

CAB | PAYMENTS

Moving money where it's needed

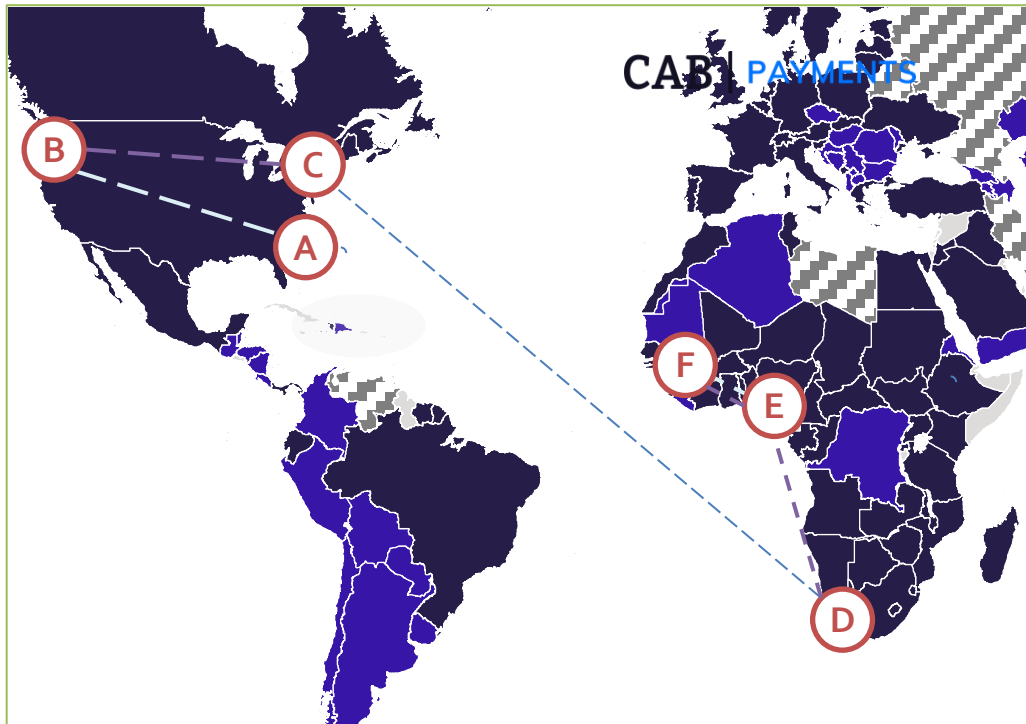
CLASSIFICATION: CONFIDENTIAL

Introduction: Bhairav Trivedi, CEO

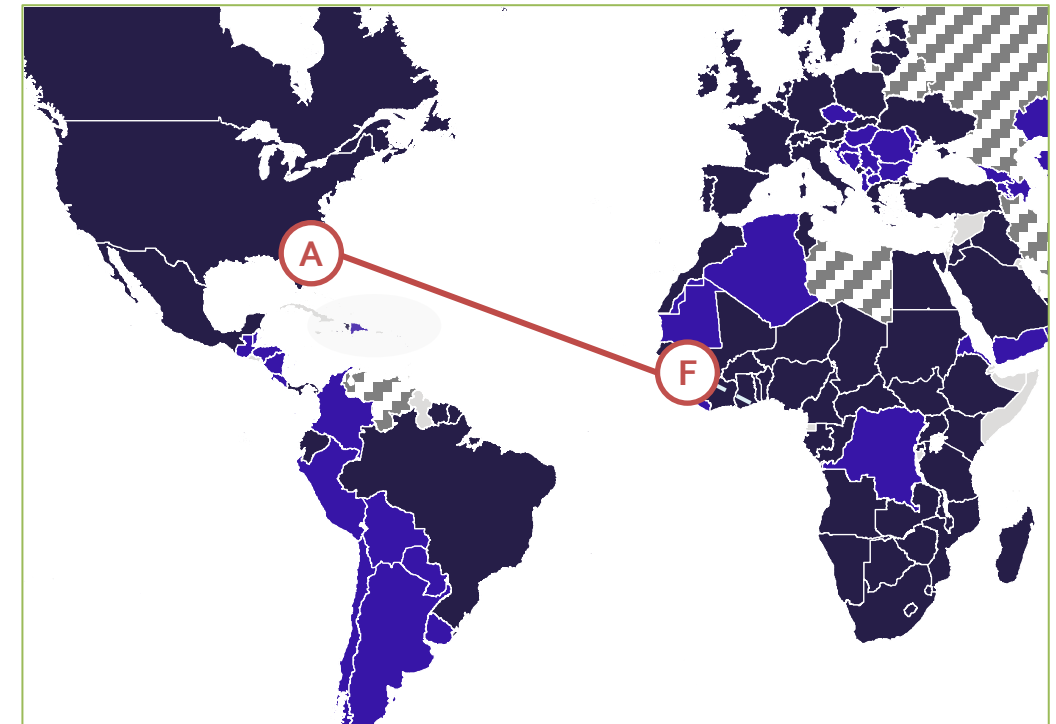
What does CAB Payments do?

