

IPO Corporate Presentation

June 2021

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- “RM” shall mean Ringgit Malaysia being the lawful currency of Malaysia. Any discrepancies between individual amounts and totals are due to rounding



Agenda

- 1 Offering Structure & Timeline
- 2 Company Overview
- 3 Key Investment Highlights
- 4 Future Strategies
- 5 Financial Overview



Offering Structure

Issuer	CTOS Digital Berhad (“ CTOS Digital ” or “ The Company ”)
IPO Price	Equal to the lower of the retail price of RM1.10 per share or the institutional price
Selling Shareholders	Collectively, Inodes Limited (“ Inodes ”), Chung Tze Keong, Chung Tze Wen and Ng Gaik Lin @ June Ng
Offering Type	Initial Public Offering (“ IPO ”) and listing on the Main Market of Bursa Malaysia Securities Berhad
Proposed offering	<p>IPO of up to 1,100.0 million shares representing up to 50.0% of the enlarged issued share capital (“ESC”) / comprising</p> <ul style="list-style-type: none"> ▪ institutional offering of up to 936.0 million shares (approximately up to 42.6% of the ESC) to: <ul style="list-style-type: none"> • Malaysian institutional and selected investors; • foreign institutional and selected investors outside the United States in reliance on Regulation S ▪ retail offering of 120.0 million shares (approximately 5.5% of the ESC) to the eligible directors / employees of the group (including directors of the subsidiaries) / persons who have contributed to the success of the group ▪ retail offering of 44.0 million shares (2.0% of the ESC) to the Malaysian public ▪ subject to clawback and reallocation provisions
Primary / Secondary Split	<ul style="list-style-type: none"> ▪ Primary Shares - a public issue of 200.0 million new shares (approximately 9.1% of the ESC) ▪ Secondary Shares - an offer for sale (“OFS”) of up to 900.0 million existing shares (approximately 40.9% of the ESC)
Cornerstone Tranche	<ul style="list-style-type: none"> ▪ 23 cornerstone investors to acquire an aggregate of 509,467,900 IPO Shares, approximately 23.2% of ESC or 54.4% of global institutional offering ▪ Cornerstone investors (including the respective funds) include: Employees Provident Fund Board, Permodalan Nasional Berhad, Aberdeen Standard Investments (Asia) Limited, Aberdeen Standard Investments (Malaysia) Sdn Bhd, Aberdeen Standard Islamic Investments (Malaysia) Sdn Bhd, JP Morgan Asset Management (Singapore) Limited, FIL Investment Management (Hong Kong) Limited, Eastspring Investments Berhad, Affin Hwang Asset Management Berhad, AIA Bhd, AIA Pension and Asset Management Sdn Bhd, First Sentier Investors (Hong Kong) Limited as an investment manager of FSSA Singapore and Malaysia Growth Fund, First Sentier Investors (Hong Kong) Limited as an investment manager of Scottish Oriental Smaller Companies Fund, Hong Leong Asset Management Bhd, Hong Leong Assurance Berhad, Kenanga Investors Berhad, Matthews International Capital Management, LLC, Principal Asset Management Berhad, RWC Asset Management LLP, SeaTown Master Fund, Mawer Investment Management Ltd., Urusharta Jamaah Sdn Bhd, New Silk Road Investment Pte Ltd, RHB Asset Management Sdn Bhd, AmFunds Management Berhad, KAF Investment Funds Berhad and Maybank Asset Management Sdn Bhd

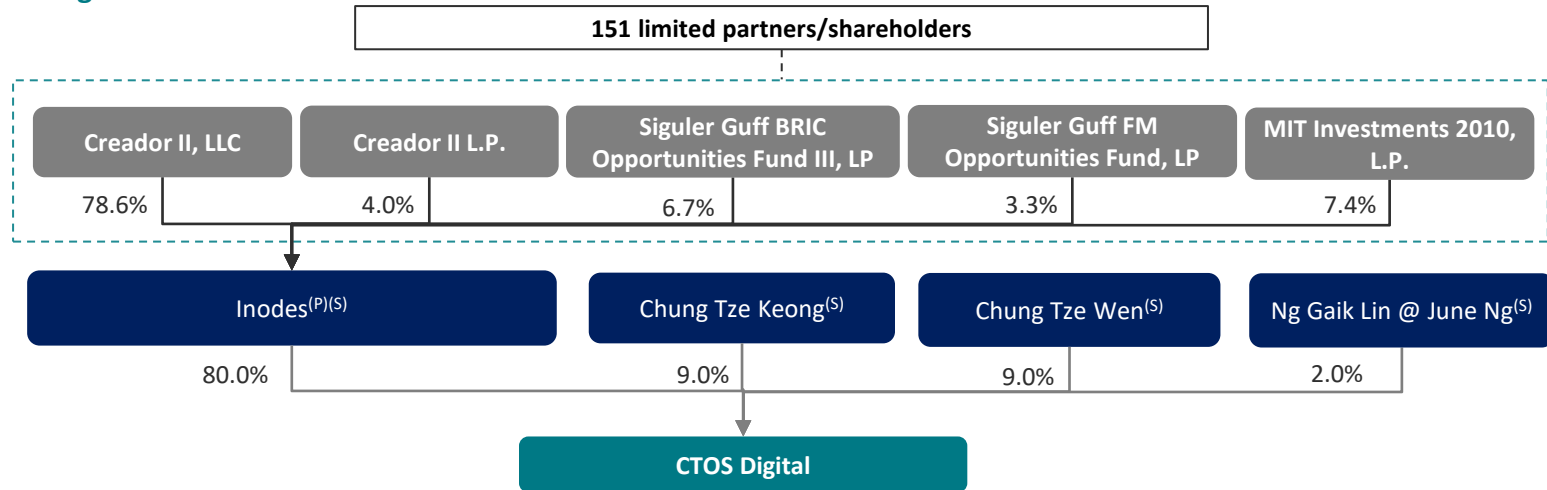
Offering Structure (cont'd)

Free float / Public spread	Up to 50.0% of the ESC
Selling restrictions	Schedule 6 and 7 of the Capital Markets and Services Act 2007; Regulation S
Use of proceeds	<ul style="list-style-type: none"> Repayment of bank borrowings, acquisitions to be identified and defray fees and expenses for the IPO and Listing
Moratorium and Lock-Up	<p>For a period beginning on 16 June 2021 and ending on, and including:</p> <ul style="list-style-type: none"> For Inodes (including certain direct shareholders of Inodes⁽¹⁾) on the shares held by them in the Company, the date that is 6 months after the date of listing; For Chung Tze Keong, Chung Tze Wen and Ng Gaik Lin @ June Ng on the shares held by them in the Company, the date that is 3 months after the date of listing; For the Company, the date that is 6 months after the date of listing.
Shariah Status	Approved by the Shariah Advisory Council of the SC

