts, customisable hierarchy for approvals and permissions
- **Current use-cases:**
 - Global collection accounts - single or multiple accounts / sub-accounts
 - E-merchants, online media, CFD, Crypto, gaming
 - Payments as a Service - onboarding, IBANs, FPS, FX
 - Banks, Authorised Payment Institutions (API)
 - Management Services Payments - rapid onboarding, hierarchy
 - Fund Administrators, Corporate service providers





FY-2021 Review

Delivered in FY-2021

Payments

New “Pay” platform deployed for customers “self-serve” and internal use by dealing team.

Own-Name IBAN

Multi-currency single account identifier for customers.

Equals Solutions

New revenue stream launched in June 2021 contributing £3.6 million revenues.

Onboarding

Automated process for vanilla KYC/KYB to speed onboarding process. Augmented by EDD where required.

CRM

Hubspot CRM implemented and rolled out across Group. Significant benefit to Sales processes.

Sales

Revised structure augmented by new commission policy. Consultative, customer-centric approach.

Marketing

Implementation of Growth Team. Data-informed test & refine digital marketing. Strong focus on ROI.

People

Strengthened People agenda. Professional development. EDI an ongoing focus. Share schemes implemented.

ESG

Environmental

- Office-only carbon footprint
- Survey carried out and gold-standard carbon offsets acquired for employee emissions (Scope 1)
- Project kicked off to calculate Scope 2 and Scope 3 emissions, to be offset in 2022
- Our London property manager (CBRE) champions recycling and low emission practices
- Company cars are hybrid or battery-only
- Donated retired or unwanted hardware to be re-used.

Social

- New Equality, Diversity and Inclusion (EDI) strategy formed
- Flexible working practices
- Share investment schemes (SIPs) for employees
- Menopause assistance programme launched
- Increased focus on women in leadership, with 45% of SLT now female (2019: 22%)
- Expanded mental health support
- All Hands and other “involve the team” sessions; ‘Own the Outcome’ award
- Ongoing initiative to offer work experience to young people in underserved communities
- We support a large number of charities and community-led companies for free (including those below).

Governance

- We follow FCA guidelines for awareness of customer vulnerability and treating customers fairly
- Two-factor authentication used for all systems containing customer data
- Additional Board member
- Regular Trading Updates (eight in 2021) and shareholder dialogue
- Risk committees for each operating subsidiary
- Dedicated compliance team and frequent training
- Membership of industry networks.



Financial Review

Financial results summary FY-2021

	FY-2021 (£ millions)	FY-2020 (£ millions)	Notes
Underlying transaction values	6,529	3,493	Up 87%
Revenues	44.1	29.0	Up 52%
<i>% of revenue from B2B</i>	81%	70%	Up 11%
Adjusted EBITDA	6.7	1.1	Up 500%
Cash balance	13.1	10.0	Up 31%

Revenue mix

£ millions	FY-2021	FY-2020	Notes
Core international payments	18.2	15.0	Up 21%
White label	7.7	2.4	Up 220%
Solutions	3.6	-	
Corporate card platform	6.3	3.7	Up 70%
Banking services	5.6	5.1	Up 10%
Personal cards	2.4	2.1	Up 14%
Bureau	0.3	0.7	Down 57%
Total	44.1	29.0	
B2B percentage	81%	70%	

Core international payments includes revenues from acquired entities, Casco, Effective, Hermex and CityForex.

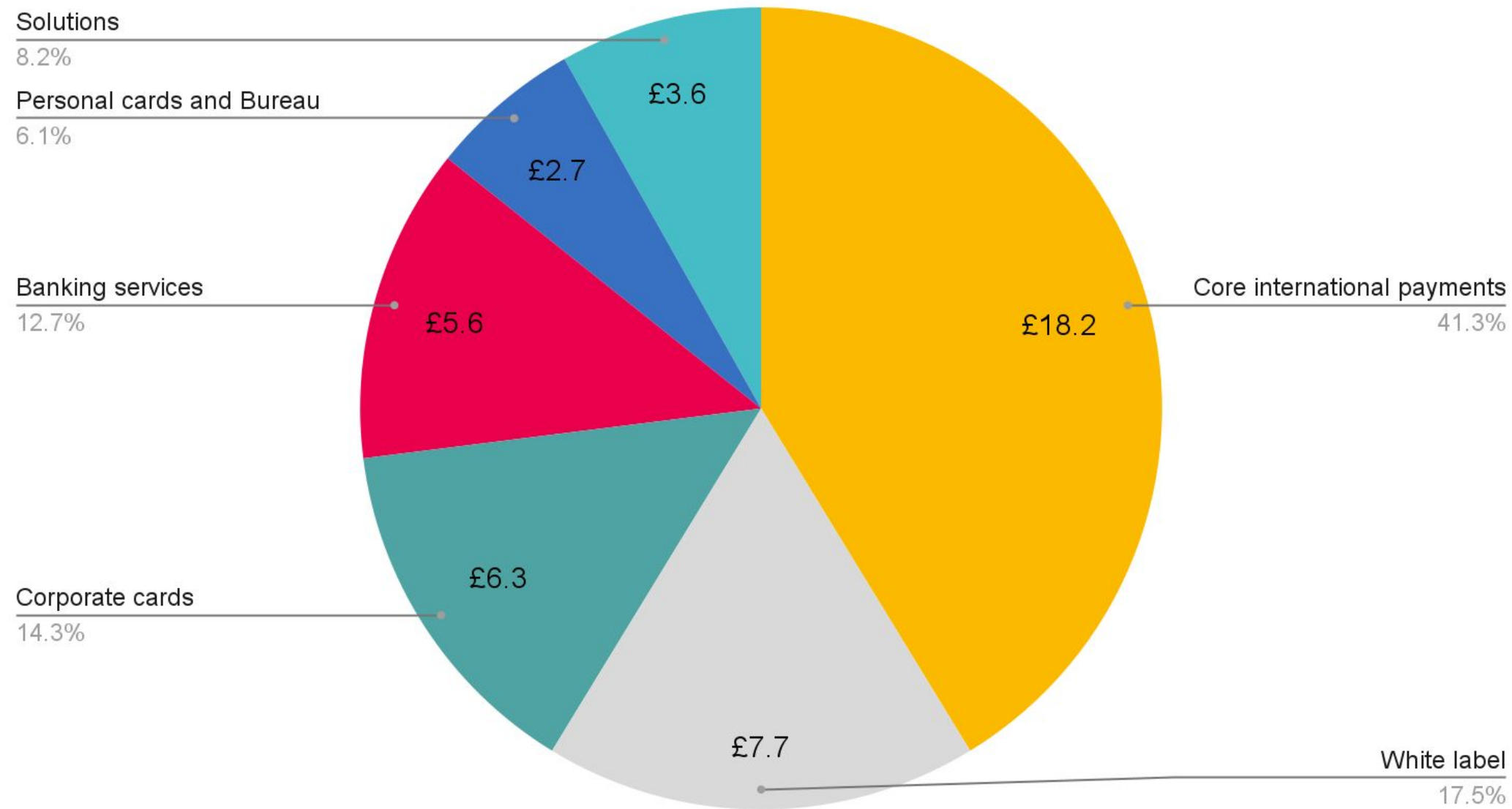
White Label trades under the brand Equals Connect.

