



Investor Presentation

OFX to acquire 100% of Canadian Corporate foreign exchange business Firma Foreign Exchange Corporation (Firma)

20-Dec-21

Strategic acquisition that provides significant scale at attractive returns



Accelerates growth in
Corporate and North America



EPS accretive, value creation
for OFX shareholders



Funded via a combination
of debt and available cash

- Firma is a **global foreign exchange service provider based in Canada**, providing spot and forward products to **Corporate clients**
- **Firma is a profitable business** with A\$51.9m in FY21¹ revenue and A\$10.9m in FY21¹ EBITDA
- **Accelerates Corporate growth**, equivalent to 5 years' organic growth, driving Corporate segment (+93% revenue)² and North American region (+121% revenue)²
- Refer to **Section [1]** for an overview of Firma and **Section [2]** for strategic rationale of the transaction

- Consideration represents **9.0x³ Firma's last-twelve-months EBITDA** to 30 Sep 2021
- Expected to deliver underlying **EPS accretion** of c. **>20% in Year 1** and **>30% in Year 2⁴**
- **Pre-tax synergies of A\$5m in FY25**, through leveraging OFX's global technology platform, a larger footprint of licenses, enhanced product offering and benefits of scale
- Refer to **Section [2]** for synergies and **Section [3]** for financial impact

- Total consideration consists of **C\$90m (A\$98m)** upfront cash¹
- Cash consideration will be funded by an **underwritten debt facility**, with transaction costs to be funded by available cash
- Estimated **net debt to pro-forma EBITDA** of **c.1.5x** at close, with the ability to de-leverage by FY26 through strong cash flow generation
- Refer to **Section [3]** for the financial impact and funding of the transaction

Delivers 40% incremental revenue and >20% year 1 underlying EPS accretion

Note: the acquisition is subject to customary conditions, including Financial Conduct Authority approval in the UK which OFX is confident of receiving. Completion is expected to occur in 1Q23, subject to the completion of these conditions. All Firma AUD figures are based on AUD/CAD FX rate of 0.915. ¹ Based on Sep-YE. ² Based on OFX LTM Sep 21 Fee and Trading income (Revenue) ex-slippage. Growth calculated excluding synergies. ³ Calculated as C\$90m of consideration over C\$9.95m of LTM Sep 21 EBITDA. ⁴ Underlying EPS accretion excludes transaction costs and other integration costs. Statutory EPS accretion of c (20.0)% FY23 and c.20.0% in FY24.

1 Overview of Firma

2 Strategic Rationale

3 Financial Impact



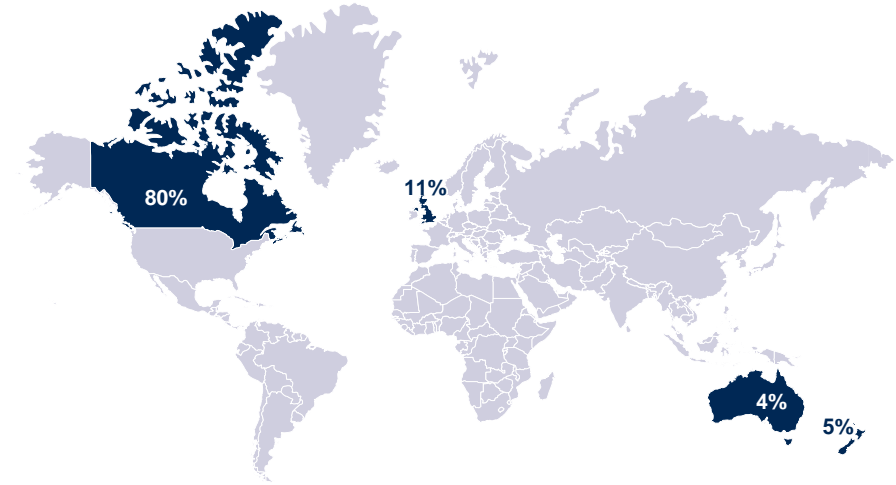
Firma is a Corporate foreign exchange business based in Canada