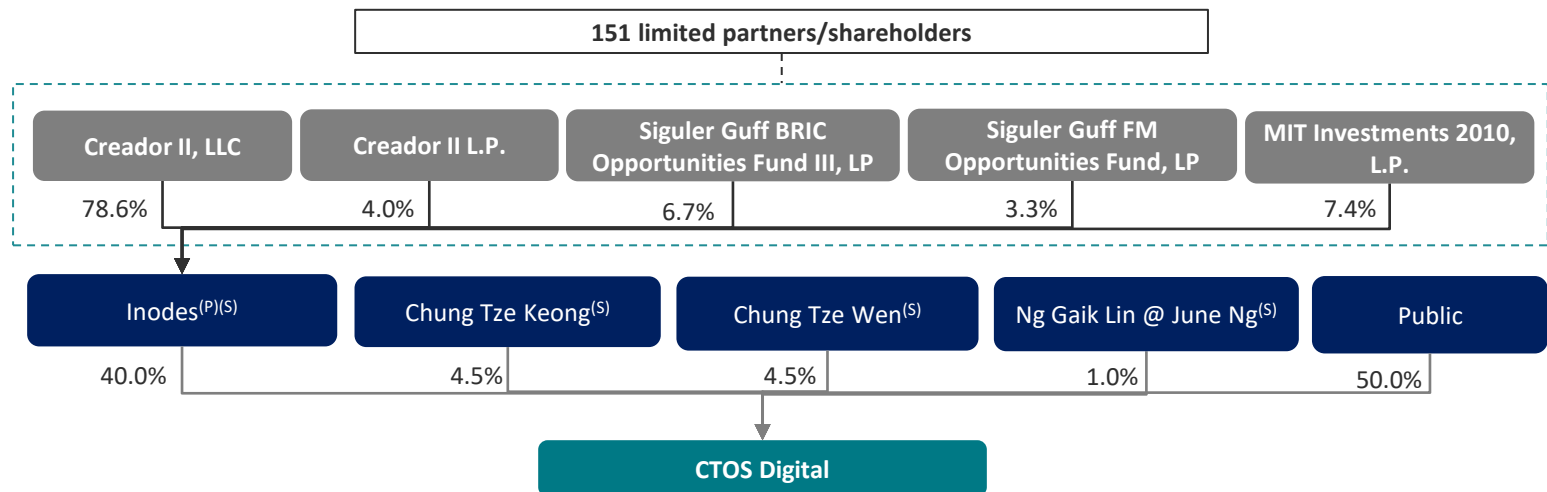
Note: (1) including Creador II, LLC and Creador II L.P. only

Pre and Post-IPO Shareholding Structure

Pre-IPO Shareholding Structure



Post-IPO Shareholding Structure



Notes:

(P) Promoter

(S) Selling shareholders

Indicative Timeline

Opening of the Institutional Offering	30 June 2021
Issuance of the Prospectus/Opening of the Retail Offering	10:00 a.m., 30 June 2021
Closing of the Retail Offering	5:00 p.m., 6 July 2021
Closing of the Institutional Offering	6 July 2021
Price Determination Date	7 July 2021
Allotment	16 July 2021
Listing Date	19 July 2021

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- 3 Key Investment Highlights
- 4 Future Strategies
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At a Glance

Leading regional credit bureau in ASEAN

with presence in Malaysia and Thailand

Leading CRA in Malaysia

with estimated total market share of **71.2%⁽¹⁾** in 2020, by revenue⁽²⁾

Offers **key digital solutions** across all stages of consumer lifecycle

Strategic partnerships and investments to offer and develop innovative digital solutions

Serving large corporate customer base⁽³⁾

- **c. 430** Key Accounts
- **c. 17,000** Commercial

Direct-to-Consumers - **c.1.3⁽³⁾ mm registered users** of CTOS ID

Strong profitability
> 80% GP margin
> 25% PATAMI margin
> 39% ROE for FY2018-2020

Target dividend pay-out ratio of **60% of PATAMI**

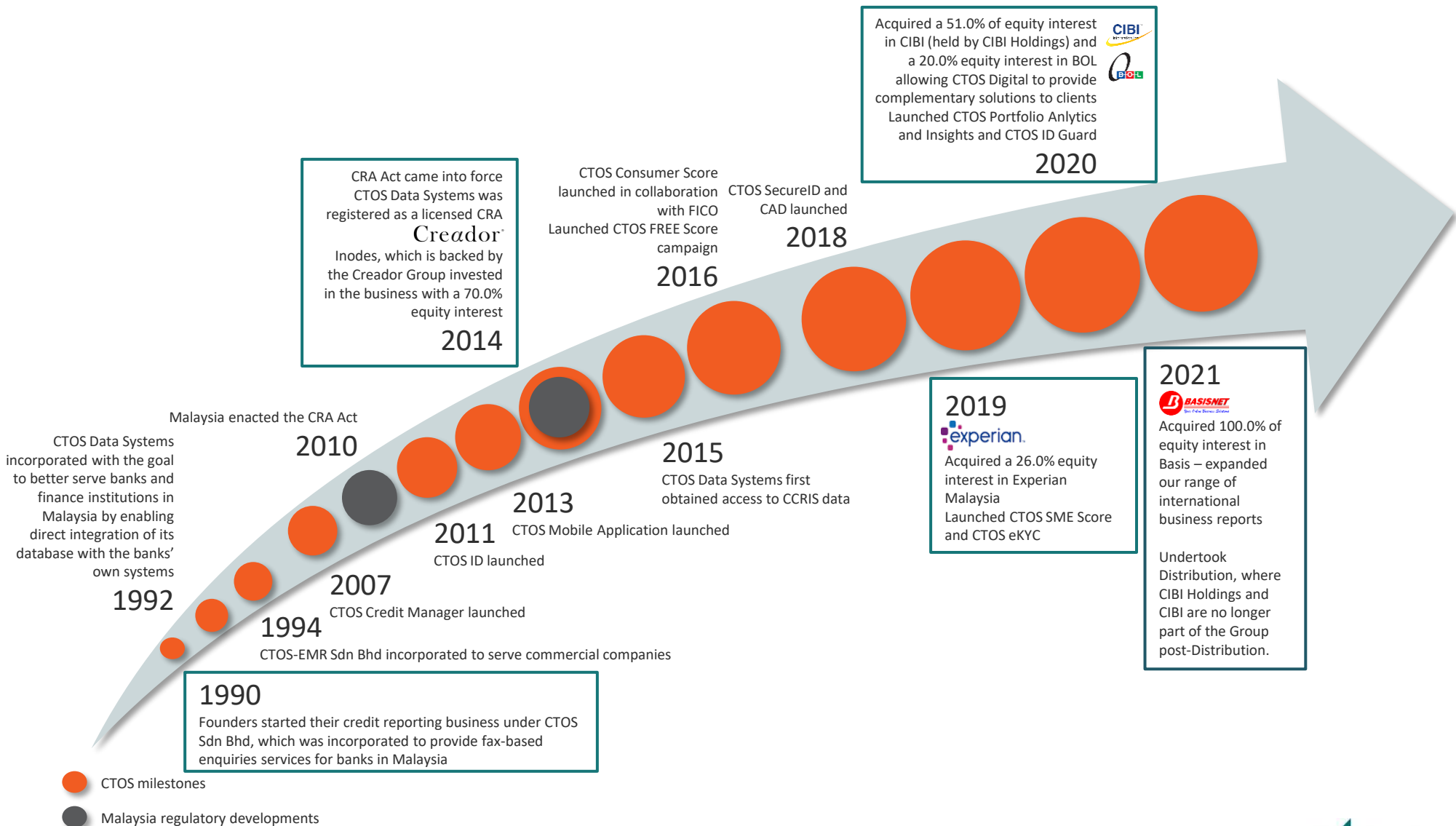
Notes:

