



Investor Day

Investor presentation • March 16, 2022



Agenda

- 1 Performance
- 2 Strategy
- 3 Financial outlook
- 4 Q&A

--- Break ---

- 5 Growing North America
- 6 Winning in Enterprise
- 7 Risk excellence
- 8 Q&A



Vani, Brian and Rachel, OFXperts



Performance

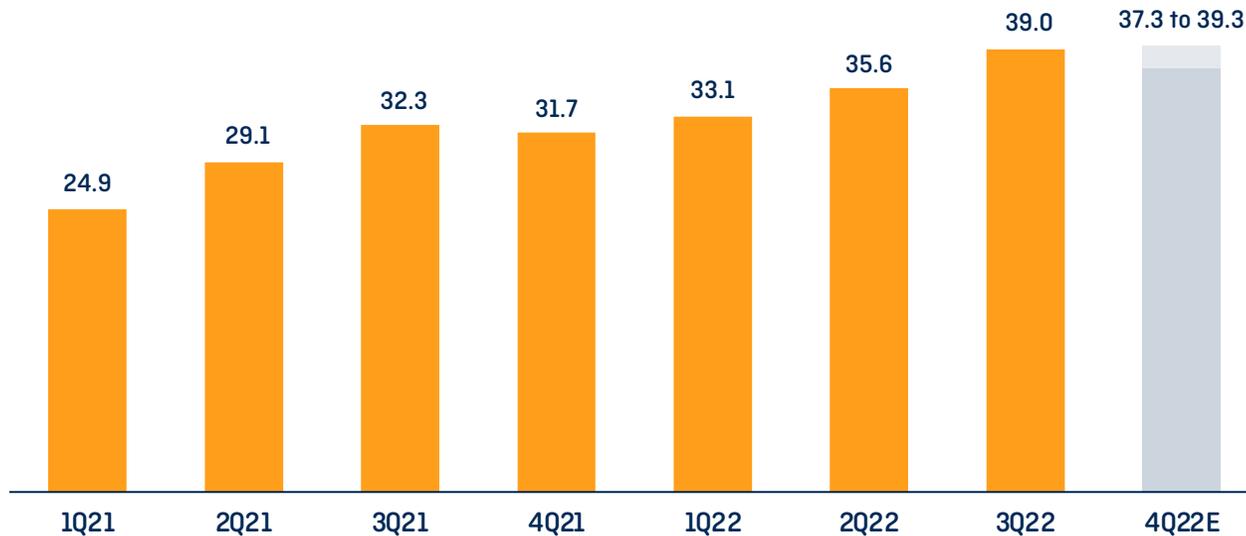
Skander Malcolm

Chief Executive Officer and Managing Director



Momentum through 4Q, closing a strong FY22

Continued quarterly NOI growth (\$m)



Double-digit growth in all regions and segments¹



Turnover up **30%+** with ATV's remaining elevated

EBITDA² expected to be **\$43-45m** up 41% to 48%

Healthy NOI margins



NOI expected to be **\$145-147m** up 23% to 25%

Positive annual operating leverage on an underlying basis



¹ Online Seller excluding Asia

² Includes impact of accounting standards on cloud-based computing

Turnover



Revenue

	Start		Shift		Today
Consumer driven	40% B2B	Consumer	→ B2B	52% B2B	
A&NZ centric	35% Global	A&NZ centric	→ Global	50% Global	
Non-recurring	55% Recurring	One-off	→ Repeat	78% Recurring	



