

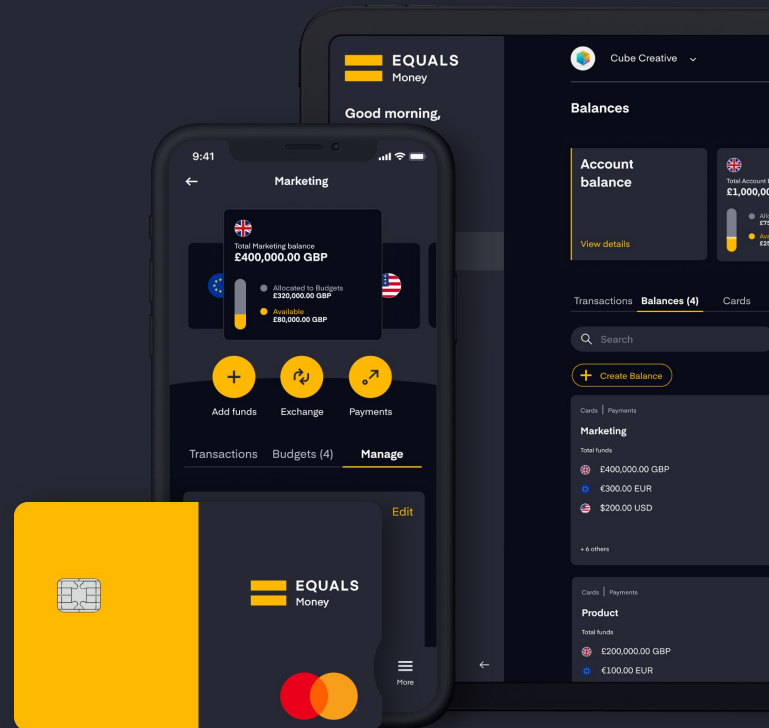


H1-2023 Results and Q3-2023 Trading Update

September 2023

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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