(1) Pro-forma Including Basis

(2) Source: IDC Analysis

(3) As at 31 May 2021, being the LPD for the prospectus

History and Key Milestones



Key Solutions

Overview of Primary Digital Solutions throughout the Lifecycle Stages



Lifecycle Stage	Identification	Customer/ vendor onboarding	Application and decisioning	Management and monitoring	Recovery
Description	Customer identifies a prospective business or new business relationship or transaction	Initial step of determining whether a prospective customer or vendor is suitable based on their past business and financial dealings	Business decides whether or not to extend credit after a prospective customer is on-boarded	Effective portfolio management, analysis and monitoring to better identify new sources of revenue and potential areas of credit risk	A business must manage its relationship with a customer that can no longer meet its credit obligations
Malaysia Digital Solutions	<ul style="list-style-type: none"> CTOS CreditFinder CTOS Tenant Screening Report Company Search Business Listings Customised Bulk Data Sales 	<ul style="list-style-type: none"> CAD CTOS Credit Manager CTOS IDGuard CTOS eKYC CTOS Tenant Screening Report 	<ul style="list-style-type: none"> CAD CTOS Credit Manager CTOS Scores CTOS Data Systems Reports, CTOS Basis Reports and External Reports CTOS Basis (formerly known as BASISNET) eTR eTR Plus 	<ul style="list-style-type: none"> CTOS Credit Manager CTOS IDGuard CTOS Scores Comprehensive Portfolio Review CTOS Portfolio Analytics and Insights CTOS SecureID 	<ul style="list-style-type: none"> CTOS Credit Manager eTR eTR Plus

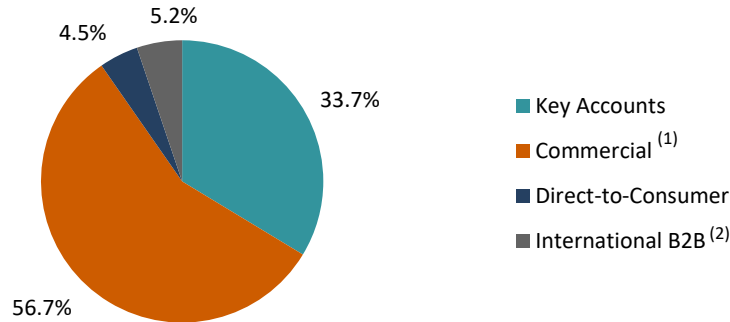
Key Segments

CTOS Digital Serves 4 Types of Customers

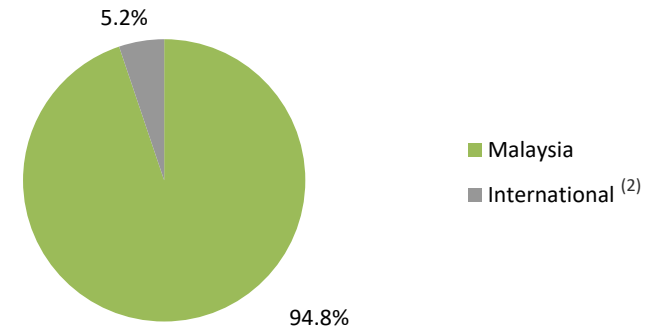


Total 2020 Revenue of RM140.5 mm

Breakdown of 2020 Revenue by Segment



Breakdown of 2020 Revenue by Geography



Key Accounts	Commercial	Direct-to-Consumer	International B2B
<ul style="list-style-type: none"> Approximately 430 of CTOS Data Systems' highest revenue-generating customers and selected customers Providing digital solutions, including tailored solutions depending on their unique business requirements 	<ul style="list-style-type: none"> Serves approximately 17,000 customers, including SMEs and other than those in Key Accounts Providing easy-to-use yet effective credit risk management tools Broad accessibility and affordability for both business-to-business and business-to-consumers 	<ul style="list-style-type: none"> Serves Malaysian consumers c.1.3 mm registered users for CTOS ID as at LPD Provides credit scores and detailed information including CCRIS Promote financial literacy and credit awareness, leading to greater credit access Consumer fraud protection and identity protection 	<ul style="list-style-type: none"> Accounted for 5.2% of our FYE2020 revenue Comprised operations of CIBI in the Philippines after our acquisition of a 51.0% equity interest in CIBI in June 2020 <u>No longer have any equity interest in CIBI post-Distribution completed on 15 June 2021</u>

Notes:

(1) Will include revenue from Basis beginning from the FYE 31 December 2021 following the acquisition of the entire equity interest of Basis in January 2021 by CTOS Digital

(2) Comprised revenue from CIBI following our acquisition of a 51.0% equity interest in CIBI in June 2020. We removed our entire 51.0% equity interest in CIBI from our Group via the Distribution which was completed on 15 June 2021



Details on Data Sources, Databases, Technology, Strategic Partnerships and Investments



Data Sources and Information Databases

- Collected for over 30 years, contains profiles of approx. 15 million consumers and approx. 8 million businesses, sourced from:



- Details on self-maintained databases by CTOS Data Systems:
 - CTOS Electronic Trade Reference (eTR)
Contains non-bank negative payment histories of Malaysian consumers and businesses
 - eTR Plus
Contains Malaysian individuals and businesses' non-bank payment behaviour information including information on timely payment history
 - CTOS Legal Enhanced Database (CED)
Contains litigation and bankruptcy proceedings information shared by subscribers

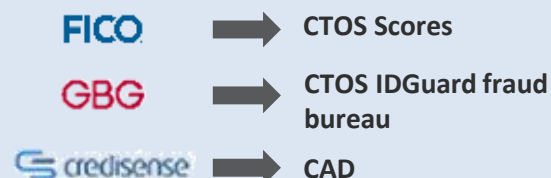
Emphasis on Technology



Security and protection of consumer and business information based on the risk management guidelines established by BNM

- A two-tier infrastructure separating computing power and storage capacity → offer the scale and capacity that our operations require
- Systems run on flash array, or multiple flash memory drives → organise and handle high volumes of disparate data and maintain high delivery speeds
- Technology infrastructure is horizontally and vertically scalable and connects multiple levels of networks, servers, storages and applications through virtualization → increase technology productivity and efficiency while optimising costs
- Planned, coordinated and well managed development and maintenance of solutions based on the requirements of international standard ISO 270001:2013
- Two data centres in Malaysia to reduce impact of disruptions, create redundancy and increase resiliency → similar technologies and infrastructures to enable the optimal sharing of technical resources

Strategic Partnership With Leading Global Technology Providers



Strategic Investments



- Acquired the entire equity interest in Enfo and CTOS Insights, respectively in July 2019 which collectively hold 26.0% equity interest in Experian
- Malaysian CRA majority-owned by a company associated with Experian plc, a multinational information services company
- Products and services offered:
 - Credit reports and credit monitoring
 - Various decisioning and analytics solutions



- Acquired a 20.0% equity interest in Business Online Public Company Limited in October 2020, a company listed on the Stock Exchange of Thailand
- Products and services offered:
 - Corpus - comprehensive online Thailand and international business information platform that assist customers in evaluating the credit worthiness of their customers
 - ENLITE - loan origination system widely used by Thai banks
 - Customer lifecycle
 - Risk management
 - Business intelligence
 - Debt collection service
 - Data management solutions