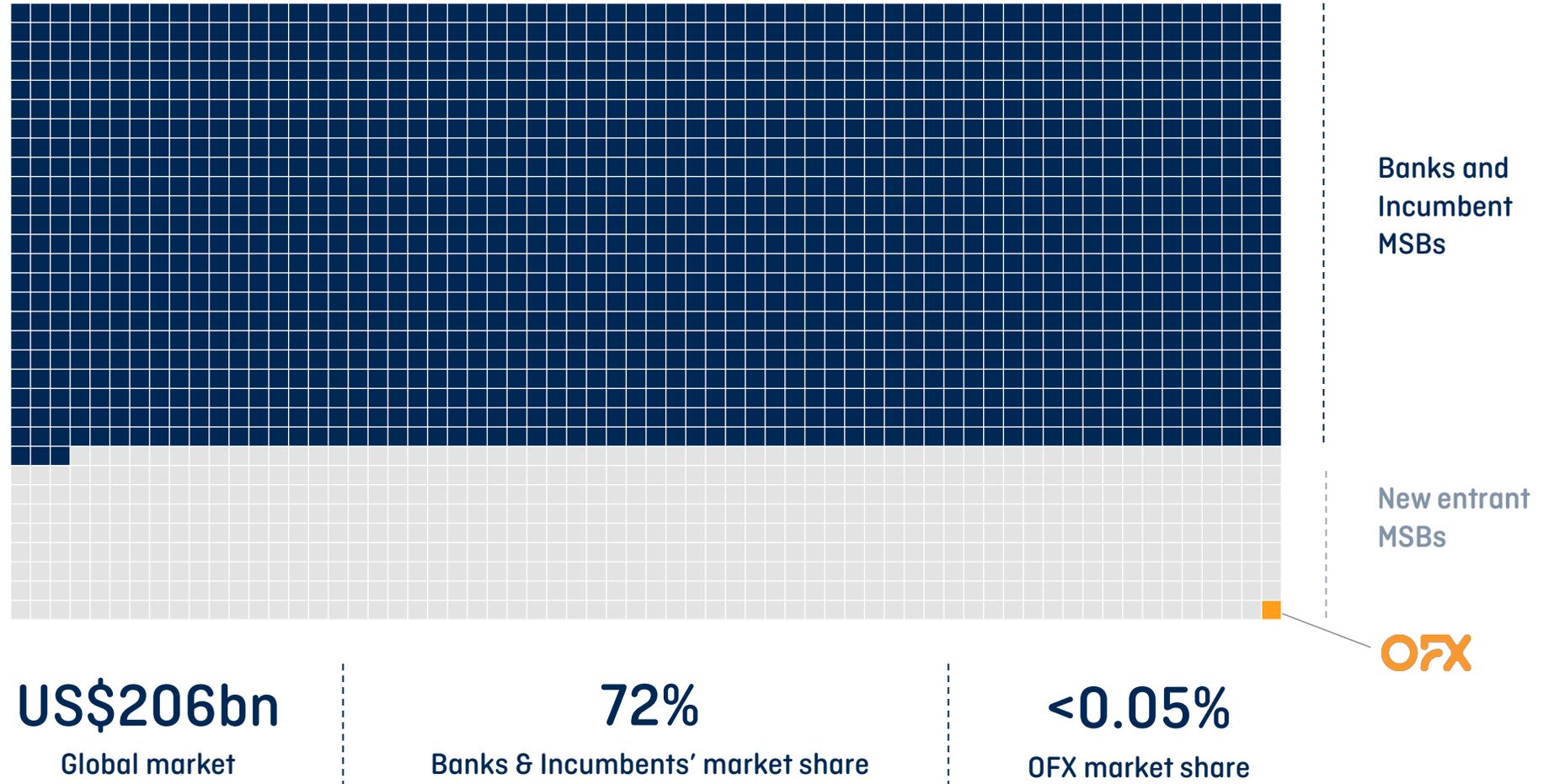
Strategy

Skander Malcolm

Chief Executive Officer and Managing Director



Total global cross-border payments revenue



OFX focuses on four target segments



Customer segments we target

High Value Consumer



Typical ATVs of ~\$17.2k
biannual+ trading

Corporate



Typical ATVs of ~\$26.5k
monthly+ trading

Online Seller



Typical ATVs of ~\$15.4k
fortnightly+ trading

Enterprise



B2B2C and
B2B2B

Client needs we solve

Transfer money internationally from A to B

Manage volatility risk of FX exposure

Manage international payments flows integrated in my processes

Collect and use my money wherever I buy or sell in the world, like a local

Offer FX/ Cross-border payments to my clients

Must-haves

Fast, competitive, and trusted money transfer experience on a single digital platform

Differentiators

- Fast and easy onboarding
- Realtime payments
- Transparency
- Competitive Pricing

- Realtime payments
- Fast and easy onboarding
- Integration in business process
- Receivables and payables business solutions
- Mitigate FX risk

- Marketplace & payment processors compatibility
- Receivable and payables business solutions
- Expansion into new markets

- Provide FX solution to my clients
- Add value to my clients
- Solutions with limited investment

Global competition is fragmented and evolving



Cross-border payments top 100 global competitors map



Competitive dynamics



Neobanks have entered the Consumer market, but true survivors are yet to emerge



Incumbent MSBs are rapidly digitising



Digital MSBs who initially focused on Consumer have entered Corporate with mixed results



New entrants looking for scale in Payments-as-a-Service



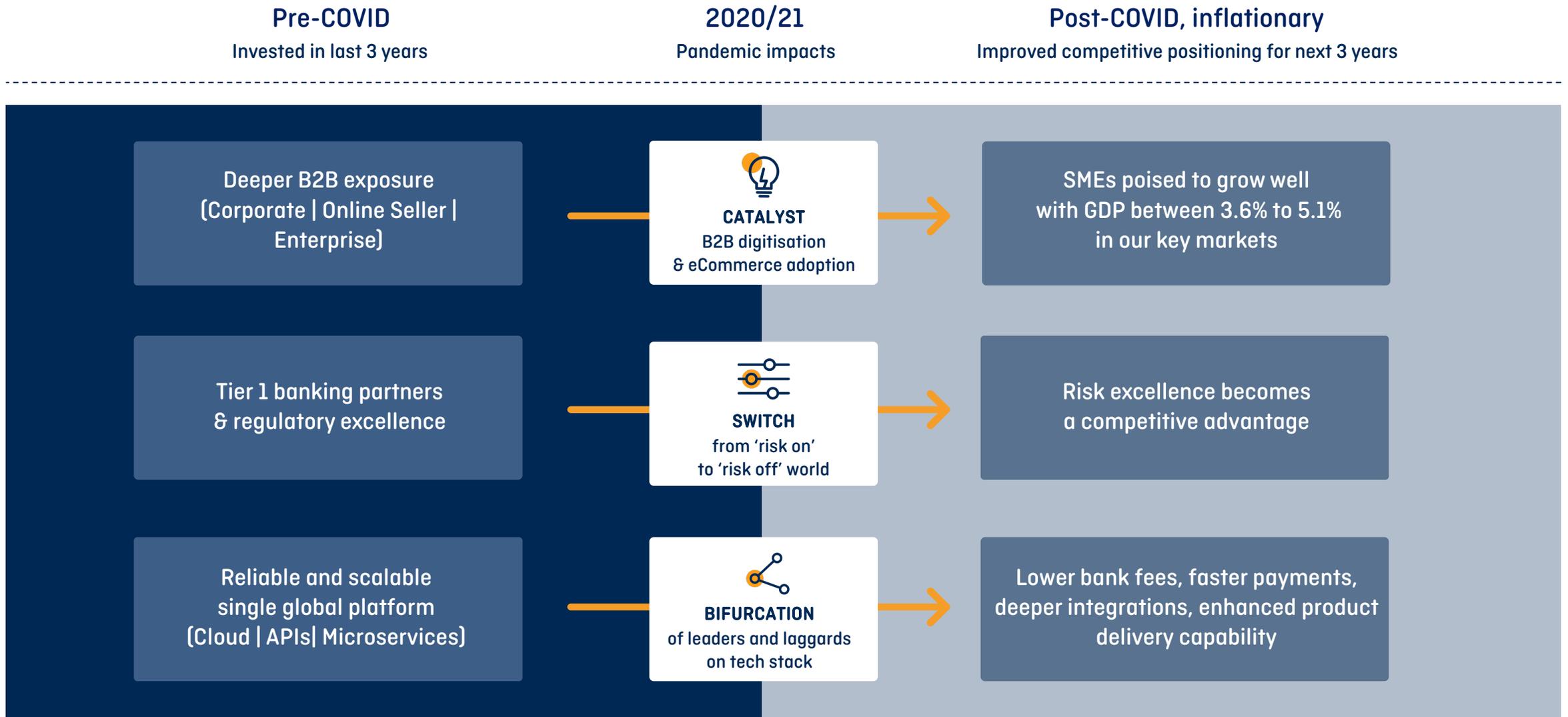
GAFAs are competing with limited success to date