Unified A2A transfers & card payments with own-name multi-currency IBAN

Unlimited accounts

Create sub-accounts

Highly configurable

Approvals and permissions

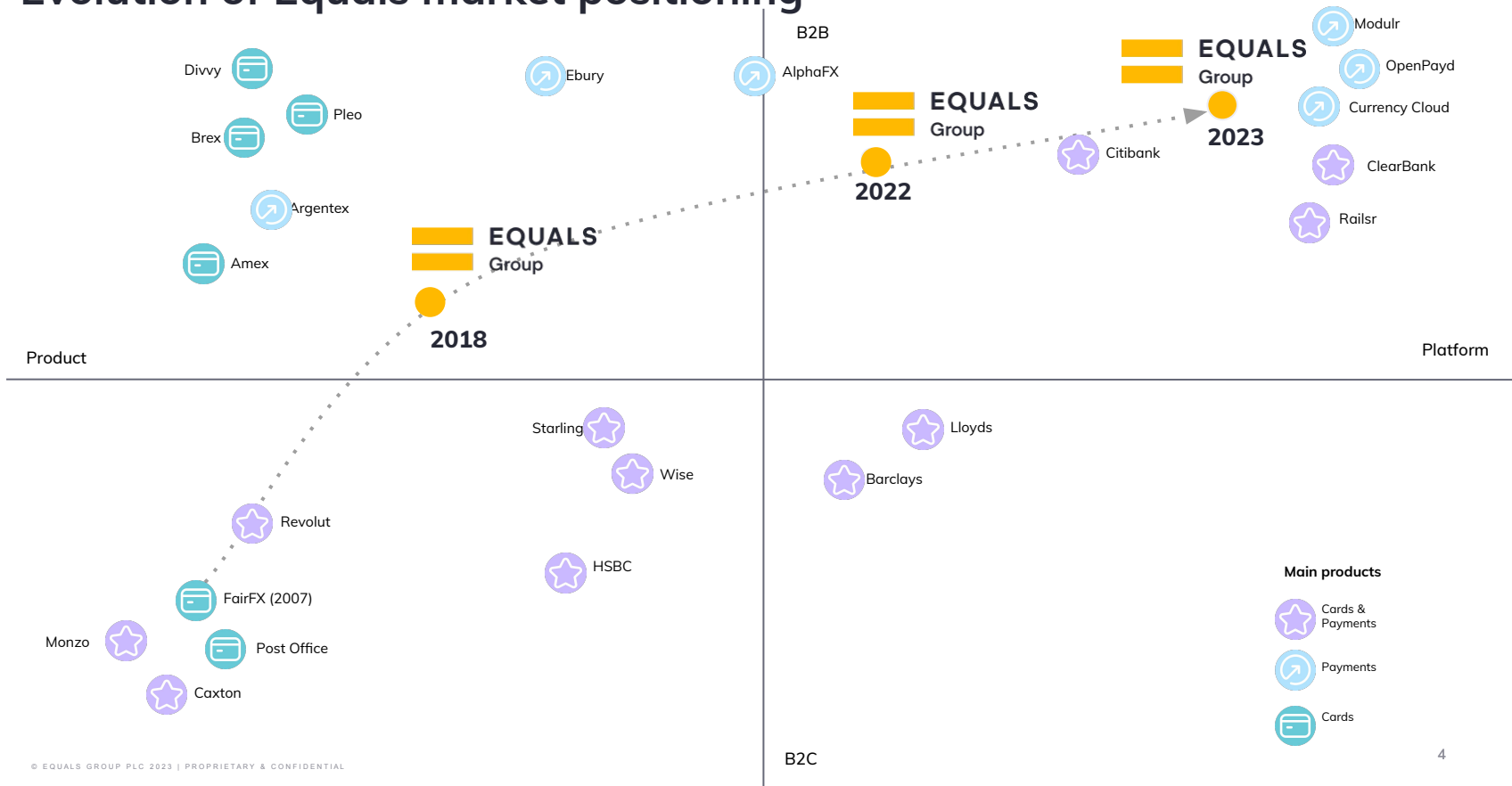
Equals Money

SMEs

Equals Solutions

Larger corporates

Evolution of Equals market positioning



	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	£903.26 <small>LOW ALPHA 11/09/2023</small>	£700m <small>value at acquisition 22.07.22</small>	£470m (est) <small>Valuation undisclosed 18/03/2022</small>	Billions (various)	£6.68bn <small>WISE 11/09/2023</small>	£185.36m <small>LOW EQUALS 11/09/2023</small>

H1-2023 Highlights

Strong Growth

Transactions +43% at £6.0bn
Revenue +43% to £45.0m
EBITDA* +102% to £9.8m

Platform

Full API functionality available to customers
Increased automation of "payments out" journey

European Expansion

Acquisition of Equals Money Europe (formerly Oonex)
Regulatory clearance received and integration on plan

Cards

Re-platform of FairFX to Equals Core via API - virtual & physical & tokenisation.
Integration of Roqqett
Integration with Xero

Sales & marketing

Deployed regional Sales Model
Improved digital estate
PPC and SEO yielding increased leads
Multi-currency IBAN marketing roll-out

Compliance

Continued investment into personnel
Zero-backlog in vanilla DD augmented with specialist teams for enhanced DD
Featurespace - AI Transaction monitoring system

* Adjusted EBITDA

Equals Money Europe

Entity



Acquisition completed on July 4th 2023

Renamed to Equals Money Europe SA on August 9th 2023

Subsidiary Board established aligned to local requirements

Strategic plan submitted to NBB

Recruitment



Key hires made in Head of Finance, Head of Risk & HR.

Multiple roles currently being recruited to build out compliance/risk and finance functions.

Moved staff in both Brussels and Amsterdam to new offices to ensure Equals culture can be embedded

Products



Integration work begun with existing banks on both payment accounts and acquiring to Equals Core platform

Onboarding in progress with additional banking partners to add wider functionality

Card testing underway

Equals Money



Strategic plan submitted to the National Bank of Belgium.

Existing customer review to ensure alignment with Group strategy.

Revenue growth potential from new and existing client base once Equals Core is online.