The Corporate card platform, previously known as Equals Spend, is evolving, with virtual cards and cash flow management capabilities on the way.

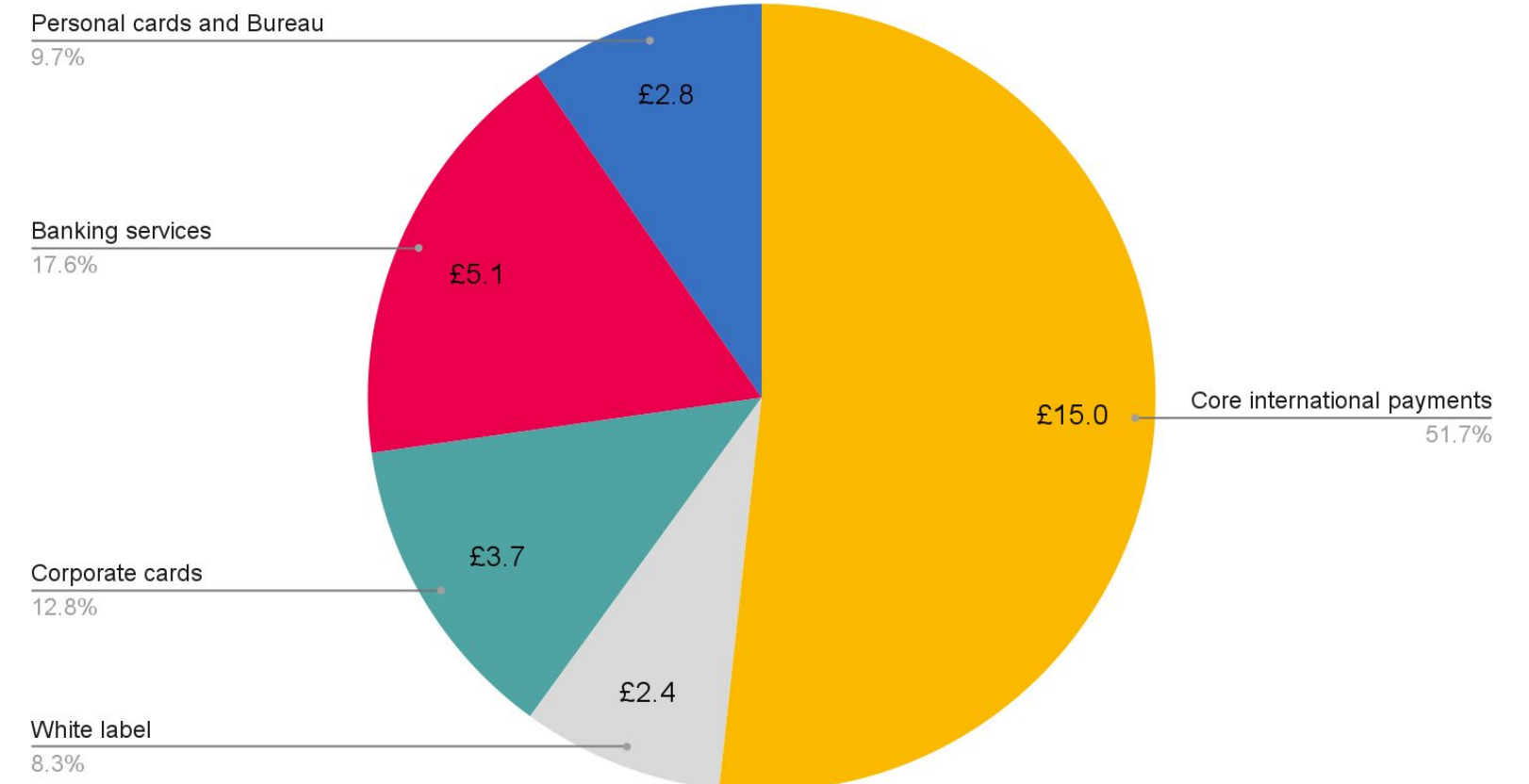
Banking services, is the CardOne Money legacy business. We are leveraging this infrastructure to power Equals Money current accounts.