© FXC Intelligence; www.fxciintel.com

Key industry trends support a strong specialist business model



	Trends	Data	Implications
	Regulatory scrutiny is strengthening	5x higher AML fines (\$2.2B) at Banks in 2020 vs 2019	<ul style="list-style-type: none">• Considerable investment required in Risk & Compliance• Banks less and less likely to support providers that do not have the right level of regulatory capability
	Specialists make profit from strong core product and service	6 out of 8 non-bank competitors with highest market valuations (EV/Revenue > 10x) are loss making	<ul style="list-style-type: none">• Divergence between profitable and unprofitable models• Unprofitable models rely on future cross-sell
	eCommerce in cross-border payments is rising	~20% of all global retail trade is now eCommerce (up from 16% in 2019)	<ul style="list-style-type: none">• SMEs are moving from having an online sales channel to being eCommerce businesses• Marketplaces are partnering with providers, not seeking to provide all the payment services themselves



Discretionary investments

To scale OFX successfully

Strategic pillars



Customer Experience



Geographic Expansion



Partnerships



Reliable, Scalable Systems



Risk Management



People

	Customer Experience	Geographic Expansion	Partnerships	Reliable, Scalable Systems	Risk Management	People
Grow North America and Europe as next markets		✓		✓		✓
Grow Corporates and Online Sellers	✓			✓		
Win in Enterprise			✓	✓	✓	
Win High Value Consumer use cases	✓		✓	✓		
M&A to add portfolio scale where it meets our strategy						



Huge opportunity

US\$206bn cross-border payments market which keeps growing

72% market share still with banks and Incumbents

<0.05% OFX market share is still very small

Target customers' consideration for alternatives **increasing** as they are ready to switch for the right CVP



Target segments



Corporate +++



Online Seller +++



Enterprise +++



High Value Consumer +



Competitive positioning

Distinctive CVP



Digital ease



Human support & expertise

Global operating model



Payments excellence



Customer service



Single global platform



Risk management



World class team



More valuable company

- ✓ Healthy revenue growth
- ✓ 75%+ Recurring Revenue
- ✓ Strong EBITDA margins
- ✓ Highly cash generative
- ✓ Capital light
- ✓ Well-positioned to participate in industry consolidation



Financial Outlook

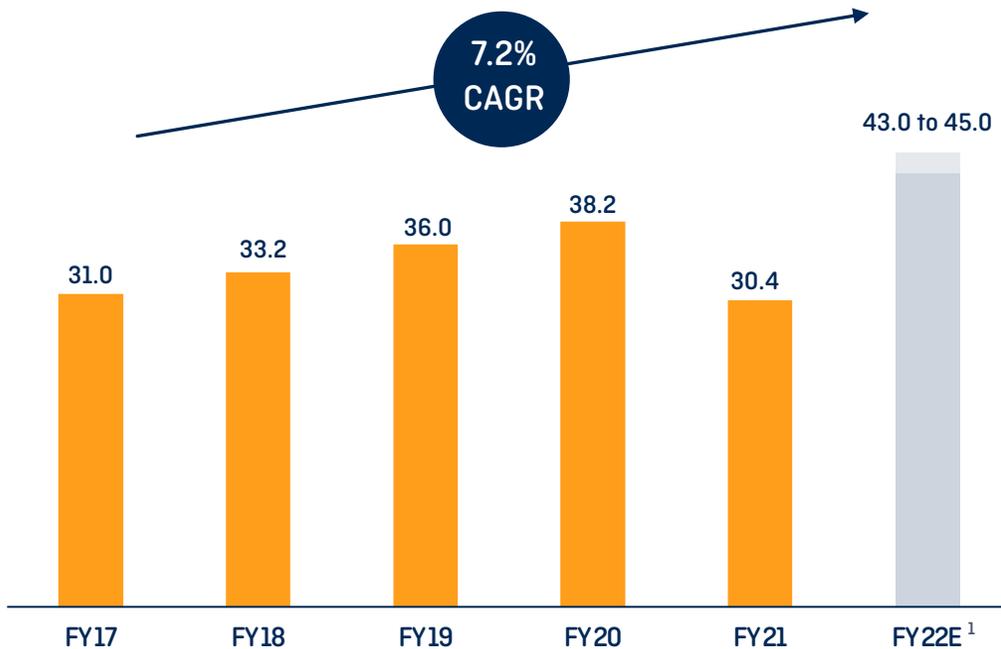
Selena Verth

Chief Financial Officer



Underlying EBITDA (\$m)

Adjusted for Lease accounting (AASB16)



Note : CAGR is calculated using the mid point of the FY22 estimate

¹ Includes impact of accounting standards on cloud-based computing. Prior periods not restated

² As at 1H22 results (EPS represents LTM)