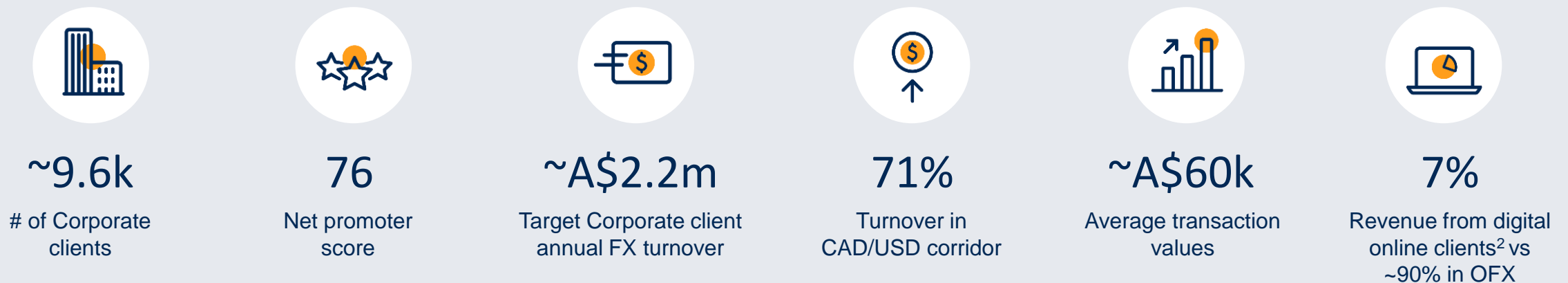
Business overview

- ✓ Based in Edmonton, Canada, Firma has 190+ employees¹ and operates from 9 offices in Canada, Australia, the UK & New Zealand
- ✓ ~9,600 active Corporate clients
- ✓ Strong management team with combined 25 years+ of FX experience
- ✓ Strong commercial expertise, with 70¹ sales people and a strong service culture serving diverse industries

Geographic coverage by turnover



Key metrics



¹ Firma's total employees as at 30 Sep 21 were 194, 72 sales FTE. ² LTM Sep 21.

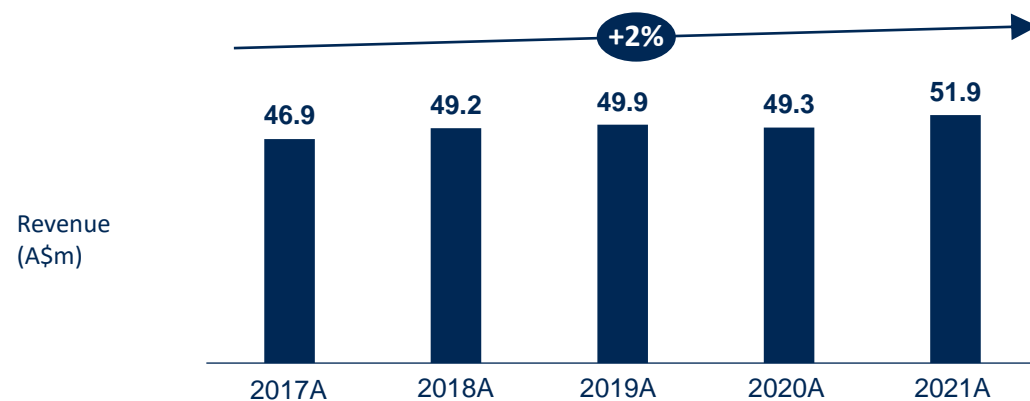
Firma is a c. A\$50m revenue business generating attractive EBTIDA margins



Firma financial profile

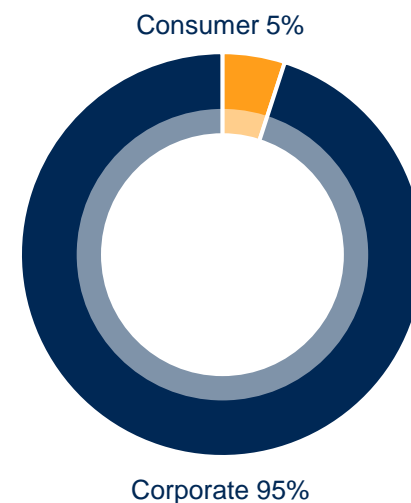
In A\$ millions, September YE

Historic underinvestment in technology has limited growth, though provides significant opportunity for OFX to drive value through synergies