CAB's proprietary network removes friction from traditional payment rails

Traditional SWIFT



Traditional – multiple hops based on regional bilateral arrangements



CAB Payments single hop using dedicated emerging market infrastructure

CAB Payments value proposition

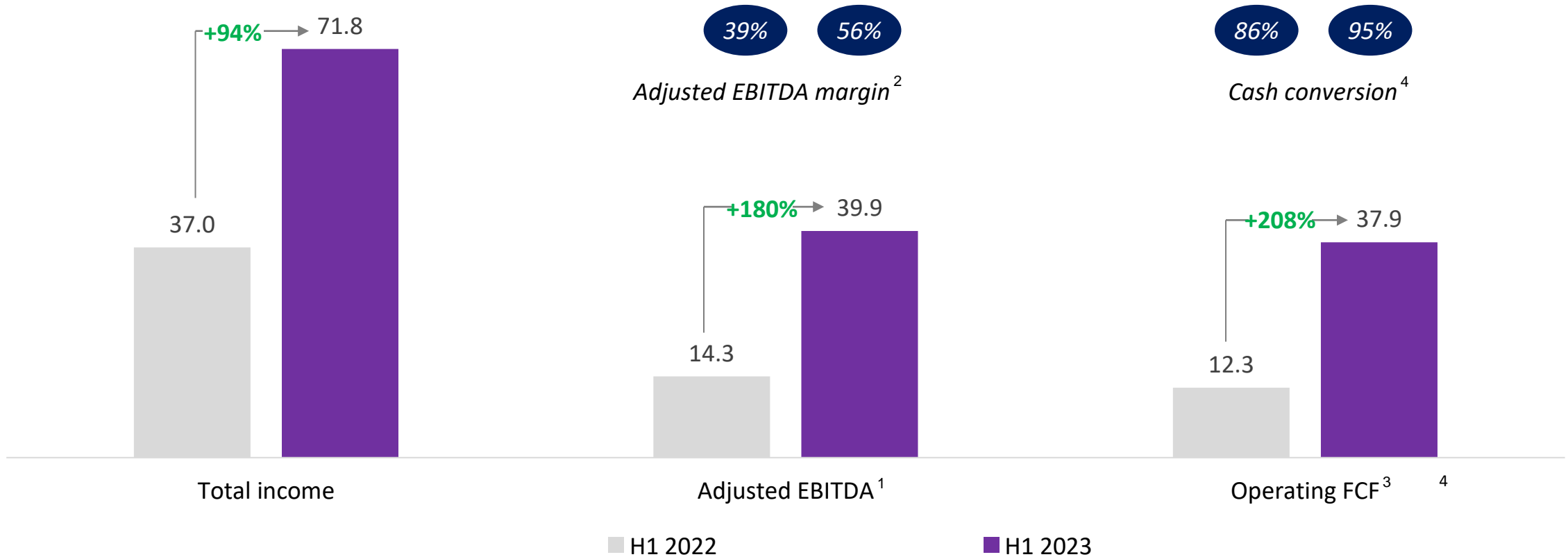
1	 Large, fast-growing market undergoing favourable structural shift	\$2.3TN of addressable flows
2	 Highly diversified blue chip client base	520 clients (44 new in H1 '23)
3	 Deep global payments and licensing infrastructure	152 Nostro accounts
4	 Market-leading proposition delivered through a well-invested scalable technology platform	>90% digital channels for FX
5	 High-calibre leadership team capturing multiple growth opportunities alongside strong ESG impact	\$2.3 BN of aid flows in H1 '23
6	 Strong unit economics driving market-leading growth, profitability and cash generation	£71.8M H1 '23 income £39.9M H1 '23 Adj. EBITDA

H1 2023 performance update: Richard Hallett, CFO

H1 2023 performance snapshot

Strong performance in line with guidance issued at IPO

(all figures in £m)



Source: Company Information.