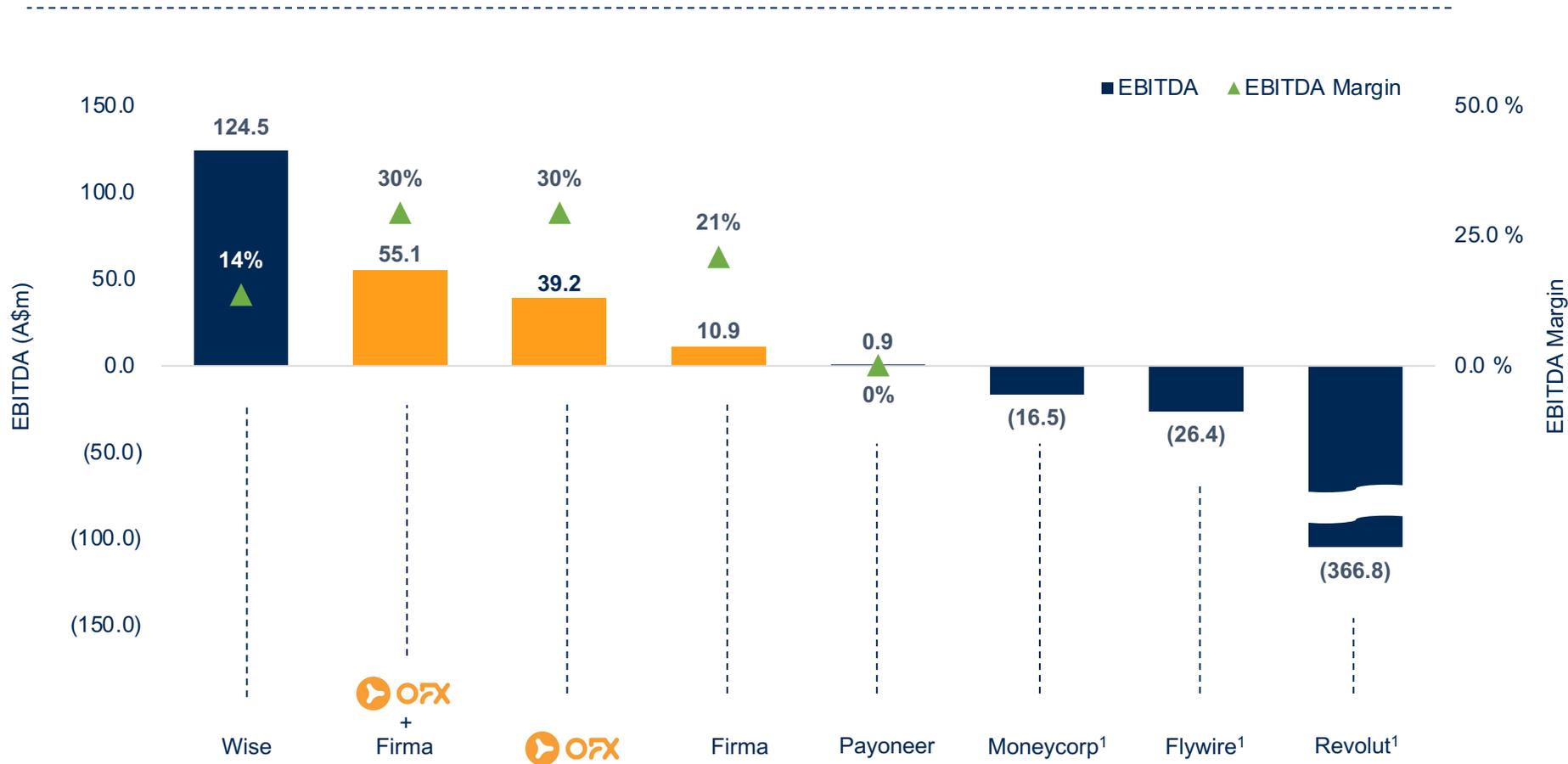
³ B2B revenue share is all revenue excluding Consumer

⁴ LTM net cash flow from operating activities

⁵ Pre debt paydown

	We're a valuable company	And becoming more valuable post Firma acquisition
B2B revenue share	52% ³	~ 65%
Recurring revenue share	78% ²	80% +
Underlying EBITDA margin	30%	30%
Cash generation	\$38.7m ⁴	~ \$47m ⁵
Underlying EPS	8.8c ²	10.5c +

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

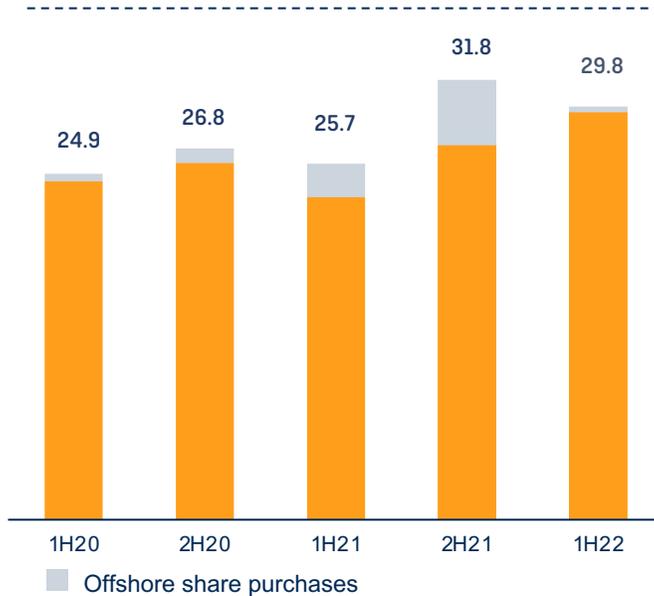


Key highlights

- 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, Flywire 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.

Revenue \$m



Multi channel acquisition

		Business size	Lifetime revenue
	Digital	Micro / Small	+
	Alliance	Micro / Small	+
	BDM	Small / Medium	++

Diverse portfolio¹



~\$26.5k
Typical ATVs

Monthly+ trading frequency

86%
Recurring revenue

30-35% EBITDA margins²

~21k
Active clients

¹ Represents percentage of revenue contribution by industry where data is available (63% of portfolio)

² EBITDA margin = EBITDA / NOI. Acquisition costs include promotional expenses, sales employee costs, commission and other direct selling expenses

Revenue \$m



Multi channel acquisition

		Business size	Lifetime revenue
	Digital	Micro / Small	+
	Alliance	Small / Medium	++
	BDM	Small / Medium	++

Diverse portfolio¹



~\$15.4k
Typical ATVs

Fortnightly+ trading frequency

79%
Recurring revenue

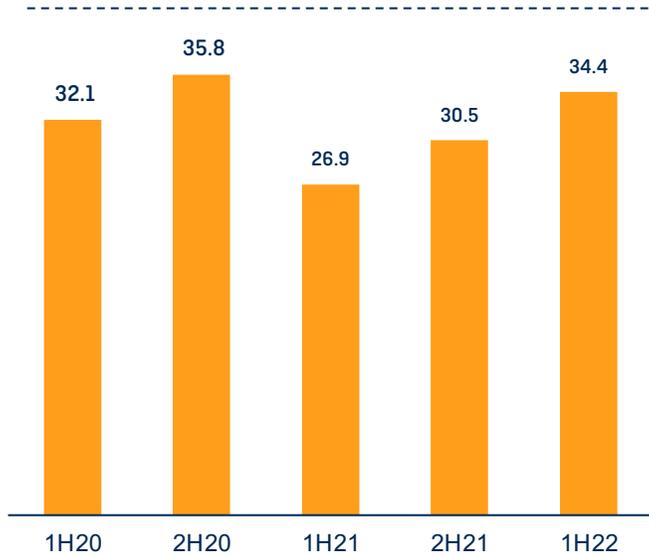
25% EBITDA margins²

~5k
Active clients

¹ Represents percentage of revenue contribution by industry where data is available (60% of portfolio)