CFO Review

P&L

From Revenue to EPS

Cash Flow

From EBITDA to period end cash

Revenue

Components and bridge

Gross Profits

Amounts, margins and changes

Expenditure

What is moving and why

EPS

What is driving the increase

Investments & Acquisitions

Investing for the future

P & L Summary

£ million's	H1-2022	H2-2022	H1 - 2023	Changes from:	
				H1 - 2022	H2 - 2022
Revenue	31.4	38.3	45.0	+43.3%	+17.5%
GP %	47.5%	49.1%	52.4%		
GP	14.9	18.8	23.6	+58.4%	+25.5%
"Cash" costs	(10.0)	(11.5)	(13.8)		
Adjusted EBITDA	4.9	7.3	9.8	+102.5%	+34.2%
Adjusted EBITDA %	15.6%	19.1%	21.8%		
Non-cash items	(4.0)	(4.7)	(4.0)		
PBT	0.9	2.6	5.8	+544.4%	+123.1%
TAX	(0.1)	0.1	(1.0)		
PAT	0.8	2.7	4.8	+500.0%	+77.8%
EPS	0.38p	1.42p	2.64p	+595%	+86%

Cash Flow Summary

£ million's

Adjusted EBITDA

Add:

Other receipts

Less:

Leases

Capitalised staff costs

Other TFA

Working capital movements

Less:

CBILS repayment

Less:

Acquisitions and earn-outs

Net cash flows

Opening cash

Closing cash

H1-2022

4.9

0.2

(0.4)

(2.1)

(0.6)

3.0

5.0

(0.2)

4.8

(1.4)

3.4

13.1

16.5

H2-2022

7.3

0.4

(0.6)

(2.2)

(0.5)

(1.9)

2.5

(1.8)

0.7

(2.2)

(1.5)

16.5

15.0

H1 - 2023

9.8

0.1

(0.5)

(2.4)

(0.8)

(0.6)

5.6

-

5.6

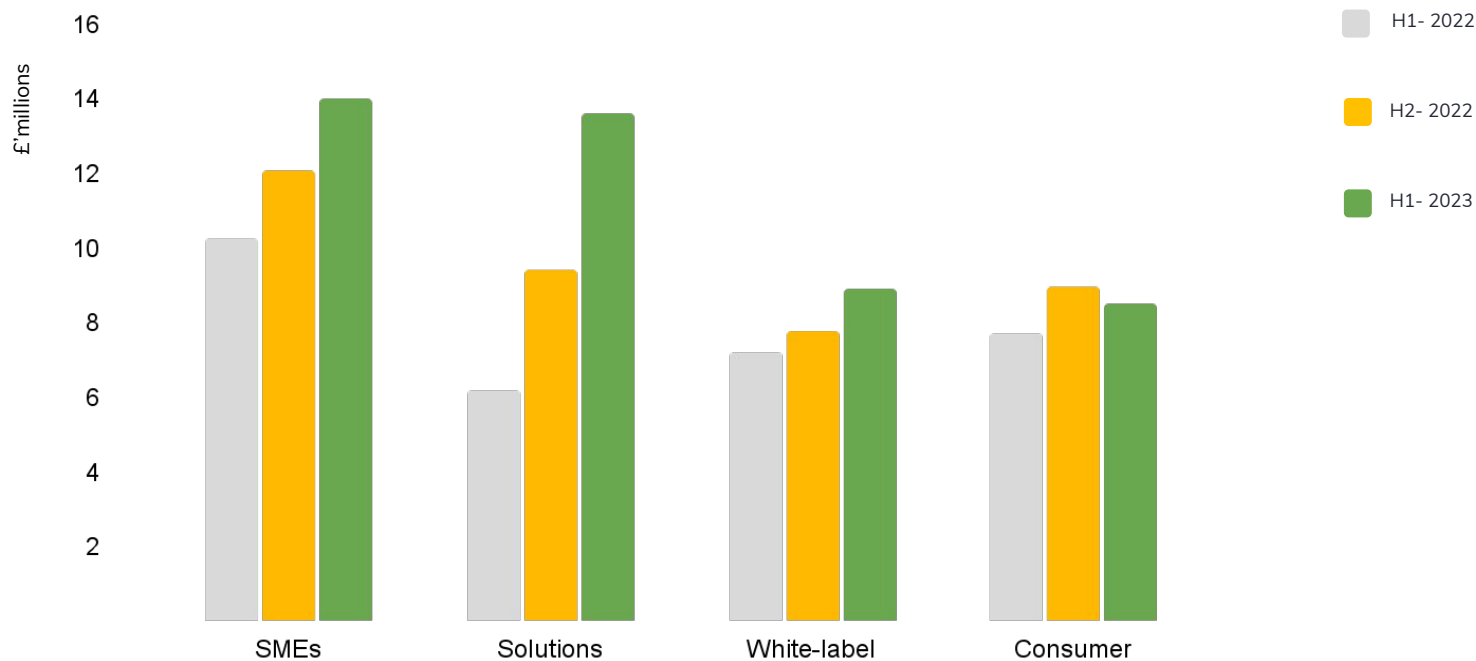
(2.7)