Revenues mix: FY-2021 vs FY-2020

2021: £44.1 (millions)

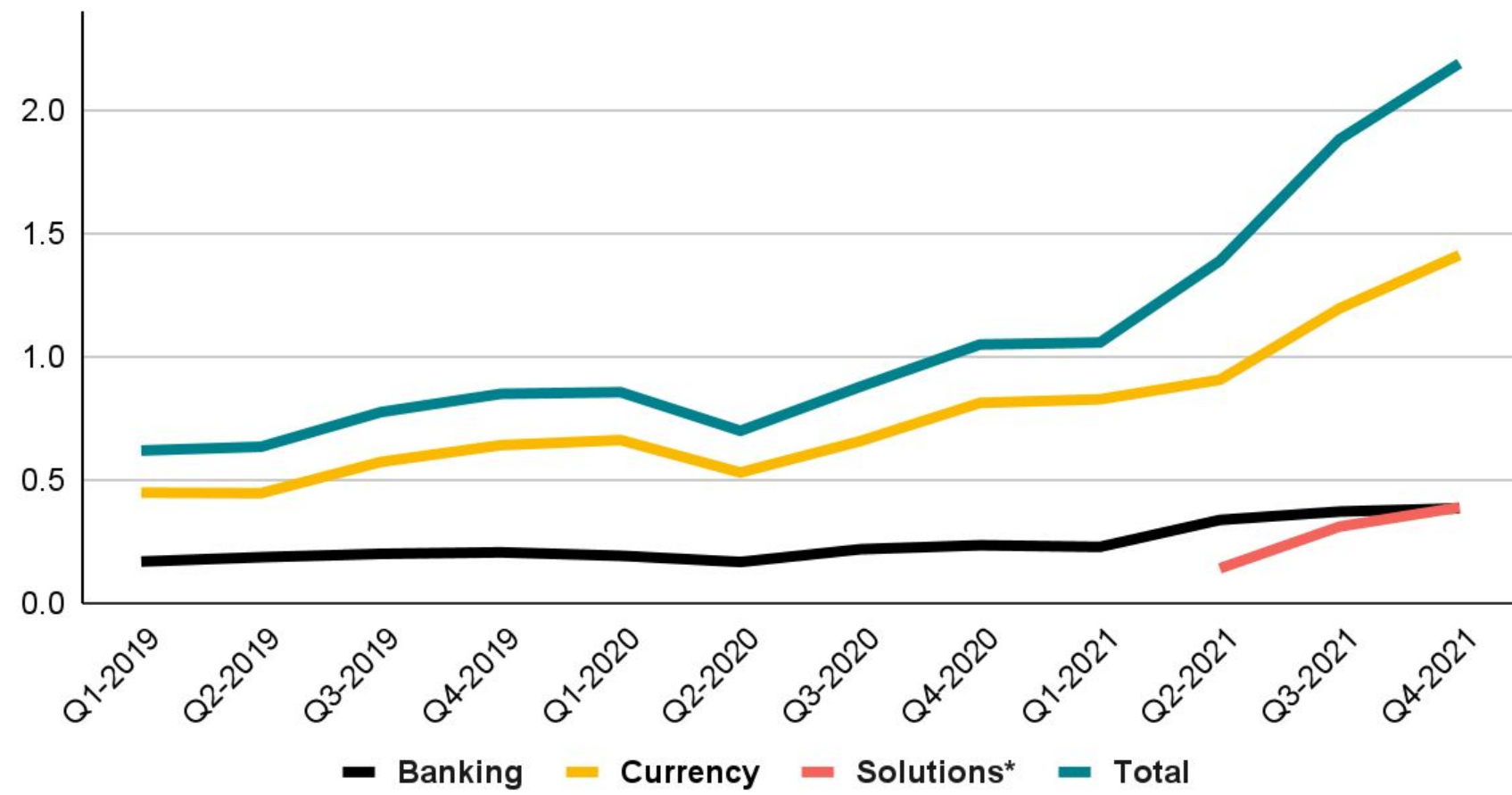


2020: £29.0 (millions)