² EBITDA margin = EBITDA / NOI. Acquisition costs include promotional expenses, sales employee costs, commission and other direct selling expenses

Revenue \$m



Multi channel acquisition

		% customers	Lifetime revenue
	Digital	65-70%	+
	Alliance	30-35%	+

Revenue by use case



~\$17.2k
Typical ATVs

Biannual+ trading frequency

71%
Recurring revenue

20-25% EBITDA margins¹

~112k
Active clients

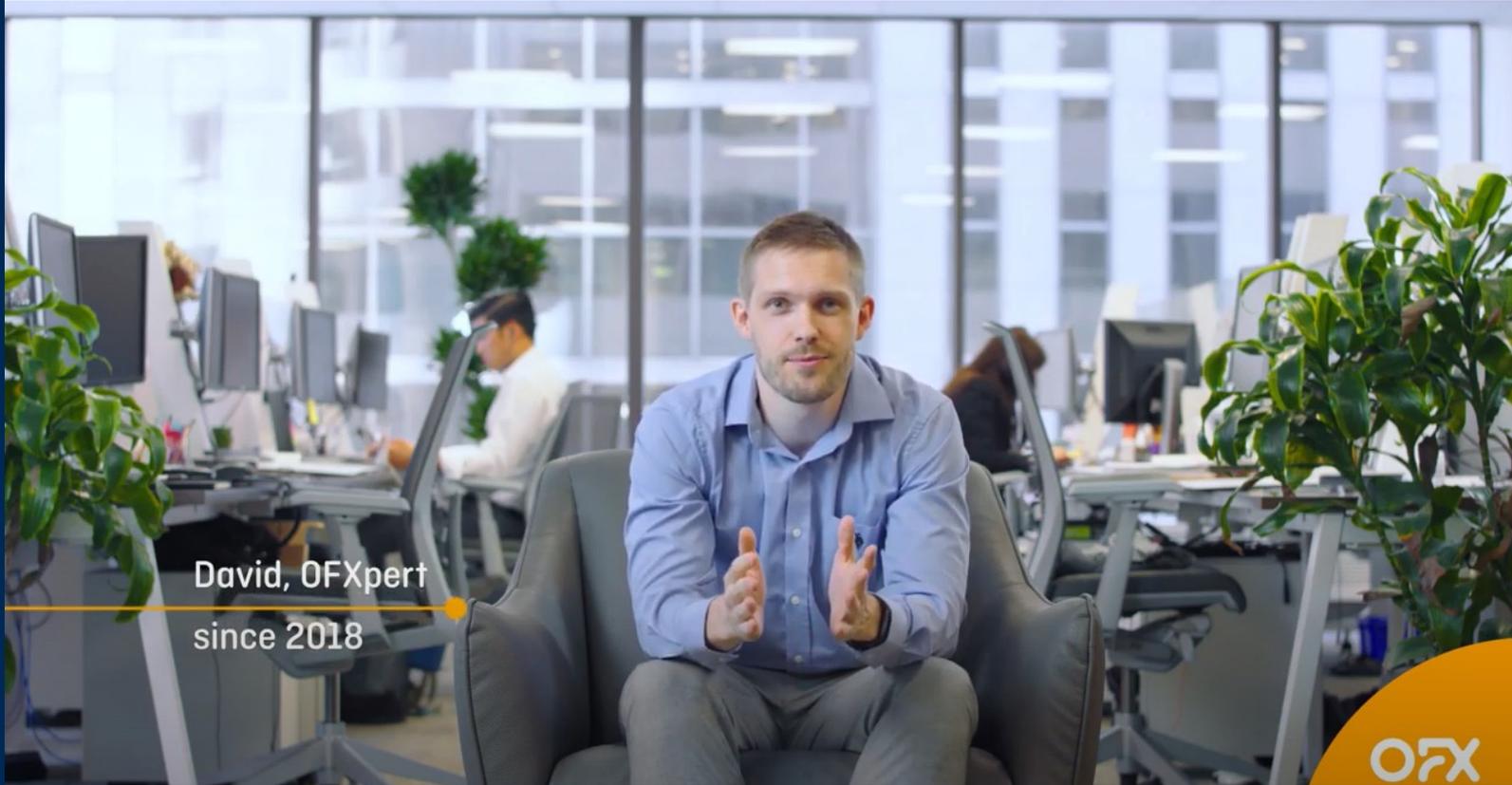
¹ EBITDA margin = EBITDA / NOI. Acquisition costs include promotional expenses, sales employee costs, commission and other direct selling expenses



Any
questions



Break



David, OFXpert
since 2018

OFX



Growing North America

Alfred Nader

President North America





Huge regional market for cross-border payments

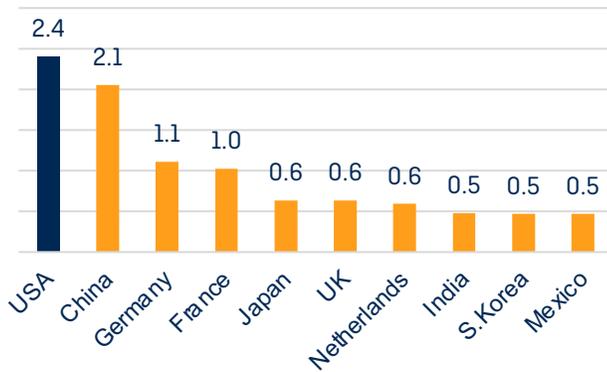
\$43bn

North America cross-border payments revenue in 2020

#1

Trade flows globally is US

Top 10 import countries in 2020 (Trillion USD)