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Key Investment Highlights



**Fully Digital Platform for
End-to-end Credit
Management**

**Visible Growth Upside of
CRA Industry in Malaysia
and ASEAN Markets**

**Market Share Leadership
in Malaysia**

**Extensive Distribution
Network and Sales Force**

**Large Credit Database
with Extensive Access to
Key Financial Databases**

**Diversified Customer
Base**

Strong Financial Profile

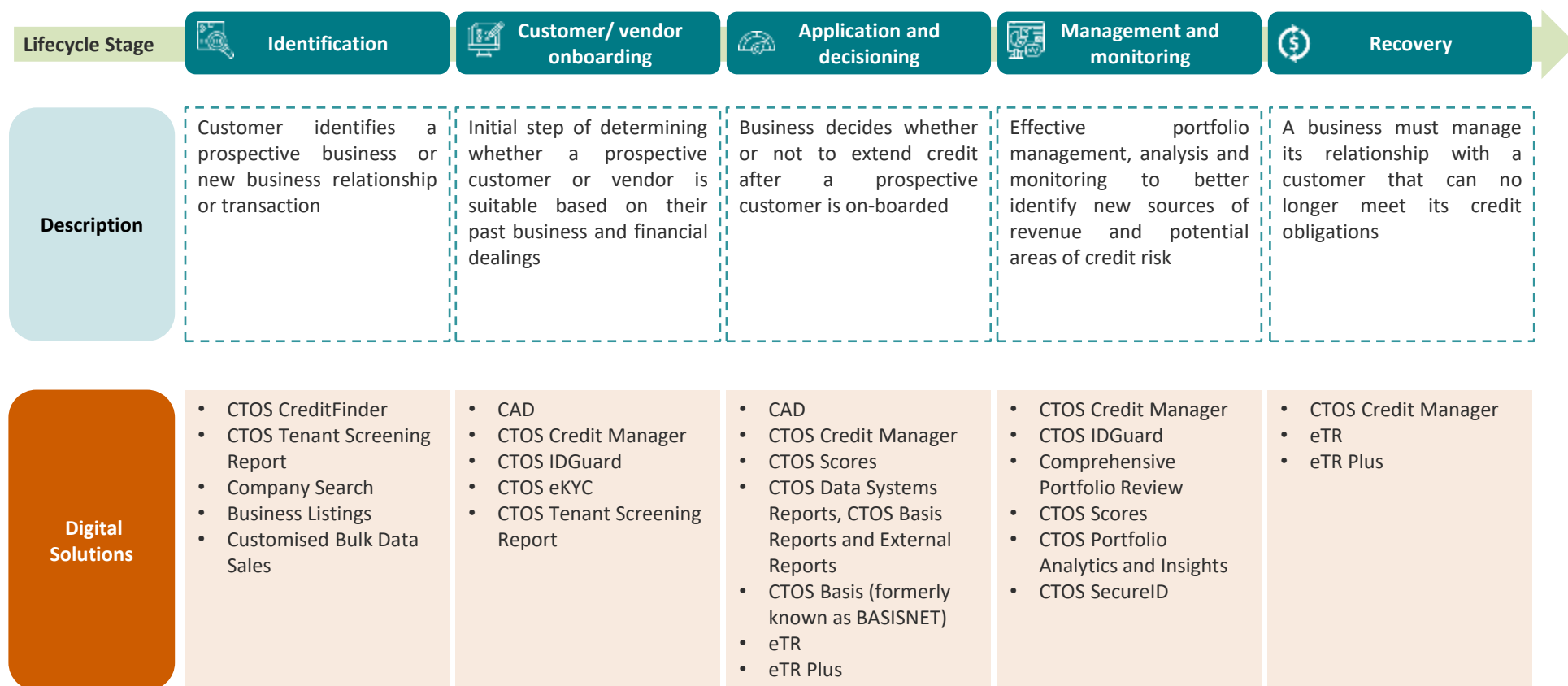
**Experienced
Management Team and
Major Shareholder is
Backed by A Malaysian
Mid-market Private
Equity Fund Group**

Key Investment Highlights

Fully Digital Platform for End-to-end Credit Management



We have developed a fully-fledged ecosystem of credit management solutions to support our customers' businesses at every stage of the customer lifecycle:



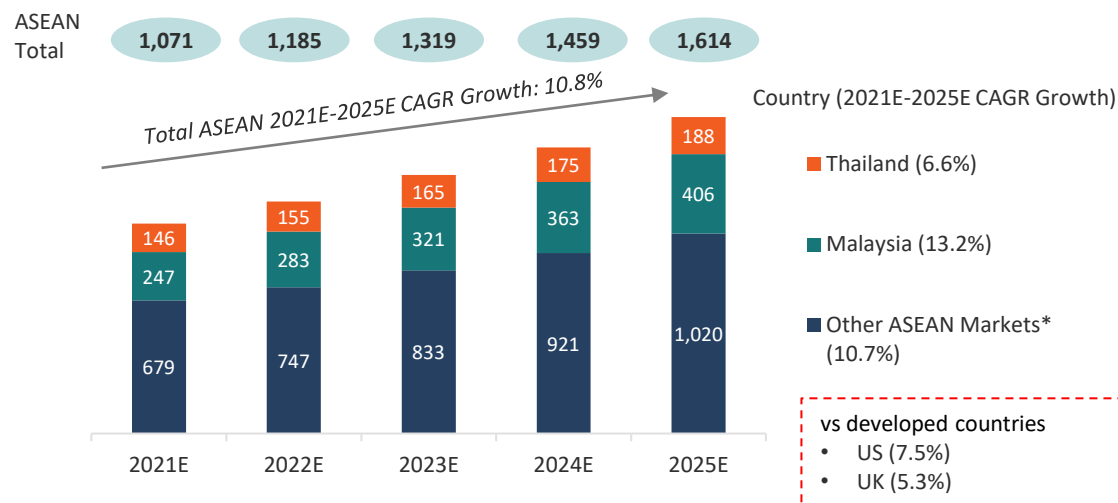
Key Investment Highlights (cont'd)

Visible Growth Upside of CRA Industry in Malaysia and ASEAN Markets



Exposure In High Growth Markets

ASEAN Markets Credit Reporting Industry Market Size 2021E-2025E (RM million)



Note: * Other ASEAN Markets include Brunei, Cambodia, Indonesia, Laos, Myanmar, the Philippines, Singapore and Vietnam

Growth Sectors Within ASEAN



Automotive



Health



Media



Public Sector



Software and Professional Services

Malaysia Growth Drivers



Increasing financial literacy



Introduction of digital banking



Growing SME sector



Increasing demand for credit by businesses and consumers

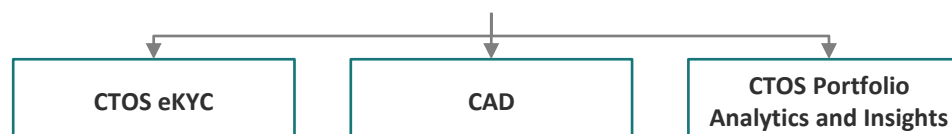


New entrants of fintech companies

Increasing Trend Towards Digital Banking

Currently, our suite of credit management solutions is already serving many of the P2P lenders in Malaysia and a number of local e-wallet companies.