Notes: 1 Adjusted EBITDA is defined as profit from continuing operations, before tax, depreciation, amortisation and non-recurring operating expenses;

2 Adjusted EBITDA margin defined as adjusted EBITDA / total income; is calculated excluding non-recurring items;

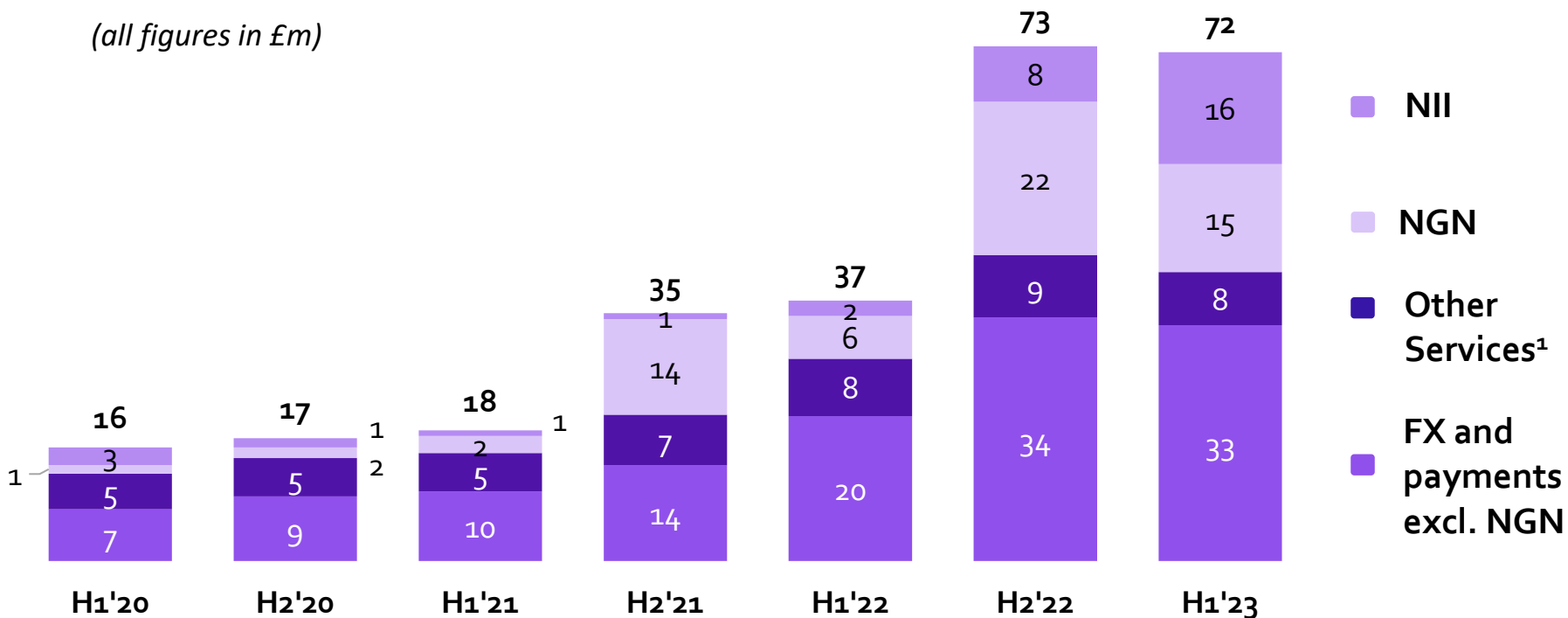
3 Operating FCF (OpFCF) defined as adjusted EBITDA less intangible Capex; 4 Cash Conversion calculated as OpFCF / adjusted EBITDA

Income performance by half year

Naira return to normality offset by increased net interest income

YoY growth **15%** **102%** **101%** **108%** **94%**

(all figures in £m)



- H1'23 was up 94% versus H1'22; FX and payments up 61%; H1'23 was broadly flat v H2'22
- NII tracks BoE and Fed rates
- Naira Q2 income dropped to £4.1m due to previously discussed central bank changes; returning to pre 2021 margin levels