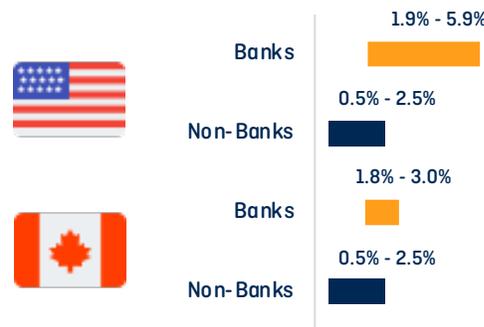
Ripe for disruption by emerging specialists like OFX

74-81%

market share still with Banks and Incumbents

Up to ~6%
pricing from Banks

FX Margin range for \$20K personal transfer USD and CAD outwards



With significant unmet needs from our target audience

1 in 4

'Highly engaged' US customers likely to switch from current providers¹

SMEs needs
go beyond digital



I want a higher quality of service and support. Sometimes you feel you are beholden to the banking system with a lack of help



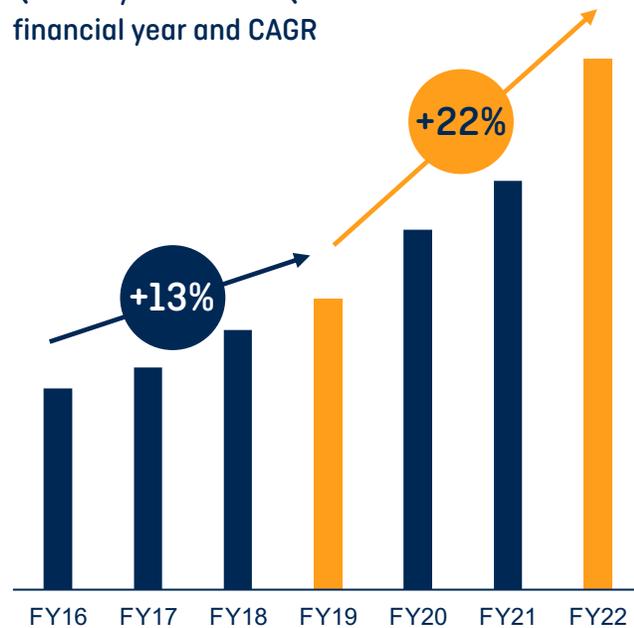
Canadian Small Business (\$1-5M FX Turnover)

Sources: McKinsey Global Payments map 2021, International Trade Center trade map, OFX marketing research with House of Brands
 Note: ¹ likelihood to switch is in the next 12 months, the 'highly engaged' category is one of OFX's target audiences and 83% of these use Banks of Incumbent MSBs



Our investment to grow North America faster is paying off

Quarterly turnover in Q3 of each financial year and CAGR



OFX shift in strategy and investment in North America



We have the infrastructure ready to expand further

49	Regulatory licenses across North America
100	OFX employees across North America
2	Offices
11	States where employees are based covering East to West
4	Banking partners, in the top 10 Banks in the US and Canada



And customers who value our distinctive value proposition

- “ The exchange rates were the best we could find, especially compared to those offered by major banks. ”
- “ The whole process was straight forward, even for a technophobe like me. ”
- “ I have used OFX many times over the last 6 years and their service has been 5* every time. I highly recommend. ”

Fireside chat with
Skander Malcolm
and Alfred Nader





Winning in Enterprise

Yung Ngo

President APAC



Enterprise definition



OFX Enterprise target:

Companies who need to offer cross border payments to their customers (end-users), and where OFX aims to acquire and service these end-users at scale

Four verticals



Rationale

WHO is the client, and **WHY** is it a target priority for OFX?

- Scale acquisition of OFX target clients across Consumer, Corporate, and Online Seller segments
- Profitable with a typical Enterprise client generating 180x+ the revenue of a typical Corporate client
- Substantial opportunity and underserved segment, as B2B2B and B2B2C channels are growing in the platforms & ecosystems economy. This is poorly served by large global banks.

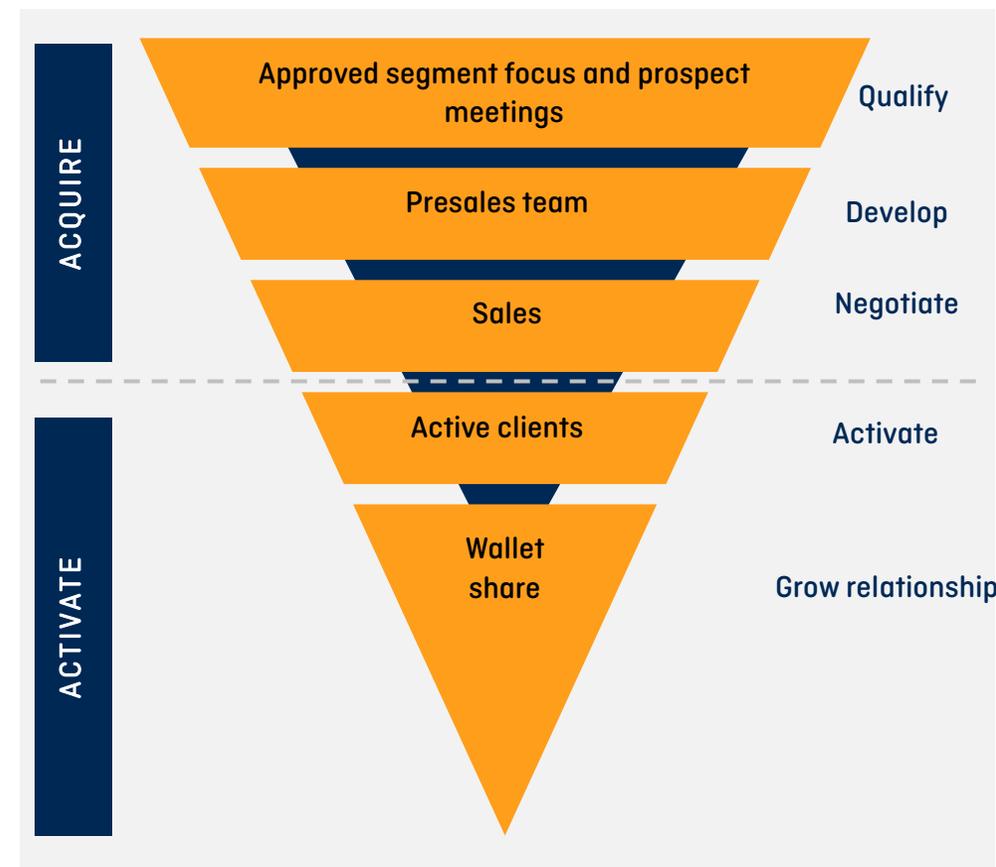
Historical revenue \$m



Client needs

OFX solution

Execution





CargoWise is WiseTech's industry-leading flagship technology that is a deeply integrated, global software platform for logistics service providers