Our Solutions are well placed to cater to the digitalisation of the banking economy.



Source: IDC Analysis

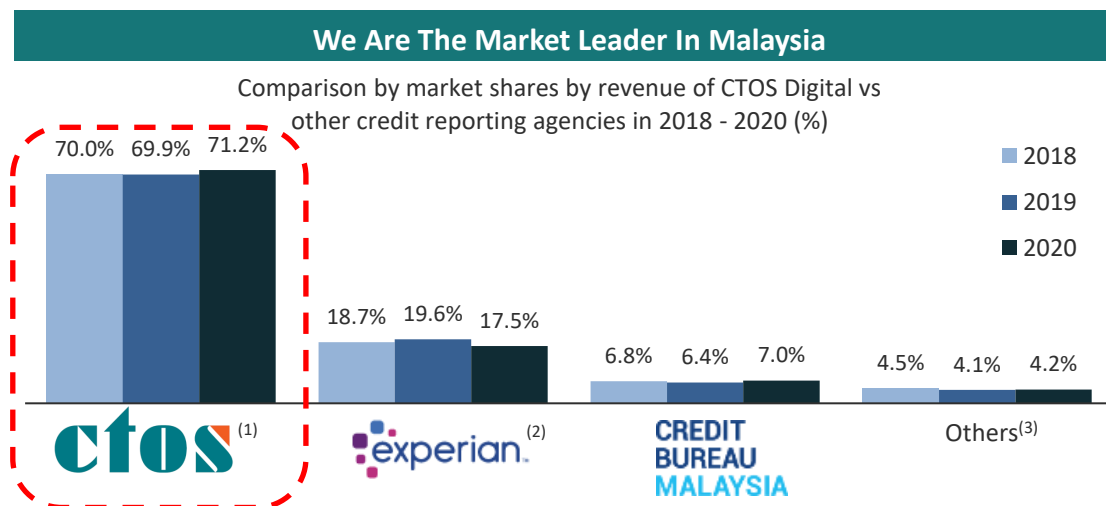
Key Investment Highlights (cont'd)

Market Share Leadership in Malaysia



We enjoy a market share leadership position in the credit reporting industry in Malaysia, further secured by high barriers to entry and strong synergistic effect between our customers and data

- Our market share continues to be defensible - due to the high barriers to entry, size of our database and brand recognition
- Including Basis, we have a market share of 71.2% in 2020



We Enjoy High Barriers To Entry - There has only been one new entrant in the industry over the last 10 years



Brand Recognition

Customer trust and brand recognition vital for the business as CRAs provide and collect sensitive customer information



Database

Relative to incumbent players, it can be hard for new entrants to attain a similar sized database



Security

Substantial resources are required to establish a cyber-resilient culture



Regulations

CRAs exist in a highly regulated environment, subject to regulatory oversight by the Registrar Office of Credit Reporting Agencies

Notes:

(1) CTOS Digital's market share is combined with Basis on a pro-forma basis since Basis was acquired by CTOS Digital in January 2021.

(2) Market shares for Experian reflect an apportionment to a 12-month period of January – December 2020 based on latest unaudited management accounts. Historical market shares are also adjusted to account for a change in year end from 31 December 2019 to 31 March 2020.

(3) Others include FIS Data Reference Sdn Bhd, Dun & Bradstreet (Malaysia) Sdn Bhd and CRIF OMESTI Sdn Bhd.

Source: IDC Analysis

Key Investment Highlights (cont'd)

Extensive Distribution Network and Sales Force



We have an extensive distribution network and sales force, supported by a well-trained after sales support team to ensure strong customer acquisition and retention

Strong Marketing And Distribution Strategies

Our Key Account and Commercial sales team consists of over **170** employees including account managers and business development officers. We have a digital marketing team to handle Direct-to-Consumer customers.



Key Accounts

(provides digital solutions to approximately 430 customers)

- Brand and networking events
- Forums and webinars
- Public relations initiatives for digital solution launches



Commercial

(serves approximately 17,000 customers in Malaysia and internationally including SMEs)

- Brand and networking events
- Forums and webinars
- Public relations initiatives for digital solution launches
- Digital and social marketing
- Partnership programmes



Direct-to-Consumer

(serves Malaysian consumers)

- Digital and social marketing
- Webinars
- Television and radio advertising
- Branded content placement
- Roadshows
- Partnerships
- Outdoor advertising

High Quality Sales Support Team

94%
2018

92%
2019

96%
2020

Service level⁽¹⁾ to sales and subscribers

Note: (1) Service level to sales and subscribers are calculated based on calls answered within 20 seconds divided by calls in the queue

8

Service centers across Malaysia

24/7

IT support system



Key Investment Highlights (cont'd)

Large Credit Database with Extensive Access to Key Financial Databases



Through our 30 years of experience and data collection, we accumulated a large credit database

Our database contains profiles of approximately

15 million

Consumers

8 million

Businesses

Wide range of data source

In Malaysia, our direct and indirect domestic data sources include:



BANK NEGARA MALAYSIA
CENTRAL BANK OF MALAYSIA

- domestic newspapers and media publications
- the Federal Government Gazettes
- local land offices
- other publicly available information such as public court listings, publications and gazettes

Our international data is sourced from Basis' network of global data partners.

Proprietary databases

eTR database

Contains non-bank negative payment histories of Malaysian consumer and businesses

eTR Plus database

Contains monthly payment information on:

- loans
- rental
- telecommunication
- utilities bill

CED

Contains Information such as:

- litigation
- bankruptcy proceedings

Compilation of Domestic Newspaper & Media Publication



Key Investment Highlights (cont'd)

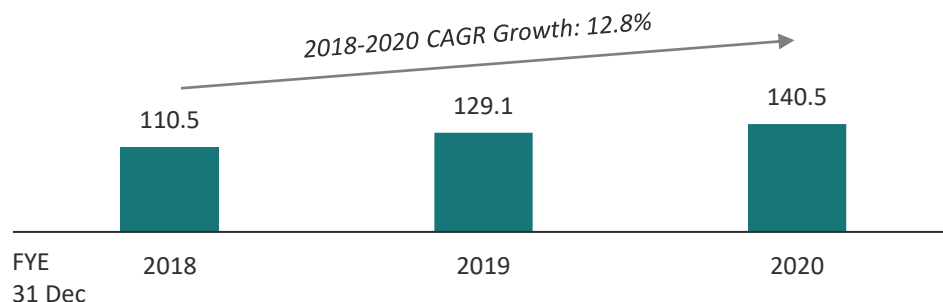
Strong Financial Profile



Robust revenue growth, efficient operations and strong operating leverage leading to significantly stronger margins

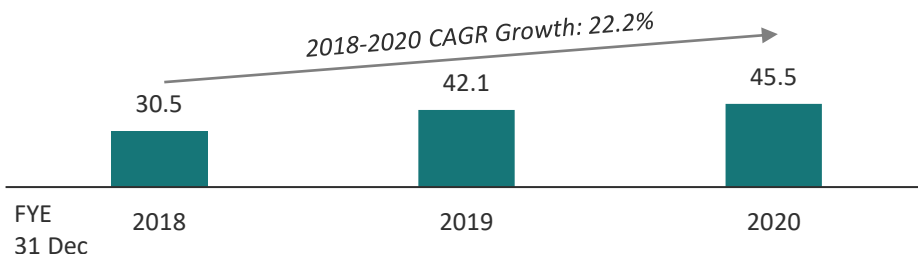
Resilient Revenue Growth

Revenue (RM million)