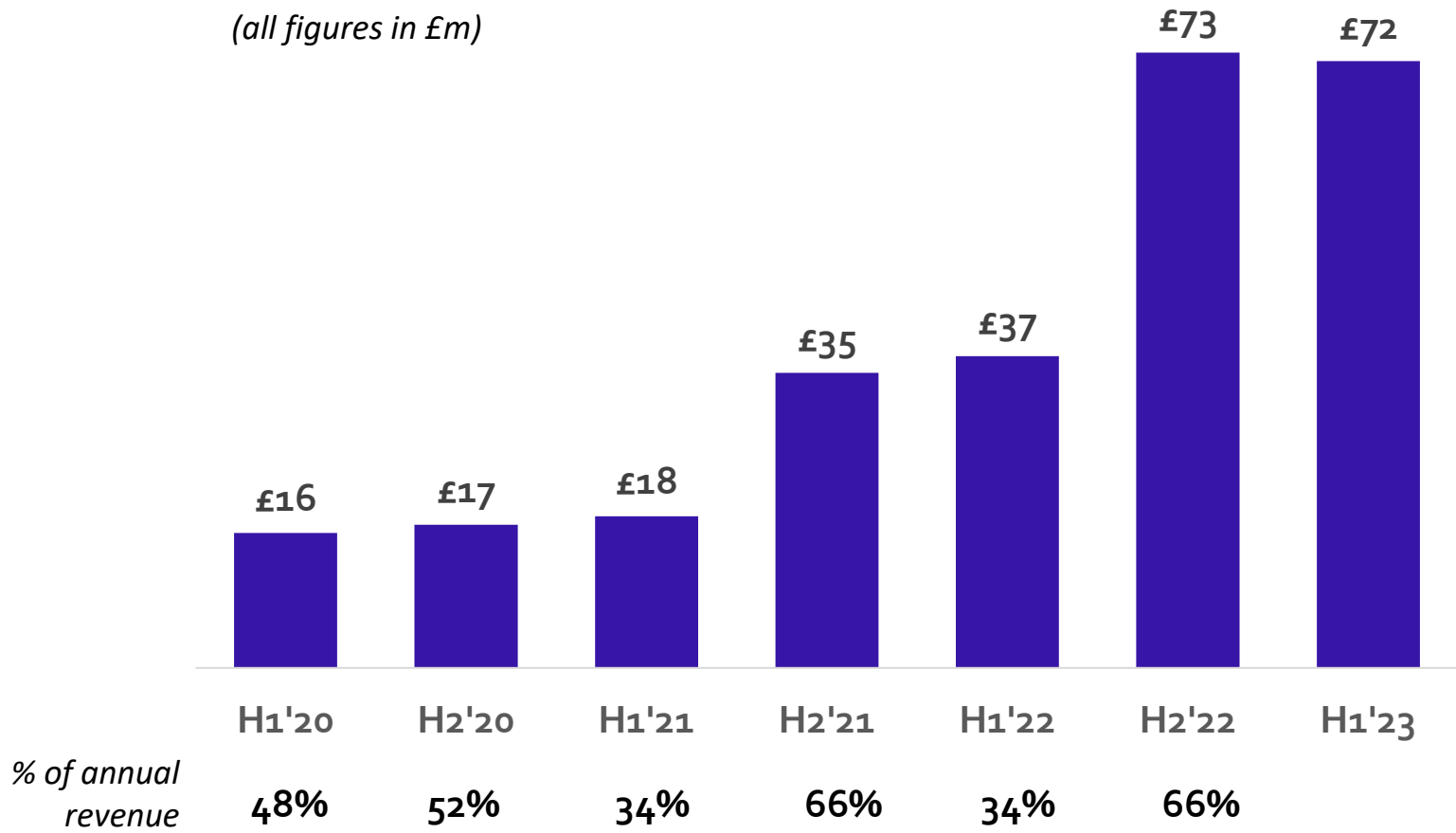
Source: Company information.

1. Other Services includes ancillary payments: same currency/ pension/ platform plus Other Banking Services excl. NII

H2 has recurring seasonality

Typically, H2 has delivered around 60% of annual revenue

(all figures in £m)