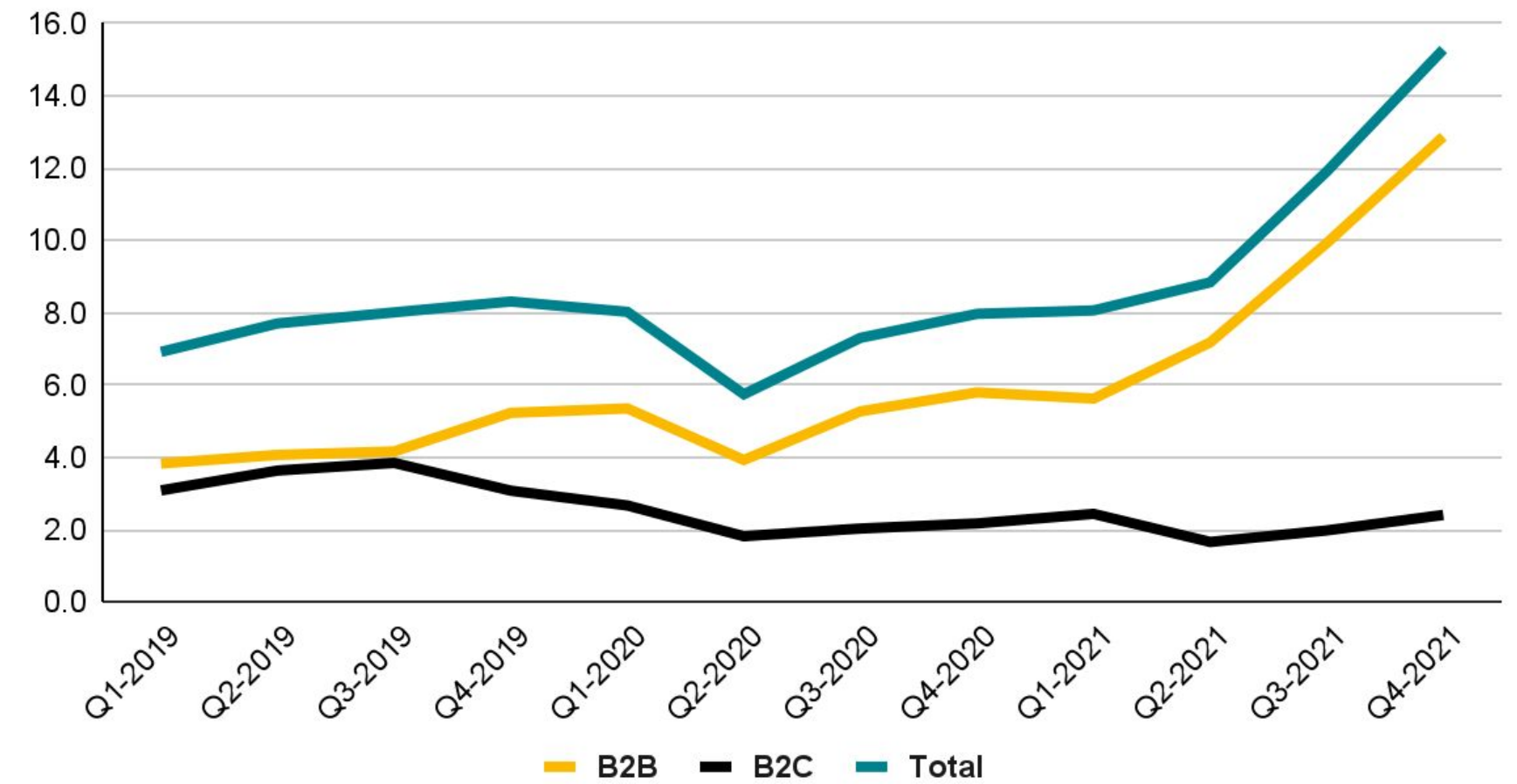


Trends: Amounts by quarter

Transaction amounts (£ billions)



Revenues (£ millions)



*Solutions, our offering for the larger and SMEs with more complex needs, using “own-name” IBAN, was initiated in late May 2021.

Revenue to Adjusted EBITDA

£ millions	FY-2021	FY-2020
Revenues	44.1	29.0
Gross profits	24.0	18.3
Less: Marketing	(1.2)	(1.2)
Contribution	22.8	17.1
Staff costs	(15.7)	(16.9)
Less: Exceptionals	0.7	1.4
Less: Capitalised	3.0	4.0
Net staff costs	(12.0)	(11.5)
All other expenses	(5.5)	(7.1)
Less: exceptional items	-	1.2
Less: Capitalised	0.3	0.4
Less: IFRS 16	1.1	1.0
Net, other expenses	(4.1)	(4.5)
Adjusted EBITDA	6.7	1.1
Memo: Adjusted EBITDA after rent	5.7	0.0