Strong Normalised PATAMI Growth^

Normalised PATAMI (RM million)

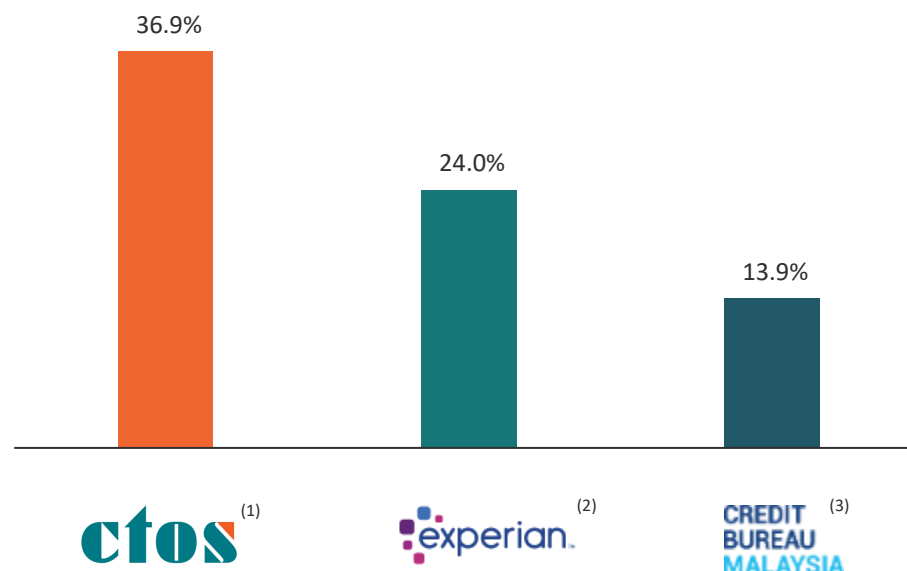


Notes:

^Normalised PATAMI is calculated as profit for the financial year attributable to owners of the Company plus (i) losses from CIBI and CIBI Holdings; (ii) costs related to our acquisitions of Experian, CIBI, Basis and BOL; (iii) share-based payment expense; and (iv) interest expense on bank borrowings, less (v) unrealised foreign exchange gains on RHB Term Loan 1. Normalised PATAMI is a non-MFRS measure. See slide 31 for reconciliation.

Significantly Stronger EBITDA Margin

Comparison of EBITDA margins for 2020 (%)



Notes:

(1) EBITDA is calculated as profit for the relevant financial year plus (i) tax expense; (ii) finance costs; and (iii) depreciation and amortisation, less (iv) interest income. EBITDA is a non-MFRS measure. See slide 31 for reconciliation.

(2) CTOS Digital has a 26% stake

(3) Refers to FYE2019

Source: IDC Analysis

Key Investment Highlights (cont'd)

Diversified Customer Base

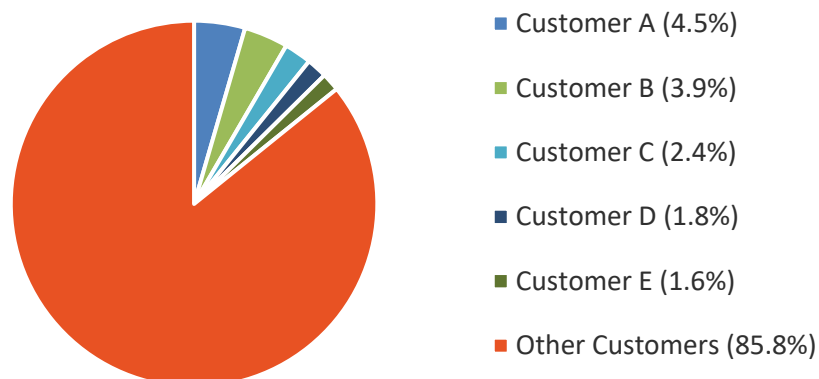


We have developed long-standing relationships with a number of our customers, including our banking, telecommunications and other corporate customers who use our digital solutions.

- Our revenue streams are highly diversified and not concentrated / dependent on any one customer
 - Top five customers only accounted for 14.2% of our revenue in FY20
 - Each of these customers are long term customers, with relationships ranging from 8 to 20 years
 - No single customer contributes to more than 5% of revenue in FY20
- Since 2016, we have grown our Key Accounts customers and retained 100% of CTOS Data Systems' Key Accounts customers since 2017.
- Our fully digital platform and solutions have become an integral part of some of our customers' business processes, with reliance being developed on our solutions over time.

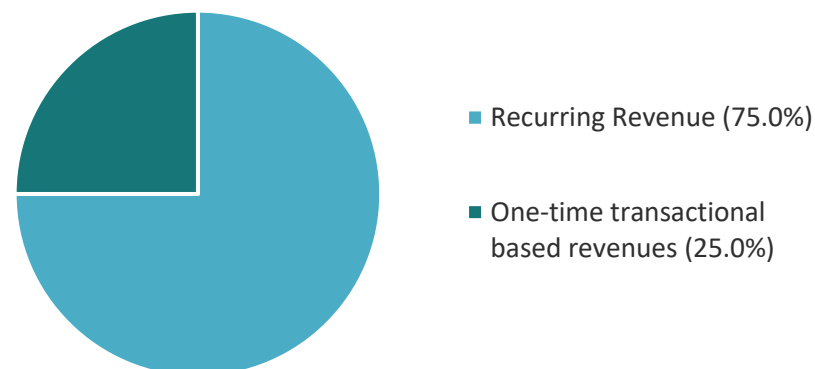
Diversified Customer Base

Percentage of Revenue FY20 (%)



Consistent And Reliable Revenue From Key Accounts

Revenue Streams From Key Account Customers



Key Investment Highlights (cont'd)

Experienced Management Team and Major Shareholder is Backed by a Malaysian Mid-market Private Equity Fund Group



Our management team has a deep wealth of experience in the credit reporting agency and related industries globally



Dennis Martin

Group Chief Executive Officer

- Joined CTOS Digital as Group CEO in 2017
- 20+ years of experience in the credit reporting industry and 16 years of experience in banking sector
- Ex-Managing Director of Credit Services Experian APAC; Ex-Managing Director for Experian APAC in South East Asia



Eric Chin

Chief Executive Officer of CTOS Data Systems

- Joined CTOS Data Systems as CEO in 2014
- Bachelor of Economics, Universiti Kebangsaan Malaysia
- 25+ years of experience in business, sales and operations
- Ex-Chief Operating Officer at Credit Bureau Malaysia; Ex-Vice President of IT and business advisory at Siemens Malaysia



Garris Chen

Group Chief Financial Officer

- Joined CTOS Digital as Chief Financial Officer in 2016
- MBA in Finance, University of Dubuque (USA)
- CGMA, FCMA, CA of MIA
- 32+ years of experience in various finance and treasury roles
- Ex- Group Chief Financial Officer at Taylor's Education Group; Ex-Director of Shared Services at Lafarge Malaysia; Ex-Chief Financial Officer of DHL Express (M) Sdn Bhd



Tracy Gan

Chief Operating Officer of CTOS Data Systems

- Joined CTOS Data Systems in 2017 as General Manager in Customer Experience
- MBA, Nottingham Trent University
- 23+ years of experience in operations
- Ex-Head of Distributor and Modern Trade Management at Maxis; Ex-Head of Customer Operations at TIME dotCom

Inodes is backed by a Malaysian mid-market private equity fund group

Creador®

- Via Inodes, Creador Group invested in our company in August 2014 by acquiring a 70.0% equity interest. Over the following years, Inodes continued to increase its stake in our company to 80.0% currently
- Supported by Creador Group over the past 6 years, we have grown our commercial base, increased our share of wallet in Key Accounts, penetrated new verticals and new capabilities, and expanded our presence into new markets including Thailand.