2.9

15.0

17.9

Revenue per six-month period



Revenue: Bridge, and results

£ million's	H1-2022	H2-2022
Revenue in earlier period	31.4	38.3
Less: revenue from Bureau (sold in period)	(0.4)	(0.4)
	31.0	37.9
Increase in revenue from Solutions	+7.4	+4.2
Increase in revenue from SMEs	+3.7	+1.9
Increase in revenue from White-label	+1.7	+1.1
Change in revenue from Consumer	+1.2	-0.1
Revenue in H1-2023	45.0	45.0

Gross profits

	H1-2023		Increase	Increase in GP attributable to:	
	£ millions	GP %	£ millions	Revenue	Margin
SMEs	5.2	57.3%	1.4	1.2	0.3
Consumer	1.3	70.0%	(0.2)	(0.1)	(0.0)
	6.6	59.5%	1.3	1.0	0.2
White-label	1.6	18.4%	0.9	0.2	0.7
Total - International payments	8.2	41.1%	2.2	1.2	0.9
SMEs	3.1	65.1%	0.9	0.9	0.0
Consumer	1.4	59.5%	0.0	0.1	(0.1)
Total - Cards	4.6	63.2%	1.0	1.0	(0.0)
Solutions	7.4	54.1%	4.5	3.5	1.0
Banking (small/consumer)	3.4	83.5%	1.3	0.9	0.4
Bureau	0.0	30.1%	(0.2)	(0.2)	(0.0)
	23.6	52.4%	8.7	6.4	2.3

- GP increased by a faster rate than the increase in revenue
- 74% of the increase in GP was attributable to revenue
- 26% due to improved margin efficiency

Cash costs- bridge

£ million's	From H1-2022	From H2-2022	
Cash costs in prior period	<u>10.0</u>	<u>11.5</u>	
Add:			
Increase in gross staff costs	2.6	1.4	18%
Offset by increase in amounts capitalised	<u>(0.4)</u>	<u>(0.3)</u>	
Increase in staff costs in P&L	2.2	1.1	
Increase in marketing and travel	0.4	0.3	22%
Increase in compliance and audit	0.3	0.4	70%
Increase in IT, hosting etc	0.5	0.3	27%
Other cost changes	<u>0.4</u>	<u>0.2</u>	
Total change in costs	<u>3.8</u>	<u>2.3</u>	20%
Cash costs in current period	<u>13.8</u>	<u>13.8</u>	
Memo: period end headcount	266	323	21%

EPS Increase

	£ millions	
Increase in revenue, leading to increase in Gross Profits %	8.7	Up 59%
Cash costs, increasing, but at half the rate leading to Adjusted EBITDA increasing by:	5.0	Up 102%
Gain on disposal of Bureau	+0.4	
Change in non-cash items	-0.4	
Increase in tax charge on increased profits and increased rates of tax	-1.1	
Net increase in PAT	3.9	
Total PAT in period	4.8	
EPS enhancement due to profits	2.65	p
EPS offset owing to dilution	-0.01	p
Shares at 30 June 2023 - 181,793,295	2.64	p
Note: £13.5m of loss relief still available		

Investments and Acquisitions- in the period

£ millions

Internal staff expenditure on product development:

Equals Money	1.8
Boxes	0.3
Card programmes	0.2
Other	0.1

 2.4

Other expenditure (kit, licences etc) capitalised

0.9

 3.3

Acquisitions booked to the balance sheet 5.5

Less: liabilities acquired (0.8)