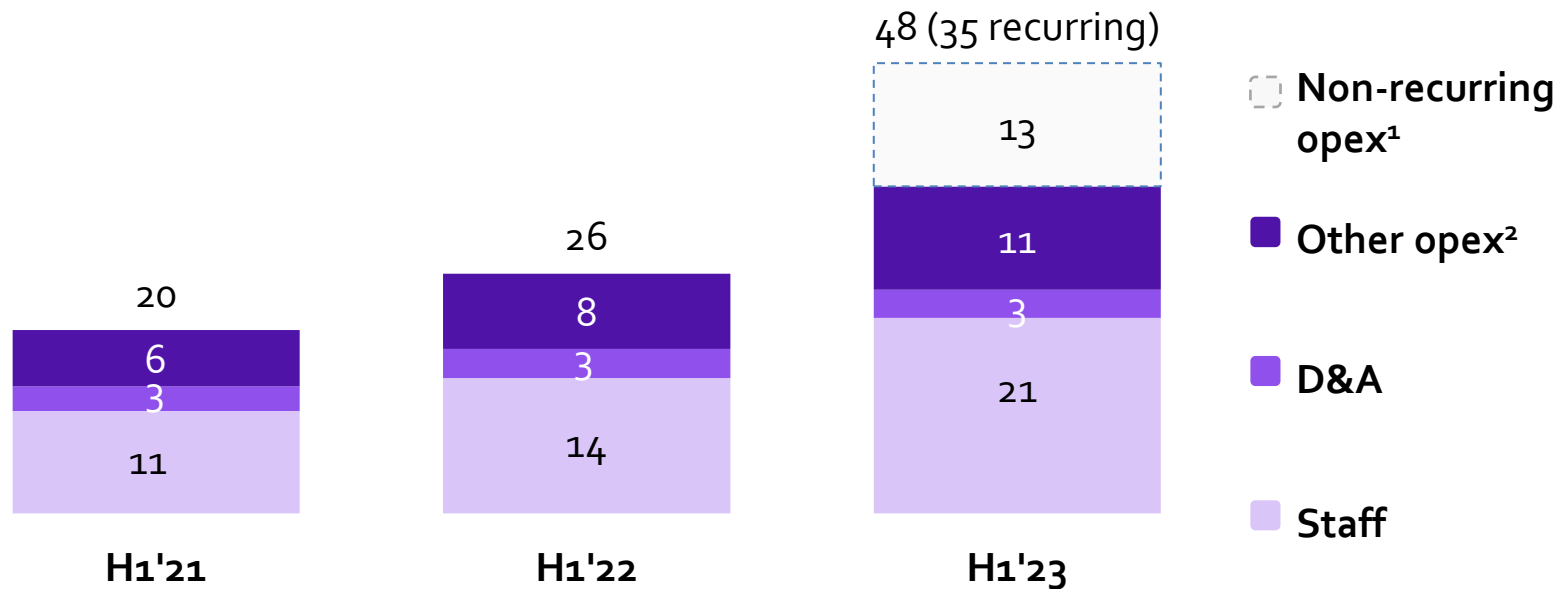
- Predictable seasonality driven by client demand
 - **Q4:** peak time for remittance as Diwali and Christmas drive spikes
 - **December:** peak month for aid flows as annual budgets are cleared
 - **March and September:** central bank debt repayments from Africa to China and the Middle East
- Q2 is traditionally a lower quarter; Q3 run rate is improving.

Source: Company information.

Cost base supports profitable growth

Well managed costs reflect economies of scale and effectiveness of the platform

Opex (all figures in £m)



- Efficient cost structure
- Economies of scale
- +100 new FTEs support sales growth and quality of service
- Non-recurring opex of £13m reflects fees incurred in relation to IPO

Source: Company information.

Note: ¹ Non-recurring opex are once, non-recurring expenditure or income; ² Other opex includes fees payable to the auditors, low-value lease expenses, bank charges, software license, clearing costs and other software services.

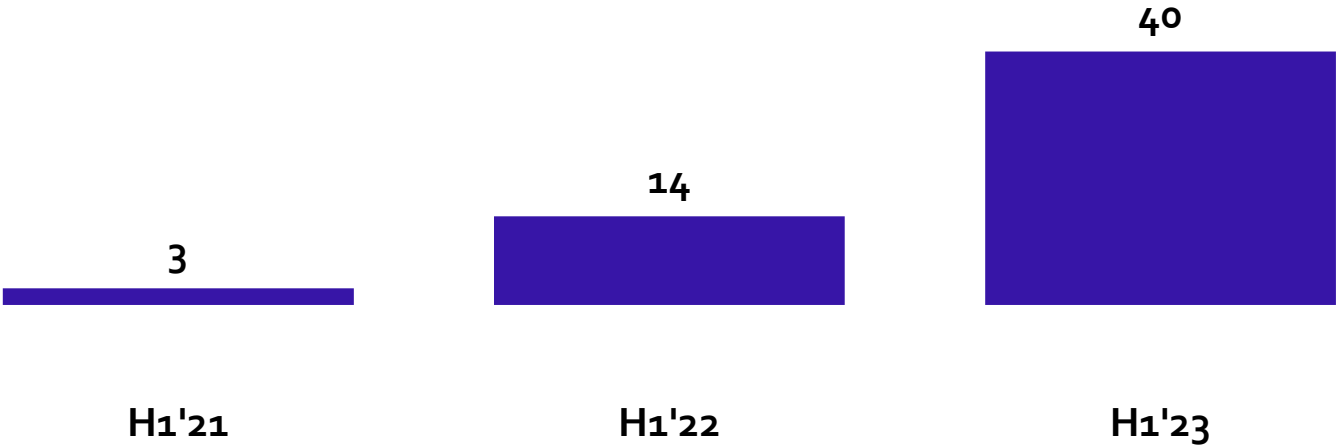
Strong EBITDA performance

EBITDA margin growth due to inherent operating leverage

Adjusted EBITDA Margin (%)

13%	39%	56%
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(all figures in £m)



- **EBITDA growth** driven by top line: CAB Payments benefits from **economies of scale**
- Ongoing shift to **digital platform** benefits margins
- H1 EBITDA margins of 56%

Source: Company Information.