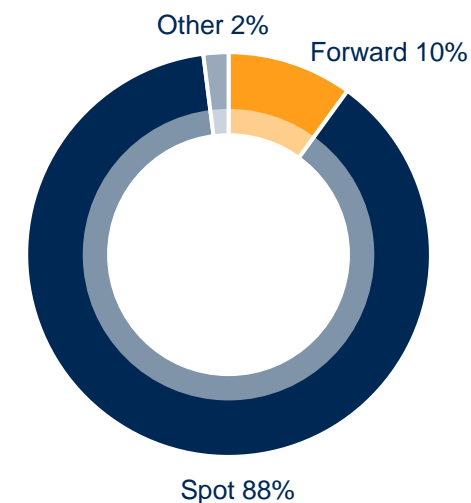


EBITDA (A\$m)	7.9	6.1	10.2	11.3	10.9
EBITDA Margin ¹	16.7 % ²	12.4 % ²	20.3 %	22.8 %	20.9 % ³

95% Corporate Clients (FY21)



88% Spot Transactions (FY21)



Note: FY21 figures are LTM Sep 21 (unaudited). All figures based on AUD/CAD FX rate of 0.915. ¹ EBITDA margin = Reported EBITDA/ Reported Revenue. ² EBITDA in FY17 and FY18 excluding amortisation of lease assets. ³ EBITDA decline due to an investment in technology and people and higher bad debts

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Transformative scale



Enhances OFX as a leading cross border payments specialist

- Additional 9.6k active Corporate clients generating higher reoccurring revenue and generating stronger growth opportunity
- Additional 190+ staff with Corporate & North American market expertise to complement OFX's existing 400+ staff
- Combined LTM Sep-21 pro-forma Group revenue of A\$186.5m and EBITDA of A\$55.1m creating scale and room to invest



In line with OFX growth strategy



Accelerates growth in North America and scale in Corporate

- Increases North American market presence with LTM Sep-21 revenue doubling from A\$40.8m to A\$83.7m to become a major specialist Corporate cross border payments provider in Canada
- Perfectly positioned to further leverage the NHL sponsorship
- Increases presence in Corporate segment to 61% of the portfolio



A\$5m+ synergies available¹



Cost & revenue synergies deliver further operating leverage

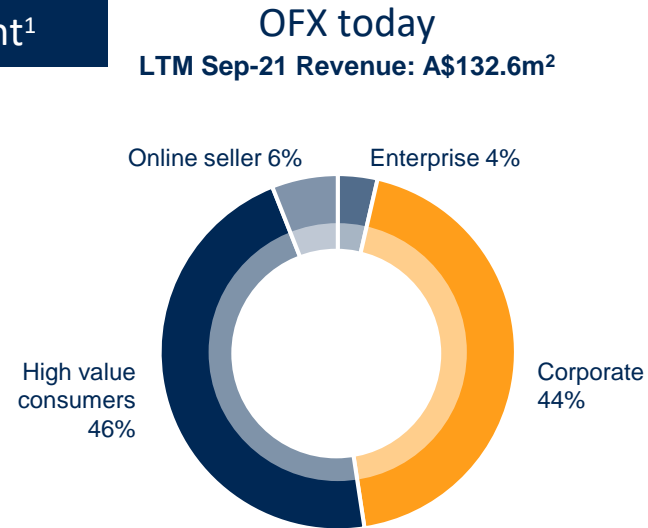
- Revenue synergies driven by OFX's footprint of licenses & product offering
- Cost synergies including OFX's global technology platform, treasury and banking scale
- Expectation is a simple integration given strong business similarity