ASX listed

18k+ customers

“Our focus is on building integrated software that enables our logistics customers to improve planning, productivity and control of their global operations”
Richard White, CEO, WiseTech Global

50+ offices globally

Client requirements

Simplify customer experience and improve productivity

+

Reduce customers FX costs

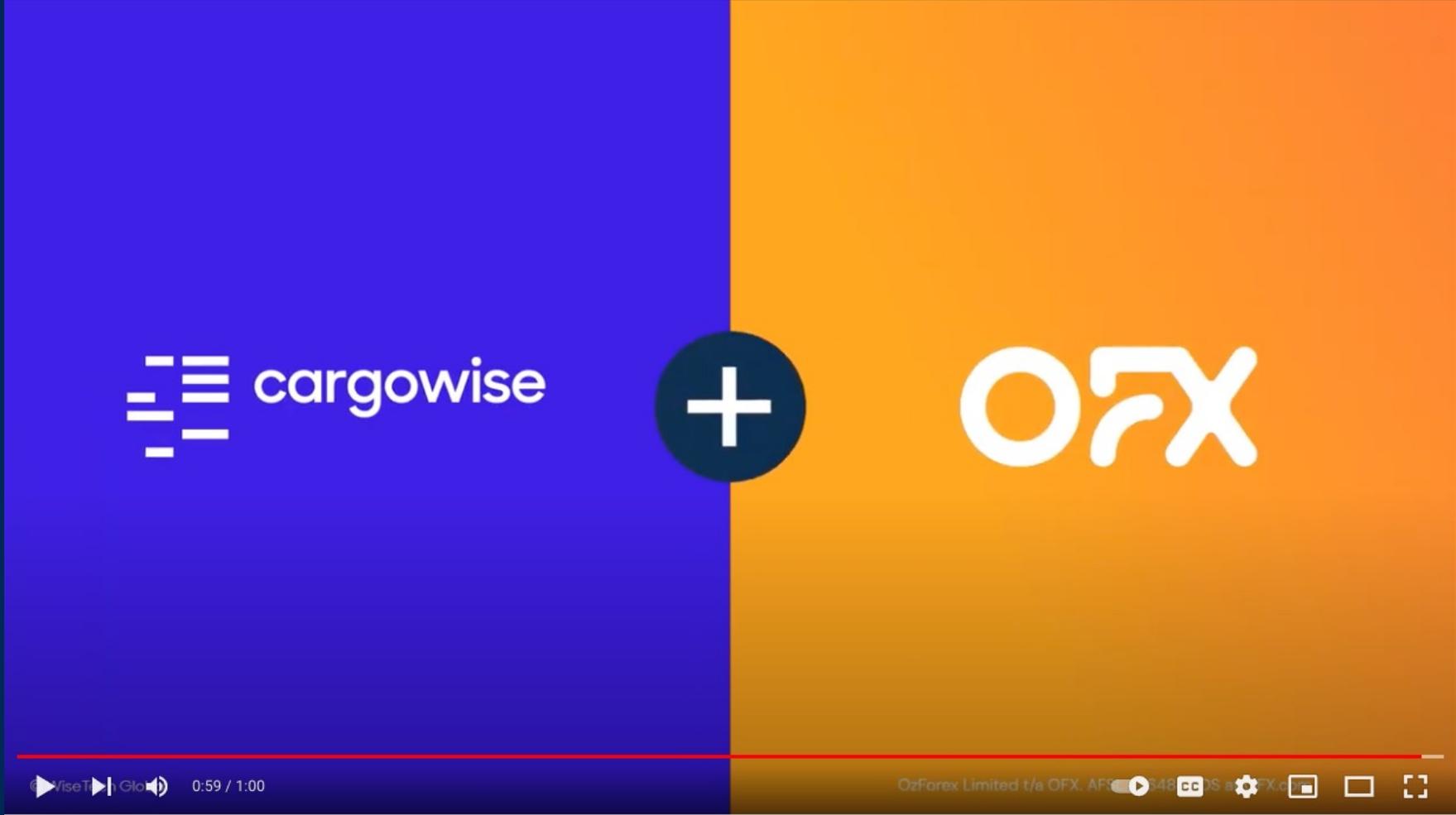
+

Mitigate AML & compliance burdens – partner with a specialist



Activation

- ✓ Solution launched Oct 21
- ✓ WiseTech modules training
- ✓ Awareness launch – digital, social, media
- ✓ Activations – global teams
- ✓ WiseTech partnership channel engagement



www.youtube.com/watch?v=sr4eP5NwNrY



Risk Excellence

Mark Shaw

Chief Operating Officer



The risk landscape has changed



2015

Now

AML Consequences

Focus on having policy & process in place

5x

Higher AML fines (\$2.2B) at Banks in 2020 vs 2019

Focus on how well you understand and manage specific risks, quality of reporting

Regulatory focus on E-money

Primarily on AML/CTF

360+

EMI licenses issued in Europe between 2018-2020

Increasing prudential regulation on client money & organisational resilience

Banking Support

Banks treat Money Services Businesses as homogeneous segment & few support

150

Australian FinTechs debanked

Banks seek quality payment firms for commercial partnerships, but requires high risk culture & capabilities to qualify

Identity Verification

Via review of physical documentation – non face to face high risk

1.1 Billion

Separate digital ID checks for onboarding end of 2021

Digital identity & biometrics widely adopted – potentially superior to face to face