Acquisitions since 2014

**Intellidata
Solutions**

2016
Acquired 100%
equity interest

experian.

2019
Acquired 26%(1)
equity interest

Q
BiOL

2020
Acquired 20%
equity interest

ctos Basis

2021
Acquired 100%
equity interest

Notes:

(1) Experian Information Services (Malaysia) Sdn Bhd

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Future Strategies

Key Focus to Continue to Grow CTOS Digital



1 Invest in developing and extending its digital eco-system



For fully integrated credit management service provider offering end-to-end credit management solutions
Limited players in Malaysia

Further develop and extend our ecosystem of end-to-end credit management solutions:

- ✓ Continue to invest in new databases
- ✓ Innovate new digital solutions, with a focus on data and analytics
- ✓ Work closely with customers on digital transformation of their credit management processes

Recent product launches



New products across 3 customer lifecycles:

- CTOS eKYC
- CTOS SME Score
- CTOS IDGuard
- CAD
- CTOS Tenant Screening Report

Near term



- Invest in IT capabilities, and data and analytics
Leverage on advanced technologies to provide:
- Deeper insights
 - Faster decisioning
 - Increased accuracy

Medium to long term



- Increase investments in:
- Artificial intelligence
 - Machine learning
- Incorporate these technologies into analytics and decisioning platforms

2 Broaden and deepen data sources



Leverage on strong local branding and close working relationships with key customers



Increase database network through customers in Key Accounts, Commercial customers, and partners in a similar fashion as eTR Plus



Consistently focusing on the depth and quality of information provision to establish an even higher barrier to entry

One of the largest electronic trade reference databases in Malaysia, accumulated over the last 30 years

Over the last five years, we have invested in various new databases: eTR, eTR Plus and CED

3 Expand into new verticals

As the market leader in Malaysia, we are well-positioned to capitalise on the growth of the automotive, real estate and insurance sectors, as well as expand our presence in digital solutions to increase our revenue base

Continue to expand into new sectors with strong growth potential

- ✓ Present in global credit bureaux
- ✓ Relatively nascent and unique to the Malaysian credit reporting industry

Expand digital solutions within new verticals

- ✓ Vehicle Check
- ✓ CTOS Tenant Screening Report



For the automotive, insurance and real estate sectors collectively, the total addressable market forecast to grow from RM25.1 million in 2021 to RM128.9 million by 2025, implying a 50.6% 2021 - 2025CAGR



4

Maintain and grow market share leadership for Malaysia CRA services



Leading credit reporting agency
71.2% market share in 2020,
by revenue⁽¹⁾

Through our efforts to increase market penetration, by staying innovative and creating high quality value-added digital solutions, we expect to increase the barriers to entry and maintain market share leadership in Malaysia



Growing customer base in Key Accounts Customers:

- Introduce new digital solutions to capture a larger share of wallet

2019: CTOS eKYC

2020: CTOS IDGuard

2021: CTOS Tenant Screening Report



Launch new digital solutions and increase consumer awareness campaigns

- Increase market penetration within consumer segment

2018: CTOS SecureID

5

Selectively pursue acquisitions and investments in companies

Complementary digital solutions with direct cost and capability synergies, as well as businesses with significant growth potential

Expand digital solutions offering

Achieve value chain integration

Facilitate entry into new verticals

Robust Growth Accelerated Through Acquisition

- Investment in BOL allowed us a foothold in fast growing Thailand market
 - Solutions offered are complementary to our digital solutions portfolio
- Acquisition of BASIS for strategic purposes
 - Complementary digital solutions, cost synergies and further increase market share in Malaysia
 - Provides complementary base of international customers in industries such as insurance, services and credit reporting who are located primarily in Asia Pacific and Europe



Expand Geographically

- Actively seeking for opportunities to expand into some of the countries in Asia Pacific
- Intend to employ a systematic and prudent approach to our geographical expansion

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Income Statement

RM'000	FYE 31 December			FPE 31 March ⁽¹⁾	
	2018	2019	2020	1Q2020	1Q2021
Revenue	110,465	129,141	140,496	34,079	42,283
Cost of sales	(17,526)	(21,599)	(19,056)	(5,450)	(5,423)
Gross profit	92,939	107,542	121,440	28,629	36,860
Other operating income ⁽¹⁾	183	57	174	45	9
Selling and marketing expense	(25,522)	(27,780)	(33,902)	(9,099)	(8,895)
Administrative expenses	(35,687)	(38,123)	(44,931)	(10,283)	(16,107)
Finance costs	(122)	(1,211)	(4,234)	(698)	(3,594)
Share of profits of associate	-	761	1,785	146	1,650
Profit before tax ("PBT")	31,791	41,246	40,332	8,740	9,923
Tax expense	(2,135)	(2,237)	(2,355)	(625)	(2,618)
PAT	29,656	39,009	37,977	8,115	7,305
PATAMI	29,656	39,009	39,187	8,115	7,685
Normalised PATAMI⁽²⁾	30,472	42,053	45,488	9,475	16,388
Other selected financial data					
Gross profit margin	84.1%	83.3%	86.4%	84.0%	87.2%
PBT margin	28.8%	31.9%	28.7%	25.6%	23.5%
PATAMI margin	26.8%	30.2%	27.9%	23.8%	18.2%
Normalised PATAMI margin	27.6%	32.6%	32.4%	27.8%	38.8%

1Q21 Commentary

- Revenue increased by 24.1% YoY due to an increase in revenue from Commercial - Malaysia and Direct-to-Consumer customers, which was partially offset by a decrease in revenue from Key Accounts customers.
- Slight decline in revenue from Key Accounts by 1.9% YoY, mainly due to RM3.2 mm reduction in fees charged for CTOS Data Systems Reports as BNM allowed free access to its CCRIS database which is expected to continue until the end of 2021.
- PAT declined 10.0% YoY primarily due to an increase in tax expense and administrative expenses, higher finance costs and the loss before tax of CIBI (RM0.8mm), despite an increase in revenue and share of profits of associates.
- Higher annual effective tax rate recorded in 1Q2021, at 15.2% (vs 5.8% for FYE2020) due to the provision of tax in CTOS Data Systems at a higher rate taking into account the expiry date of the pioneer status tax incentives pursuant to the Grandfathering and Transitional guidelines that became effective on 1 January 2019 and the tax rates and tax laws substantially enacted as at 31 March 2021.
- Administrative expenses increased by RM5.8 million (or 56.6% YoY) primarily due to an unrealised loss on foreign exchange on RHB Term Loan 1 (RM3.1 million), the inclusion of administrative expenses of CIBI and Basis (following their acquisition in June 2020 and January 2021, respectively) and higher depreciation expenses.

