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
- **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 FY21 revenue and A$10.9m in FY21 EBITDA
- **Accelerates Corporate growth**, equivalent to 5 years’ organic growth, driving Corporate segment (+93% revenue) and North American region (+121% revenue)
- Refer to **Section [1]** for an overview of Firma and **Section [2]** for strategic rationale of the transaction

Delivers 40% incremental revenue and >20% year 1 underlying EPS accretion
- **Consideration represents 9.0x** 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 2**
- **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

EPS accretive, value creation for OFX shareholders
- **Total consideration consists of C$90m** (A$98m) upfront cash
- **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

Funded via a combination of debt and available cash

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$99.95m 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

Key metrics

- ~9.6k # of Corporate clients
- 76 Net promoter score
- ~A$2.2m Target Corporate client annual FX turnover
- 71% Turnover in CAD/USD corridor
- ~A$60k Average transaction values
- 7% Revenue from digital online clients² vs ~90% in OFX

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

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

<table>
<thead>
<tr>
<th>Year</th>
<th>Revenue (A$m)</th>
<th>EBITDA (A$m)</th>
<th>EBITDA Margin</th>
</tr>
</thead>
<tbody>
<tr>
<td>2017A</td>
<td>46.9</td>
<td>7.9</td>
<td>16.7%</td>
</tr>
<tr>
<td>2018A</td>
<td>49.2</td>
<td>6.1</td>
<td>12.4%</td>
</tr>
<tr>
<td>2019A</td>
<td>49.9</td>
<td>10.2</td>
<td>20.3%</td>
</tr>
<tr>
<td>2020A</td>
<td>49.3</td>
<td>11.3</td>
<td>22.8%</td>
</tr>
<tr>
<td>2021A</td>
<td>51.9</td>
<td>10.9</td>
<td>20.9%</td>
</tr>
</tbody>
</table>

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
1. Overview of Firma
2. Strategic Rationale
3. Financial Impact
Accelerates OFX’s mission to be a leading cross border payments specialist

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 available

Cost & revenue synergies deliver further operating leverage
- Revenue synergies driven by OFX’s footprint of licenses & product offering
- Cost synergies including OFXs 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

**Segment\(^1\)**

**OFX today**
LTM Sep-21 Revenue: A$132.6m\(^2\)

- High value consumers 46%
- Corporate 44%
- Online seller 6%
- Enterprise 4%

**OFX pro-forma**
Pro-forma LTM Sep-21 Revenue: A$186.5m\(^2\)

- High value consumers 33%
- Corporate 60%
- Online seller 4%
- Enterprise 3%

**Geography\(^1\)**

**OFX today**

- UK/ Europe 15%
- Asia 4%
- North America 28%
- A&NZ 49%

**OFX pro-forma**

- UK/ Europe 14%
- Asia 3%
- North America 44%
- A&NZ 37%

**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

- 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

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\(^1\) 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.
1. Overview of Firma
2. Strategic Rationale
3. Financial Impact
Creating a more valuable company

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

Source: Company filings. \(^1\) LTM Sep-21 EBITDA. EBITDA margin for MoneyCorp, PaFlywire and Revolut not meaningful. EBITDA for MoneyCorp and Revolut based on last reported EBITDA (FY20). OFX + Firma EBITDA includes A$5m of pre-tax EBITDA synergies.
Funded using debt and existing cash, in-line with capital management strategy

### Sources and uses

<table>
<thead>
<tr>
<th>Total sources and uses (A$m)</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Uses</strong></td>
<td><strong>Sources</strong></td>
</tr>
<tr>
<td><strong>Purchase Price</strong></td>
<td><strong>Underwritten debt facility</strong></td>
</tr>
<tr>
<td>$98.3</td>
<td>$100</td>
</tr>
<tr>
<td><strong>Transaction costs</strong></td>
<td><strong>Cash</strong></td>
</tr>
<tr>
<td>$9.3</td>
<td>$7.6</td>
</tr>
</tbody>
</table>

- OFX will fund total consideration of C$90m (A$98m), as well as the expected transaction costs through a new debt facility and cash on balance sheet.
- Transaction costs in year 1 include adviser fees, debt underwriting fees and insurance costs.

### Leverage profile

#### Pro-Forma leverage profile (Net Debt / EBITDA)¹

<table>
<thead>
<tr>
<th>Day 1 net leverage (excl. full run-rate synergies)</th>
<th>Day 1 net leverage (incl. full run-rate synergies)</th>
</tr>
</thead>
<tbody>
<tr>
<td>1.5x</td>
<td>1.4x</td>
</tr>
</tbody>
</table>

- Interest on new debt expected to be A$3.32m in the first year.
- Strong cash generation of combined businesses can eliminate the acquisition facility by FY26 (4 years post acquisition), subject to other value additive growth initiatives.
- Share buy-back program suspended pending debt repayment.

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.
OFX business update

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
Thank you

This presentation for OFX Group Limited (Company) is designed to provide general background information about the Company and Firma Foreign Exchange Corporation (Firma), and the Company’s proposed acquisition of Firma. This information is current at 20 December 2021. It is provided in summary only and does not purport to be complete. This document has not been subject to external auditor review.

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