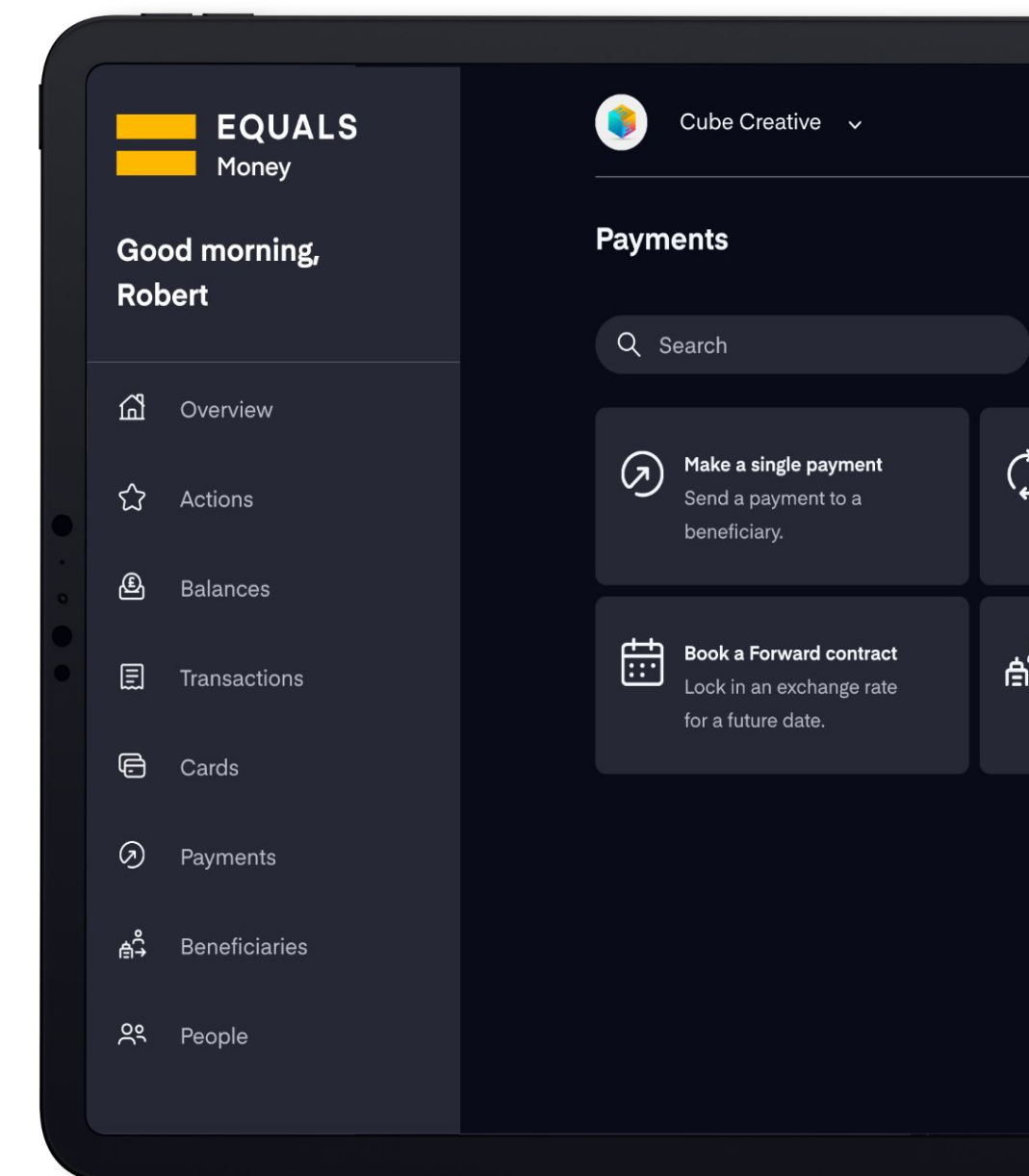
Gross profits are revenues after deducting transaction costs, affiliate commissions and staff commissions.

Gross profit percentages were 54.5% in 2021 and 63.1%. This represents the significant rise in revenue from Equals Connect, the white label platform.

International payments: In numbers

Including Connect and Solutions

Revenue	FY-2021	FY-2020	Notes
Total (£ millions)	29.5	17.4	Up 70%
Core revenue (£ millions) <i>Excluding Connect and Solutions</i>	18.2	15.0	Up 21%
Transactions - Core			
Number of transactions (thousands)	88.1	84.1	Up 5%
Average transaction size (£ thousands)	29.4	24.8	Up 19%
Mix of revenue - Core			
Spot	78%	63%	15%
B2B	82%	75%	7%
Margins - Core			
Average margin (BPs)	70	72	Down 2
Gross profit margin (%)	61	64	Down 3



Equals Connect: In numbers

Revenue

FY-2021

Total (£ millions) **7.7** (FY-2020: 2.4)

Mix of Connect's revenue

Spot **84%**

B2B **100%**

Average transaction size (£ thousands)