Risk Technology

Risk management technology often bespoke, expensive to develop and maintain

\$10 Billion

Global RegTech investment for the first time in 2020

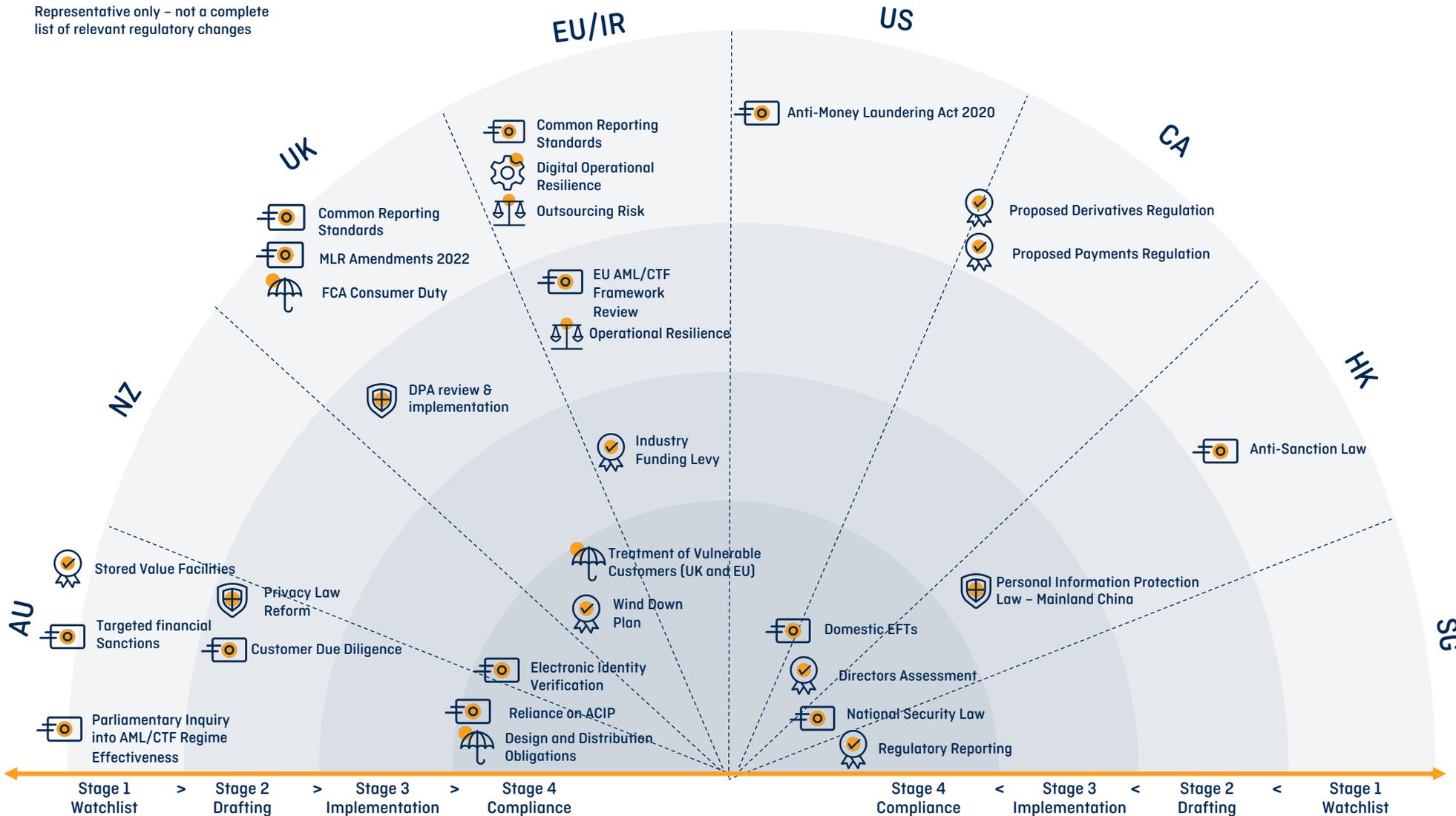
SaaS Risk Management platforms widely available, easy to stand-up but still need human expertise

Payment companies face increased regulation globally



Regulatory changes mapped across OFX's key markets

Representative only – not a complete list of relevant regulatory changes



Legend

Regulatory change funnel

- Stage 1 > Watchlist
- Stage 2 > Drafting/Consultation
- Stage 3 > Implementation
- Stage 4 > Compliance

Regulatory area

- Licensing
- AML
- IT and security
- Data and Privacy
- Consumer Protection
- Governance



Any
questions



Silvana and Harry, OFXperts





TRADE TRACKER

**NHL TRADE DEADLINE:
MARCH 21 AT 3 PM ET**





Thank you

The material contained in this document is a presentation of general information about OFX Group Limited (Company) and its activities current as at 16 March 2022. Material is provided in summary only and does not purport to be complete. The material contained in this document has been prepared without taking into account the investment objectives, financial situation and particular needs of any particular person and should not be taken as advice for investment purposes or a recommendation in relation to the Company.

Certain statements in this document relate to the future, including estimates, projections and opinions. Such statements involve known and unknown risks and uncertainties and other important factors that could cause the actual results, performance or achievements to be materially different from expected future results, performance or achievements expressed or implied by those statements. Many of these factors are beyond the Company's control, and the Company does not give any warranty, express or implied, representation, assurance or guarantee that the events expressed or implied in any forward looking statements will occur or will prove to be correct, and you are cautioned not to place reliance on such forward looking statements. Subject to applicable disclosure requirements, the Company undertakes no obligation to update any forward-looking statement to reflect events or circumstances after the date of publication of this document. Past performance information is given for illustrative purposes only and is not an indication of future performance.

The Company makes no warranty, expressed or implied, concerning the accuracy, reliability, adequacy or completeness of the information and opinions contained in this document. To the maximum extent permitted by law, no responsibility for any direct or indirect or consequential loss arising in any way (including by way of fault or negligence) from anyone acting or refraining from acting as a result of reliance on the material in this document is accepted by the Company or any of its related bodies corporate, affiliates, directors, employees, officers, partners, agents and advisers or any other person involved in the preparation of this document.

This document has not been subject to external auditor review.