Continued investment in CAB Payments' future

Increasing focussed capital investment to drive growth in line with guidance

	H1'22	H1'23
Capex ¹	2.0	2.0
Capital Intensity (%) ²	5%	3%
Operating FCF (£m) ³	12.3	37.9
Cash Conversion (%) ⁴	86%	95%

- Historical investment focused on building platform
- Future investments for growth and globalisation
 - Amsterdam and US licences and office expansion to support sales
 - New London office
 - Further investments in systems and AI to improve cost base
- Capital Intensity FY '23 expected to be c. 8%,

Source: Company information.

Notes: ¹ Core capex: Defined as capital expenditure on intangible assets which includes branding, software, corporate website, payments systems development, excluding IP of Payment Gateway acquired in FY19;

² Capital intensity is defined as core capex / total income;

Financial summary

Good first half and current trading support 2023 financial guidance

- Strong set of first half results
 - 94% revenue growth
 - EBITDA margin at 56%
 - Cash conversion at 95%
- Improving current trading momentum with new initiatives progressing well
- Revenue seasonality delivers around 60% in second half
- Confidence in Full Year 2023 outlook

Strategic and operational review: Bhairav Trivedi

Key highlights

H1'23 performance demonstrates CAB Payments' strategy of transforming emerging markets payments and FX

-  1 Large, fast-growing market
-  2 Blue chip client base
-  3 Global infrastructure
-  4 Market-leading proposition
-  5 Positive global impact
-  6 Market-leading economics

2 Large, fast-growing market

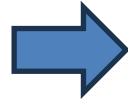
Structural shift towards specialists is continuing

Large market

\$2.3tn



Core-focus markets
(Africa, LatAm, ME & APAC)



High growth

Growing at 5% p.a



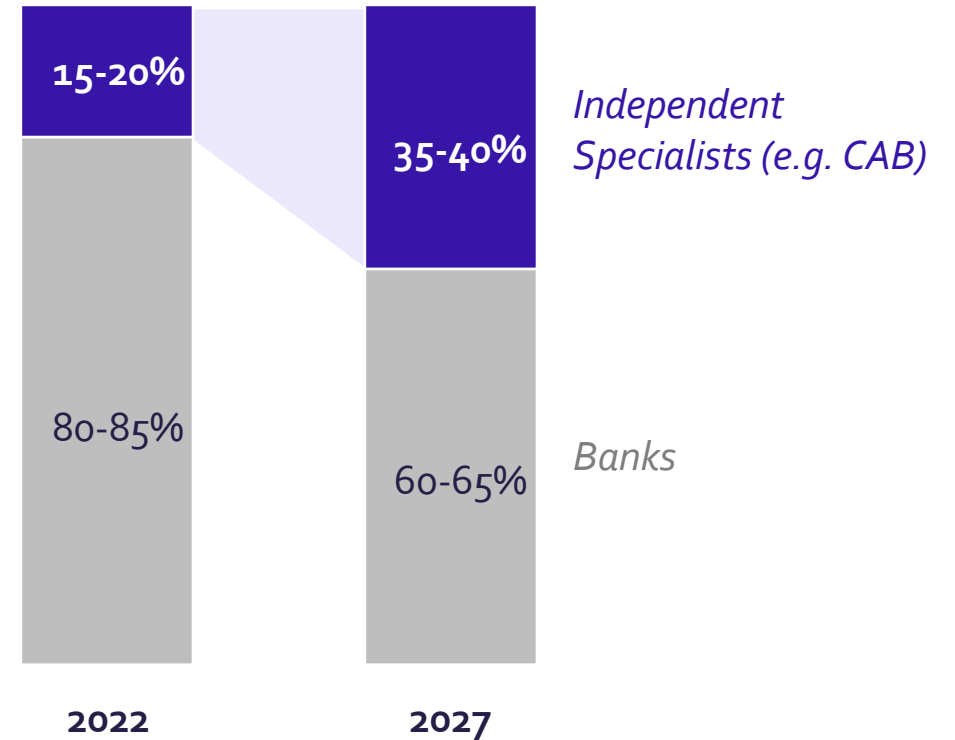
Additional growth
of 15% p.a. for
specialists