Overall **32.1**

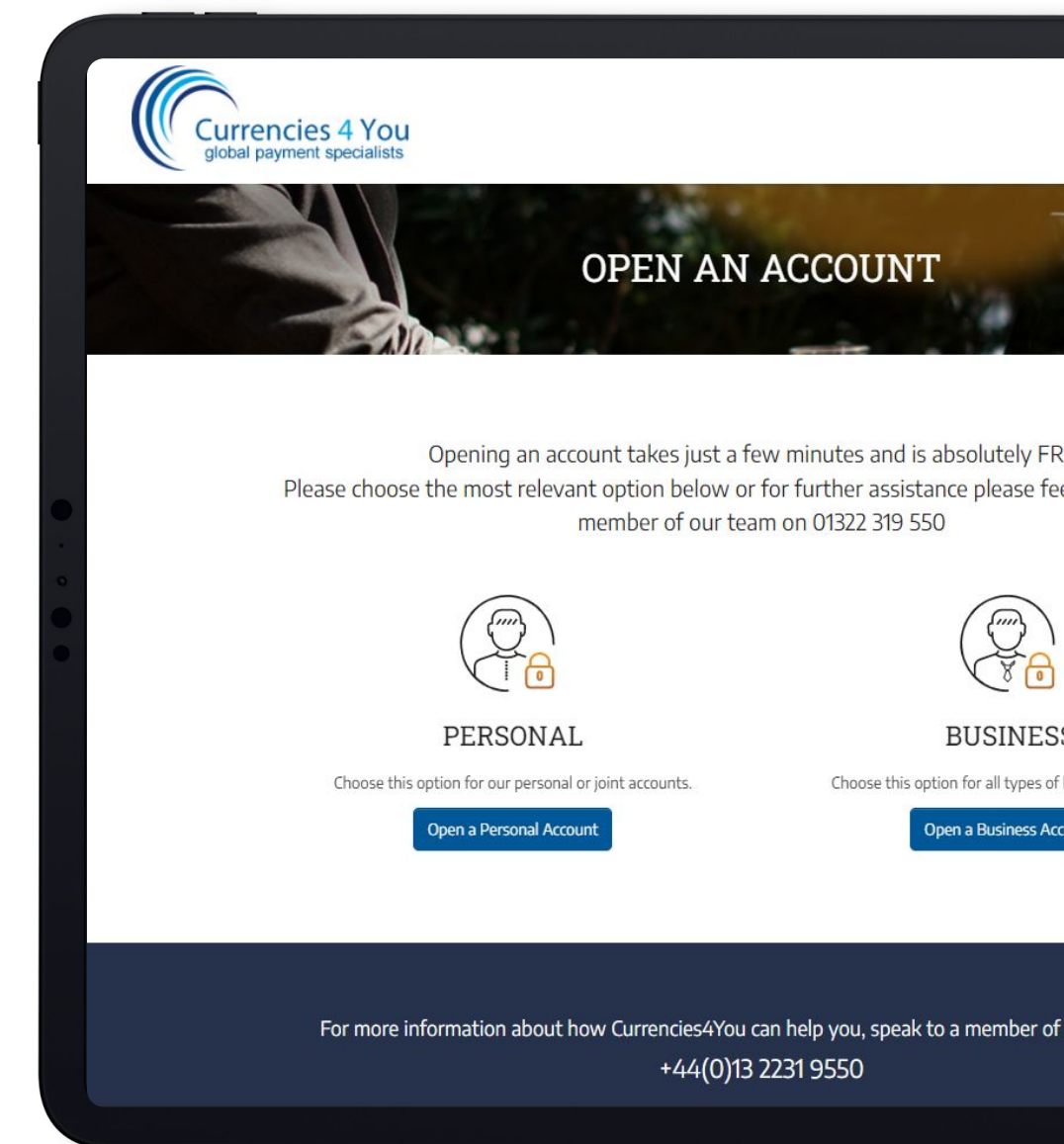
Spot **28.3**

Forward **151.7**

Margins

Average trading margin **71bps**

Gross profits **£1.1m**



One affiliate grew strongly and generated 38% of the revenue but 19% of the gross profits. The average gross profit margin on the rest of the book was 18%.

Equals Solutions: In numbers

Launched May 2021 (therefore no comparisons in 2020)