¹ A\$5m synergies are pre tax EBITDA synergies by FY25

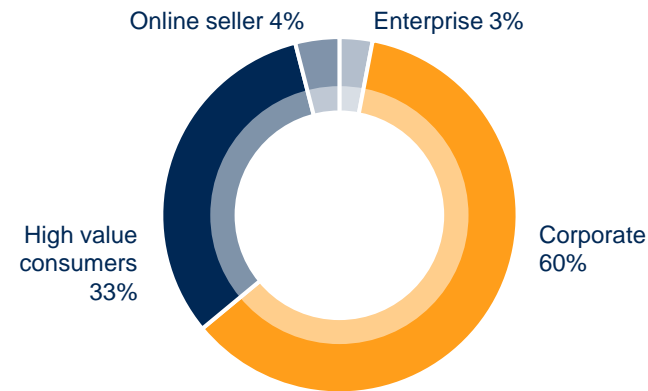
Drives revenue weightings from Consumer to Corporate and A&NZ to Global



Segment¹



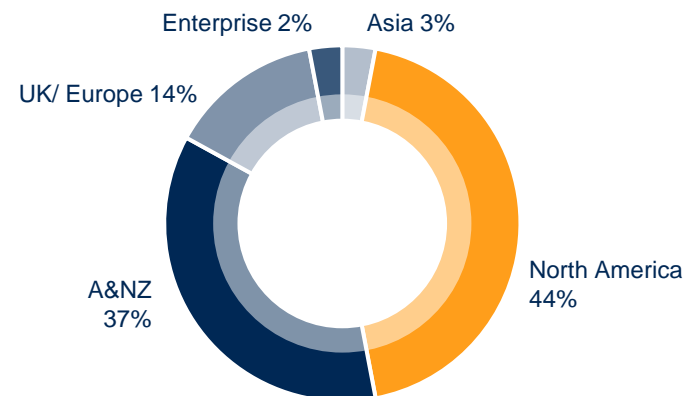
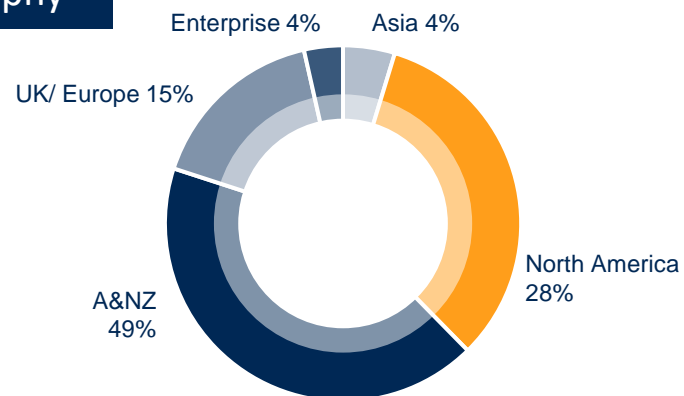
OFX pro-forma
Pro-forma LTM Sep-21 Revenue: A\$186.5m²



Key highlights

- Larger Corporate segment with a higher recurring revenue base and typically 8x Consumer for lifetime revenue
- Creates further opportunity for OFX's risk management excellence and investment in TreasurUp to be leveraged
- Significant opportunity to leverage the OFX platform as only 7% of revenue is currently digital

Geography¹



- Significant re-weighting to North America and stronger diversification across geographies
- More balanced currency flows, less concentration on AUD:USD
- Further exposure to strong GDP growth in US and Canada

¹ Based on OFX LTM Sep-21 split of Fee and Trading Income (Revenue) ex-slippage. ² Pro-forma revenue includes expected FY25 revenue synergies of A\$2m.