20% tailwinds



Structural shift



2 Blue chip clients

All four client segments continue to thrive

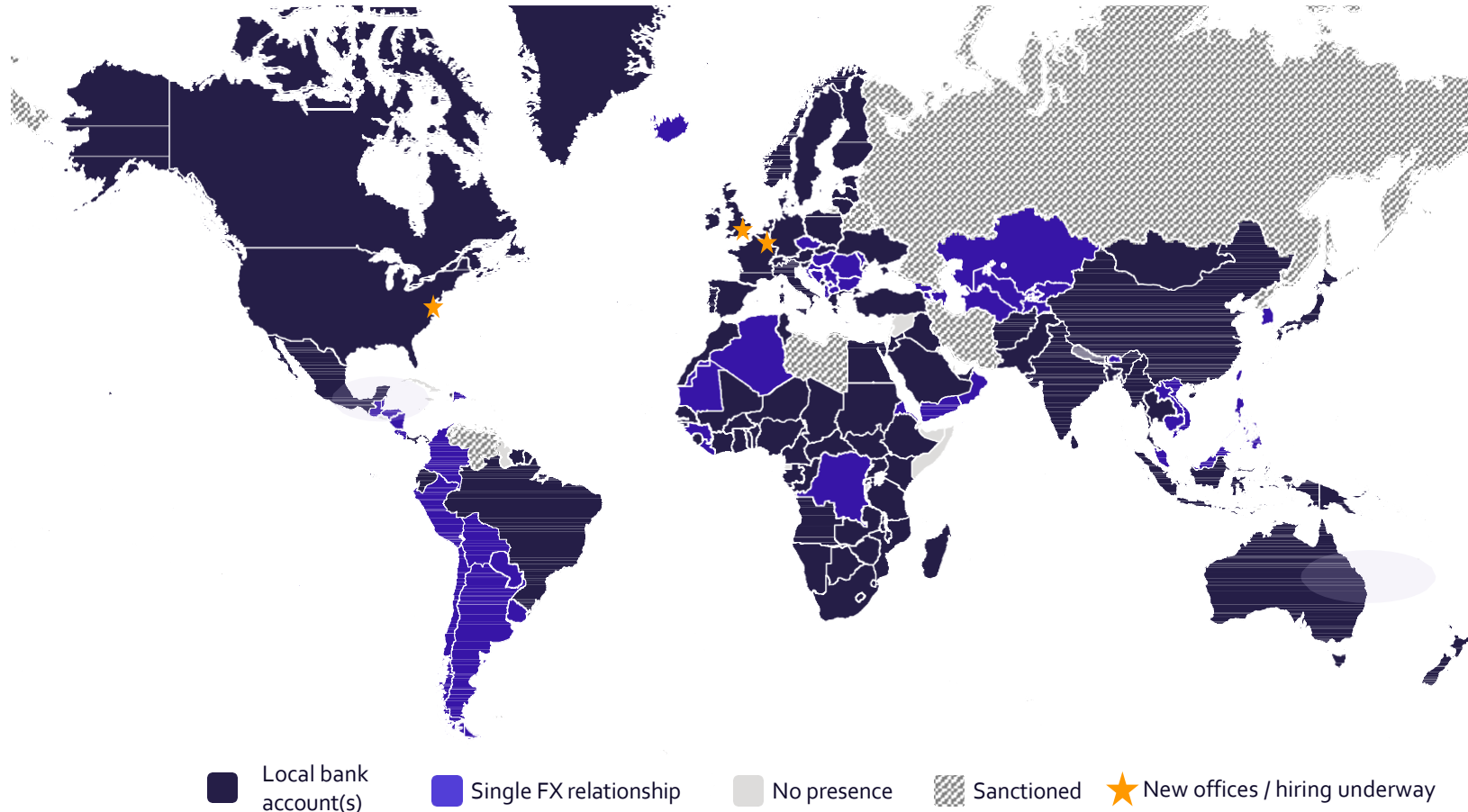
	% of revenue	H1' 23 performance highlights	YoY Growth ¹
NBFIs & FinTechs	~30%	<ul style="list-style-type: none"> • Growing share with existing clients • Proactive sales to US/Europe unlocking via geographic expansion 	67%
IDO's	~30%	<ul style="list-style-type: none"> • Remains quickest growing segment • Sales team focused on UK, CH and multilaterals pre-geographic expansion 	91%
EMFIs	~35%	<ul style="list-style-type: none"> • Current growth rate reflects fraction of potential – capacity being expanded via additional hard currency clearers 	29%
Major Market Banks	~5%	<ul style="list-style-type: none"> • Showing interest in both central FX trading and integrating for payments • Nascent segment given long sales cycles but with strong early uptake 	73%

Source: Company Information

Note: ¹ Represents revenue growth in segment excluding NGN.