Revenue FY-2021

Total (£ millions) 3.6

Currency Trades

Number of transactions 584

Revenue (£ millions) 2.5

Margin (bps) 102

Gross Profit % 24

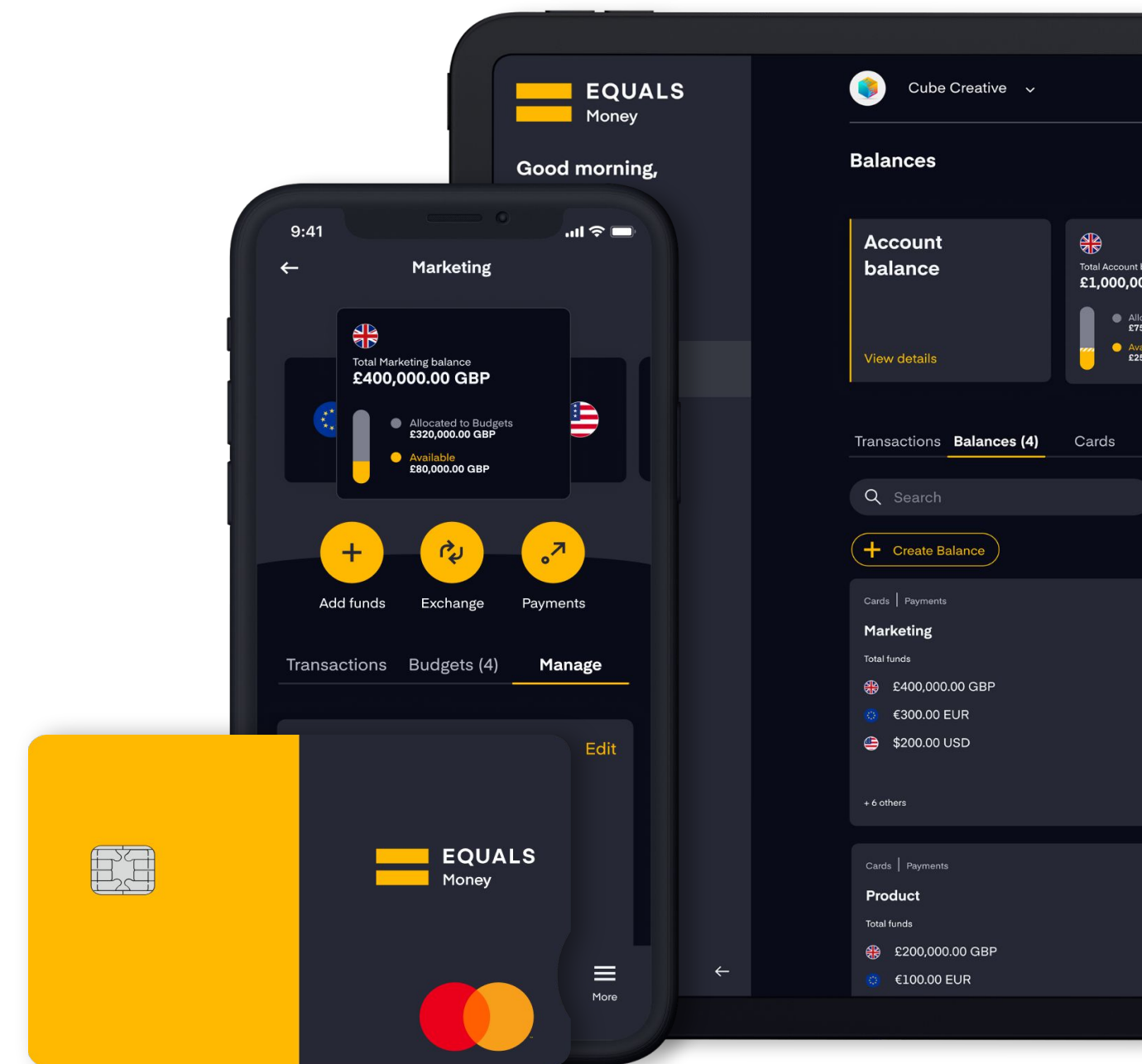
Platform trades

Number of transactions 3,241

Revenue (£ millions) 1.1

Margin (bps) 13

Gross Profit % 90



Corporate cards: In numbers

Revenue	FY-2021	Notes
Total revenue (£ millions)	6.3	Up 70%
Average revenue per transaction	201p	Up 1p
Loads		
Number of card loads	448,000	Up 36%
Value of loads (£ millions)	333.9	Up 64%
Transactions		
Number of transactions (millions)	3.1	Up 67%



Personal cards: In numbers

Revenue	FY-2021	Notes
Total revenue (£ millions)	2.4	Up 14%
% of Group revenue	5.5% (2020: 7.2%)	
Average revenue per transaction	212p	Up 13p
Deposits		
Value of loads (£ millions)	61.4*	5% lower
Transactions		
Number of transactions (millions)	1.1	Up 15%

*Representing 250,000 loads



Current accounts: In numbers

Revenue	FY-2021	Notes
Total revenue (£ millions)	5.6	Up 10%
Average revenue per account (£)	392	Up 11%
Deposits		
Value of deposits (£ billions)	1.331	Up 62%
Accounts		
Number of accounts	14,500	Up 2%
Transactions		
Number of transactions (millions)	5.5	Up 47%

card one money Current account Pricing Work w

PERSONAL

The banking alternative that leaves no **one** behind

We believe in financial freedom for everyone, no matter what your credit rating or employment status is. That's why we don't run credit checks or have long-winded application processes.

Open an account

Staffing

	FY-2021	FY-2020
% of costs capitalised	19%	24%
Average staff numbers	255	303
Revenue per employee	£173k	£96k
Basic costs*, ex board	£52k	£50k
Value added per employee	£121k	£46k
Number of contractors	12	10
% of contractors outside UK	50%	30%

In line with guidance, both the amounts and the percentages of staff cost capitalised significantly reduced in 2021.

Overall, right-sizing continued during 2021.

The 2020 year ended with 276 staff on payroll and through natural wastage and constant improvement, the Group had 80 joiners and 97 leavers in 2021.

Value added is calculated by taking the Revenue per employee and deducting the base costs per employee.

We increased the % and number of contractors undertaking development work to off, or near shore during 2021.

EBITDA to EBIT

£ millions	FY-2021	FY-2020
Adjusted EBITDA	6.7	1.1
Exceptional items	(0.7)	(2.7)
Share options charges	(0.3)	(0.4)
EBITDA	5.7	(2.0)
Amortisation - internally developed s/w	(4.1)	(2.7)
Amortisation - acquired tangibles	(1.3)	(1.2)
Amortisation - other	(0.4)	(0.5)
Depreciation - PPE	(0.4)	(0.5)
Depreciation - "right of use"	(0.9)	(0.9)
Impairment of Bureau	(1.6)	-
Contingent consideration charge	(0.1)	
EBIT	(3.1)	(7.8)

Exceptional items were incurred on reducing the senior management layer.

ACTUAL spend on internally developed software was lower than the amortisation charge at £3.0 million (2020: £4.0 million)

Given the inactivity in the travel cash sector, we concluded that we should make a 100% impairment to the goodwill of the Travel Cash CGU.

EBIT to PAT

£ millions	FY-2021	FY-2020
EBIT	(3.1)	(7.8)
Contingent consideration valuation changes	(0.3)	(0.8)
FX differences	(0.1)	(0.2)
Lease and other interest charges	(0.3)	(0.2)
EBT	(3.8)	(9.0)
Credit for taxation on losses	1.1	0.7
R & D credit accrued	0.4	1.4
Loss for year	(2.3)	(6.9)
Non-controlling interest	(0.2)	-
Add-back: exceptional items	0.7	2.6
Add back: Amortisation of acquired tangibles	1.3	1.2
Adjusted loss after tax for the year	(0.5)	(3.1)

The performance of the acquired businesses exceeded initial expectations and thus an accounting uplift was recognised.

Credits on R&D are recognised in the year and accounted for “below the line”. The £1.4m accrued in 2020 was received in 2021.

The adjusted result was close to a loss of £0.5m (and mainly due to the increase in corporation tax rates for 2023 and its impact on deferred taxation) - a huge turnaround from prior years.