Less: deferred consideration (2.8)

Cash outflows in period from acquisitions

 1.9

Pre-acquisition funding for Oonex

 0.7

Total invested in period

 5.9

Acquisitions and Investments - after the period

Expansion into Europe

- Oonex (now Equals Money Europe) acquired in July 2023
- 4 million shares in Equals, with a further 1 million subject to warranties
- Acquisition included the settlement of liabilities (£4.0m) required to continue the business:
 - Made by way of loans to protect capital base / avoid dividend trap
 - W/C outflow expected to be £1m in H2-2023 and £1.5m in FY-2024

Continued product development

- Internally capitalised staff in the order of £2.5m in H2-2023

Acquisitions

- “Casco” earn-outs of £0.9m in Q4-2023
 - Further £0.5m in Q2-2024
- Hamer & Hamer can earn a further £1.7m over three years if targets met
- Roqgett to receive up to £1.1m in H2-2023

Working capital evaluation

At 30 June 2023 (in £ millions)

Utilised

Cash at banks	17.9	1.6
Card provider	0.8	0.8
Net margin from clients offset with margin at LPs	(2.1)	
	16.6	2.4
Further balances with card intermediary	0.6	
Accrued income and trade debtors regularly settled	2.7	
Less:		
Accounts payable, affiliate and staff commissions, Paye/Vat due	(7.1)	
Prepayments less accruals	(0.4)	
	11.6	2.4
Accrued profits on forward contracts with customers	2.2	2.2
Card stocks, rental deposits etc.	0.4	0.4
Total as per table 8 in RNS	14.2	5.0