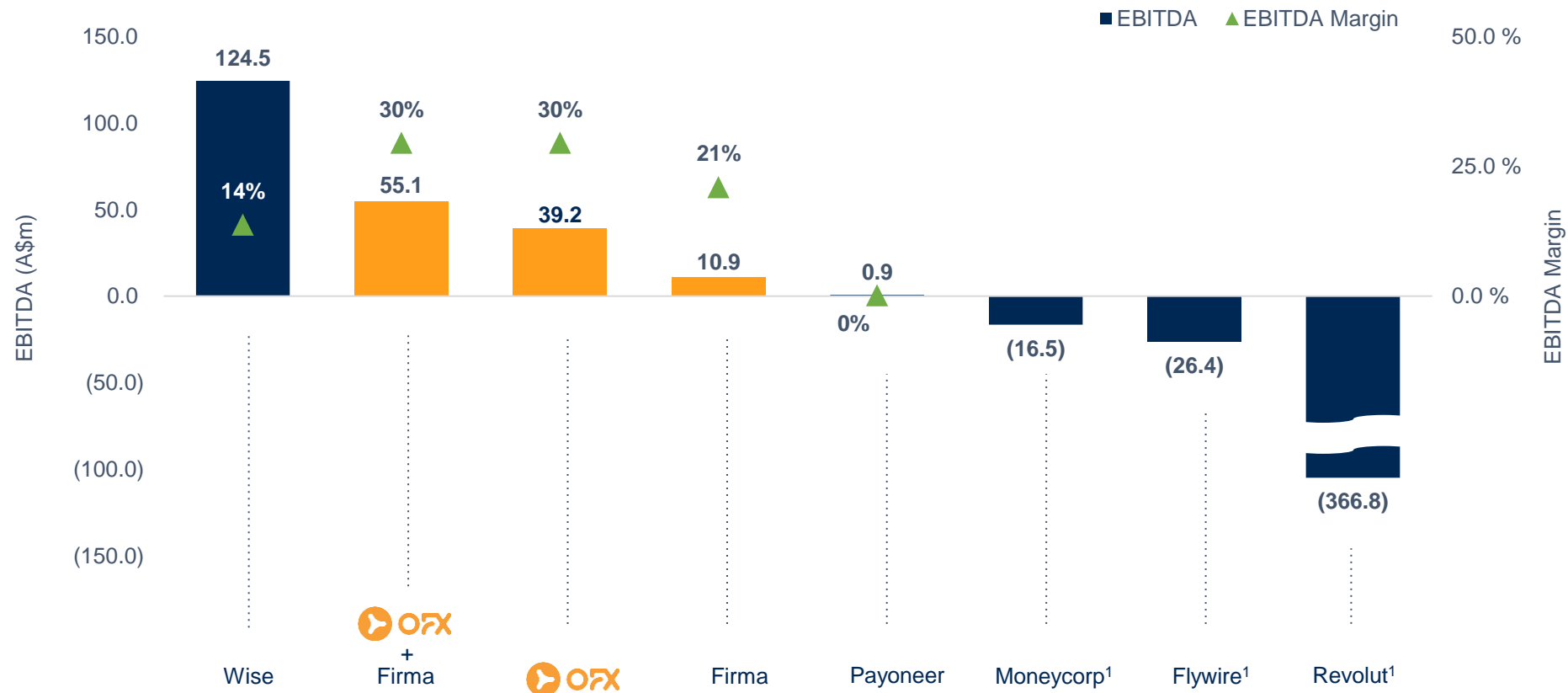
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OFX combined will be one of the most profitable cross border payments companies (LTM EBITDA)¹