Cash flow

£ millions	FY-2021	FY-2020
EBITDA after rent	5.7	0.0
Exceptional items, cash component	(0.7)	(2.0)
Capitalised staff costs	(3.0)	(4.0)
Purchase of other non-current assets	(0.6)	(0.6)
Acquisition earn-outs	(1.1)	(0.8)
Working capital movements	1.2	1.6
Other receipts		
Cbils loan	-	2.0
Funds received from share options exerc	0.2	-
R&D credits received	1.4	2.5
Net flow for year	3.1	(1.3)
B.fwd	10.0	11.3
C.fwd	13.1	10.0

Of the £2.7 million of exceptional items incurred in 2020, only £2.0 million had a cash effect in that year.

Earn-outs were paid in respect of Equals Connect and Effective FX

The CBILs loan was drawn-down from RBS on 23 December 2020 and carries an interest charge of 2.53% over Bank base rate. It is repayable over 60 instalments from 23 January 2022 but can be repaid, without penalty, at any time.

Liquidity

£ millions	FY-2021	FY-2020
Cash at bank	13.1	10.0
Liquidity providers	1.7	2.8
Card provider	1.6	2.1
Customer balances (not subject to safeguarding)	(3.7)	(4.1)
CBILS (Coronavirus Business Interruption Loan Scheme)	(2.0)	(2.0)
Totals	10.7	8.8
Of which, trapped cash was....	1.2	1.1

House funds are maintained mainly with Barclays.

At year end £212 million was held off balance sheet with a combination of banks including Barclays, Nat West Group, Citibank and Bank of England in furtherance of compliance obligations.

Customer funds held on Balance Sheet are customer margins.

Balances with liquidity providers are margin deposits on forward contracts

Trapped cash represents regulatory deposits and similar.



Q1-2022 Trading Update

Roadmap

Growth Strategy

Q1-2022 Trading Update

Strong revenue growth

Revenues to 28th March of £13.6 million, 68% ahead of full Q1-2021 result.

Solutions

Revenues to 28th March of £2.6 million compared to Q4-2021 of £1.8 million. Strong pipeline of new business.

Corporate cards

Load volumes running at double equivalent period in 2021.

International Payments

Currency volatility in March caused by Ukraine conflict helped drive activity. Success of Sales team changes driving new customer flow.

Headcount

Staff numbers stable at 260 but likely to increase during 2022 but at lower rate than revenue.

Costs

Continued focus on cost-control balanced by selected investment into growth initiatives.

FY-2022 Roadmap

Payments

Faster processing/delivery, bulk payments, additional forward functionality, improved UX & mobile app.

Cards

Physical & virtual, debit & prepaid, single & multiple user cards all supported in Equals Money.

International Expansion

Full Equals Money functionality roll-out in the US and Eurozone.

Connectivity

Direct integrations to payments networks (SEPA, ACH in US) plus accountancy platform integrations.

Investment in tech

Continued development of platform and products. Total tech spend, including IT costs, of £6 million.

Platform as a Service

Re-sell the Equals Money and Solutions platforms to third parties via API integrations.

Boxes Infrastructure

Further investment to drive straight-through-processing (STP), running balances and statements.

People

Investment in retention and productivity. Developing high-performing teams via enhanced leadership training and professional development.

Growth: Sales and marketing

Partners portal

Using Everflow platform to leverage partners, affiliate websites and clients for Sales.

Data

Harnessing data to optimise CPA per channel and drive key KPIs for Sales. Leverage this capability to increase APPU.

Marketing automation

Event-driven communication to maximise revenues via personalised messaging.

Client value tiering

Classification of accounts to ensure pricing and resource allocation are correlated to revenue potential.

New marketable features

Equals Money, virtual cards, accountancy integration, cash flow / budgeting capabilities and financial tooling.

Pricing

Billing engine to expand charging methods. Optimisation of pricing across customer demographics and industry verticals.

Website optimisation

Maximising lead capture and conversion, speed to onboard. Majority of accounts open in 24 hours.

Industry targeting

Integrated sales and marketing campaigns, championing our customers. Industry conference attendance and ambassador programme to be launched.

Summary

Growth & operational gearing

Strong growth in turnover and revenues flowing increasingly to profits.

Scalability

Investment in infrastructure and direct connectivity resulting in capacity and efficiency.

Cash generative

Operational cash-flow strongly positive. Strong balance sheet to support organic growth and M&A.

Tech-led platform business

Payments platform incorporating cards and transfers delivered via outstanding UX and personalised service - directly or via API.

Compliance & Control

Investment into compliance & operations yielding superior relationships with Banks and Regulators.

Proven track record

Strong, stable team delivering consistent market-beating performance.



Thank you.

Questions?



Appendix

Market guidance

CASH RELATED ITEMS

Capex, PPE	£0.6m (including property refit)
Internally developed software	£3.6m (some accelerated spend, some labour market pressure)
Earn-out payments	£1.6m (50% already settled)
CBILs	£0.4m of capital, £60k interest
Rents payable	£0.7m
R&D credits expected	£0.4m

NON-CASH RELATED ITEMS

Depreciation	IFRS 16:	£0.8m
	Other:	£0.5m
	On 2022 capex:	£0.1m
Amortisation	<u>Pre-2022 events:</u>	
	Internally developed s/w	£4.3m
	Other intangibles	£0.3m
	Acquired intangibles	£1.3m
	<u>Charge based on 2022 events:</u>	
	Internally developed s/w	£0.4m
Share option charges		£0.6m