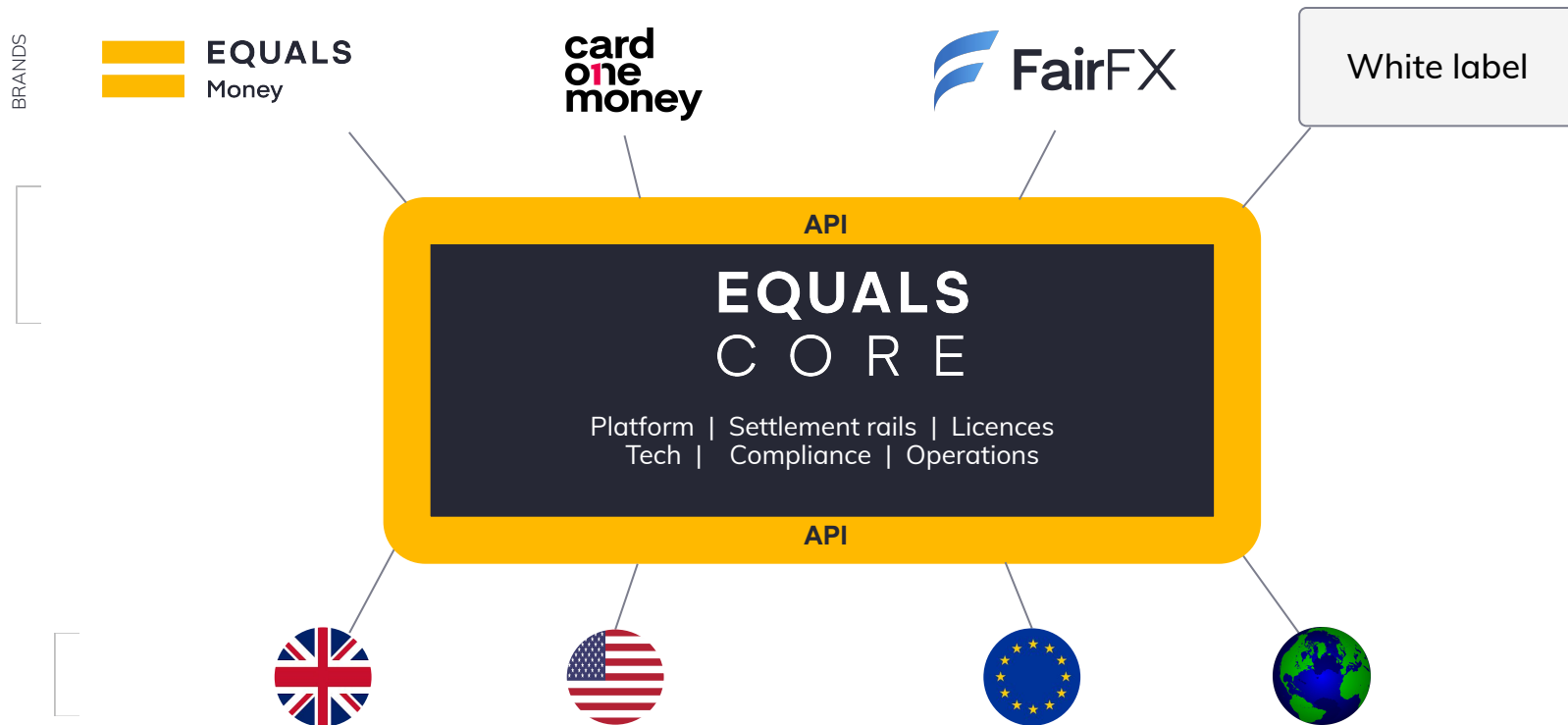
Current trading and outlook

Ian Trafford-Taylor
CEO, Equals Group

Q3-2023 Trading Update

Revenue (£ millions)	H1-2021	H2-2021	H1-2022	H2-2022	H1-2023	2023 YTD
International payments	6.0	8.7	6.9	8.0	9.2	12.7
Cards	2.1	3.1	3.4	4.1	4.8	6.6
Medium enterprises	8.1	11.8	10.3	12.1	14.0	19.3
International payments	1.4	1.9	2.1	2.4	1.9	2.8
Cards	1.7	1.7	2.3	2.8	2.4	3.5
Banking	2.9	2.8	2.8	3.3	4.1	6.1
Consumer and small business	6.0	6.4	7.2	8.5	8.4	12.4
White label	2.4	5.4	7.2	7.8	8.9	11.9
Large enterprises ("Solutions")	0.3	1.8	6.2	9.4	13.6	19.4
Material trade	-	1.5	-	-	-	-
Bureau de change	0.1	0.3	0.5	0.5	0.1	0.1
Equals Money Europe (Oonex SA)	-	-	-	-	-	0.5
Total	16.9	27.2	31.4	38.3	45.0	63.6
Revenues per working day (£k)	136	211	255	302	366	370
Vs Comparative period	21%	81%	86%	41%	43%	39%

Enhanced distribution channels via API integrations



Growth with control

Payments

Fully automate outbound payments
Bulk payments via API or front-end
Remove 3rd party SWIFT gateways

Cards & Acquiring

Decommission old card platform
Roll out B2B card in Europe & US
White-label card platform via API
Enhance Roqgett to process EUR

Equals Money Europe

Submission of strategic plan to NBB
Launch EU multi-currency IBANs
Integrate new Banking partners
Grow merchant acquiring offering

Sales & Marketing

Increased focus on enterprise distribution
Continue upgrade of salespeople
Expand & improve digital reach inc social
Face-to-face Sales, conferences, trade shows, sponsorship

Compliance and Risk

Continued investment into experienced
EDD professionals with industry expertise
Increased use of AI transaction monitoring
Increased B2C compliance on horizon

Strength in depth

High quality Exec team underpinned with
bench strength
Committed, engaged, motivated workforce
with strong culture of compliance

Summary

Continued growth

Turnover, revenues, profits and distributable reserves
Trading ahead of expectations

Cash generative

Strong balance sheet
Active in M&A
£17.9 million cash - 10p / share

Product functionality

Equals Core powers all product distribution via API interfaces
Unified platform incorporating cards and own-name multi-currency IBAN

Scalable Technology

Modern, modular architecture
Cloud-based hosting
Strong governance
10x capacity easily accommodated
ISO27001 in flight

Compliance culture

Increased headcount and skills
Firm-wide compulsory training
Independent audits
Continued FCA focus on sector

Maiden Dividend

Intent to pay dividend of 1.5p
Subject to proposed capital reduction and EGM



Q&A

Ian Strafford-Taylor

CEO, Equals Group

Richard Cooper

CFO, Equals Group