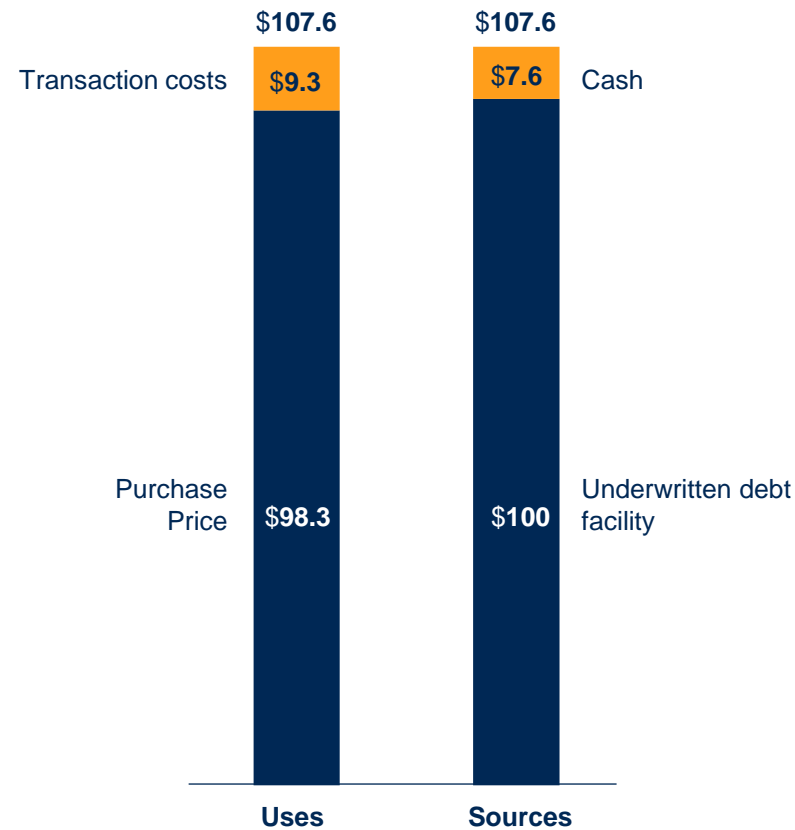
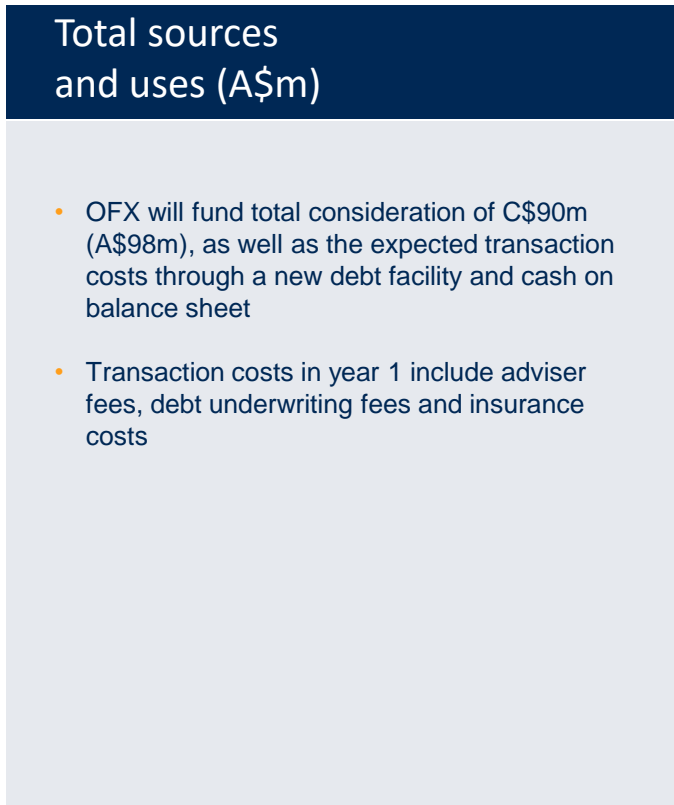


Key highlights



- Strong cash flow generation provides headroom to invest in client experience, product innovation and geographic expansion
- Combination enhances resilience and growth opportunities, well positioned for a post-COVID world

Sources and uses



Leverage profile



¹ Full run-rate synergies refers to expected FY25 pre-tax synergies of A\$5m ² Interest on debt including facility set up costs is A\$4.5m in the first year



Strategic acquisition that provides significant scale at attractive returns

- Accelerates growth in Corporate and North America
- EPS accretive, value creation for OFX shareholders
- Funded via a combination of debt and available cash
- Targeting to close April 2022



Upcoming releases

- Positive trends in 1H22 have continued into 3Q, further update in January
- Investor day mid March
- Full Year results mid May



**Official Currency Exchange
Provider of the NHL®**

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Thank you

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