3 Global infrastructure

We continue to grow our global infrastructure



152 nostro¹ accounts
up from 135²

>600 currency pairs traded
up from 500

New geographies including Brazil
and Pacific Islands trading
well

Source: Company information

Note: ¹ a local bank account allowing the provision of sub accounts to clients;

² H1'23 v H1'22

5 Positive global impact

CAB continues to deliver social impact in H1 '23

Driving financial inclusion

Providing *backbone* to make financial services accessible and *affordable*



Formalising financial markets

Digital payments via *UK regulated bank* provide *enhanced transparency, security and traceability*



Strengthening local economies

Facilitating cost-effective *transactions for multilateral development banks, businesses and charities*



H1 '23 flows

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Development aid flows

\$2.3bn

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Flows into Low and Lower-middle income countries

\$5.7bn

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Remittance flows

\$1.3bn

Medium term outlook

Structural advantages support forward guidance commitment

- Market shift to specialists continues to favour the business
- Strategic advantages underpin growth:
 - Unrivalled payments and partners network
 - Loyal and expanding client base
 - Infrastructure and sales investment ahead of competition
- Market leading economics provides operating leverage
- We remain confident in through-cycle mid-term guidance provided at IPO
 - 35-40% annual revenue growth
 - 55-60% EBITDA margins
 - <10% Capex/Income ratio

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Leading B2B FX &
Payments platform
for DMs into EM flows



Strong, sustainable
growth



High profitability &
cash generation



ESG leadership
& commitment

Appendices

Income statement summary

(£m – DecYE)	H1'22	H1'23	y-o-y %
FX	20.3	37.9	87%
Payments	13.2	17.1	30%
Other banking services ¹	3.6	16.8	371%
Total income	37.0	71.8	94%
Clearing costs	(1.0)	(0.9)	(4%)
Staff costs	(14.7)	(21.3)	45%
D&A	(3.1)	(3.0)	(2%)
Other opex	(7.1)	(9.7)	37%
Non-recurring opex ²	0	(13.1)	Nm
Total opex	(25.8)	(48.0)	86%
Adjusted EBITDA³	14.3	39.9	180%
<i>Adjusted EBITDA margin (%)</i>	<i>39%</i>	<i>56%</i>	
PBT	11.2	23.8	112%
Tax expenses	(2.2)	(9.0)	
PAT	9.0	14.8	65%

Source: Company information.

Notes: Figures have been rounded but correct percentages have been provided. ¹ Other banking services income includes Net Interest Income, Trade finance, and other income; ² Non-recurring opex relate to professional fees associated to listing costs as well as non-performance staff bonuses related to recruitment commitments on listing; ³ Adjusted EBITDA is defined as profit from continuing operations, before tax, depreciation, amortisation and non-recurring operating expenses.

Balance sheet summary

(£m)	31 Dec '22	30 Jun '23	Change %
Cash and balances at central banks	607.4	577.6	(5%)
Money market funds	209.5	165.0	(21%)
Investment in debt securities	414.1	432.5	4%
Loans and advances	188.1	183.4	(3%)
PP&E	1.6	1.3	(17%)
Right of use assets	1.1	0.9	(20%)
Intangible assets	21.9	21.5	(2%)
Other assets ¹	40.4	44.4	10%
Total assets	1,485.4	1,426.6	(4%)
Customer accounts	1,305.6	1,246.0	(5%)
Derivative financial liabilities	4.5	8.0	77%
Lease liabilities	1.3	1.1	(13%)
Other liabilities ²	58.1	49.3	(13%)
Total liabilities	1,369.5	1,304.4	(5%)
Total equity	116.0	122.2	5%

- Balance sheet largely comprises interest-bearing current and term customer deposits to support payment flows which the Group holds in high quality liquid assets in order to meet liquidity requirements.
- The customer accounts represent demand deposit accounts of corporate and other institutional customers held with Crown Agents Bank. A substantial proportion of customer accounts are US dollars accounts. Accordingly, the movement in the balance between periods is largely due to changes in USD/GBP exchange rates.
- Pre-IPO Reorganisation steps completed - at Admission 254,143,218 Ordinary Shares are in issue.

Source: Company information.

Notes: ¹ Other assets include accrued income, unsettled transactions, investment in equity securities, derivative financial assets and other assets; ² Other liabilities include accruals, unsettled transactions, provisions, deferred tax liabilities and other liabilities.