Note:

(1) Unaudited management accounts.

(2) FYEs 31 December normalised PATAMI is calculated as profit for the financial year attributable to owners of the Company plus, where applicable (i) losses from CIBI and CIBI Holdings; (ii) costs related to acquisitions of Experian, CIBI, Basis and BOL; (iii) share-based payment expense; and (iv) interest expense on bank borrowings, less (v) unrealised foreign exchange gains on RHB Term Loan 1.

FPEs 31 March normalised PATAMI is calculated as profit for the financial period attributable to owners of the Company plus, where applicable (i) losses from CIBI and CIBI Holdings; (ii) costs related to acquisitions of CIBI (for the financial period ended ("FPE") 31 March 2020) and Basis (for the FPE 31 March 2021); (iii) share-based payment expense; (iv) interest expense on bank borrowings; (v) unrealised foreign exchange losses on RHB Term Loan 1; and (vi) incremental income tax expense of CTOS Data Systems recognised based on the estimated annual effective tax rate for the FYE 31 December 2021 of 15.2% as compared to the current tax payable by CTOS Data Systems in accordance with the tax exemption granted for the tax relief period under the pioneer status incentives applicable for the FPE 31 March 2021.

Balance Sheet

RM'000	As at 31 December			FPE 31 March ⁽¹⁾
	2018	2019	2020	1Q2021
Total non-current assets	55,492	114,624	221,374	256,100
Total current assets	33,123	27,565	54,610	61,122
Total assets	88,615	142,189	275,984	317,222
Total current liabilities	22,415	51,872	159,460	206,905
Total non-current liabilities	6,166	11,369	796	9,876
Total liabilities	28,581	63,241	160,256	216,781
Net assets	60,034	78,948	115,728	100,441
Net current assets/(liabilities)	10,708	(24,307)	(104,850)	(145,783)
Share capital	197,994	197,994	197,994	197,994
Reverse acquisition reserve	(193,528)	(193,528)	(193,528)	(193,528)
Equity contribution from shareholder	315	315	315	315
Other reserves	976	2,626	(45)	(505)
Retained earnings	54,277	71,541	106,025	91,460
Total equity	60,034	78,948	115,728	100,441

1Q21 Commentary

- Entered into a RM32.0 million loan facility agreement on 21 December 2020 where CTOS Digital has drawn down RM28.7 mm and RM3.3 mm of the term loan on 4 January 2021 and 18 February 2021 respectively to fund the acquisition of Basis.
- Net current liabilities position in 1Q2021 due to the classification of amounts outstanding under the facilities to current borrowings to mandatorily prepay all amounts outstanding under the facilities pursuant to Facilities Agreement 1 and Facility Agreement 2 upon receipt of the proceeds from the IPO.

Note:

(1) Unaudited management accounts.

Cash flow statement

RM'000	FYE 31 December			FPE 31 March ⁽¹⁾	
	2018	2019	2020	1Q2020	1Q2021
Cash generated from operations	39,527	46,058	51,486	9,455	14,658
Interest received	195	241	244	63	45
Tax paid	(2,683)	(2,505)	(2,077)	(359)	(1,011)
Tax refunded	456	4,974	-	-	1
Defined benefit plan contribution	-	-	(47)	-	(307)
Share-based payment	-	-	-	-	(113)
Net cash from operating activities	37,495	48,768	49,606	9,159	13,273
Purchase of PPE	(10,142)	(2,779)	(4,713)	(535)	(1,518)
Purchase of intangible assets	-	-	(2,183)	-	(196)
Proceeds from disposal of PPE	1	13	7	-	-
Dividend received	-	-	130	-	239
Acquisition of subsidiary	-	-	(5,372)	-	(28,018)
Investment in associate	-	(56,180)	(91,911)	-	-
Net cash used in investing activities	(10,141)	(58,946)	(104,041)	(535)	(29,493)
Restricted cash for term loan facility	-	(619)	(816)	(4,357)	(21)
Dividends paid	(34,967)	(21,724)	(10,500)	-	(5,250)
Drawdown of borrowings	11,700	32,000	193,553	38,000	32,000
Repayment of borrowings	-	(16,182)	(86,193)	(16,371)	(5,092)
Payment of lease liabilities	-	(1,663)	(1,847)	(416)	(546)
Transaction cost paid	(266)	-	(2,999)	(806)	(627)
Interest paid	(37)	658	(2,816)	(516)	(1,279)
Advances from immediate holding company	-	56,297	-	-	-
Repayment of advances from immediate holding company	-	(42,000)	(14,297)	(14,297)	-
Net cash (used in)/from financing activities	(23,570)	5,451	74,088	1,237	19,185
Net increase/(decrease) in cash and cash equivalents	3,784	(4,727)	19,653	9,861	2,965
Effect of exchange rate changes	-	-	(206)	-	193
Cash and cash equivalents at the beginning of the financial year	6,432	10,216	5,489	5,489	24,936
Cash and cash equivalents at the end of the financial year	10,216	5,489	24,936	15,350	28,094

Note:

(1) Unaudited management accounts.

1Q21 Commentary

- Net cash generated from operations increased in 1Q2021 primarily due to increase in operating cash flows before working capital changes that was primarily attributed to higher PBT, an increase in interest expense on higher bank borrowings to finance the acquisition of Experian, BOL and Basis and an increase in unrealised loss on foreign exchange on RHB Term Loan 1.
- Net cash used in investing activities increased primarily due to RM28.0 mm spent on the acquisition of Basis and RM1.5 mm spent on purchase of PPE related to IT infrastructure and security and data analytics tools which was partially offset by RM0.2 mm dividend received from Experian.
- Higher net cash generated from financing activities largely attributable to RM32.0 million drawdown of RHB Term Loan 3 partially offset by dividends paid and payments of term loans principal and interests.

EBITDA and Normalised PATAMI Reconciliation

EBITDA

RM'000	FYE 31 December			FPE 31 March ⁽¹⁾	
	2018	2019	2020	1Q2020	1Q2021
PATAMI	29,656	39,009	39,187	8,115	7,685
Add/(Less):					
Loss for the financial year attributable to non-controlling interest	-	-	(1,210)	-	(380)
Tax expense	2,135	2,237	2,355	625	2,618
Finance costs	122	1,211	4,234	698	3,594
Interest income	(195)	(241)	(244)	963	(45)
Depreciation and amortisation	3,363	6,321	7,479	1,625	2,366
EBITDA	35,081	48,537	51,801	11,000	15,838
EBITDA margin	31.8%	37.6%	36.9%	32.3%	37.5%

Normalised PATAMI

RM'000	FYE 31 December			FPE 31 March ⁽¹⁾	
	2018	2019	2020	1Q2020	1Q2021
PATAMI	29,656	39,009	39,187	8,115	7,685
Add/(Less):					
Losses from CIBI and CIBI Holdings	-	-	1,335	-	404
Acquisition related costs	-	461	913	91	96
Share-based payment expense	720	1,650	3,284	625	-
Interest expense on bank borrowings	96	933	4,024	644	3,555
Unrealised foreign exchange (gains) / losses on RHB Term Loan 1	-	-	(3,255)	-	3,106
Incremental income tax expense	-	-	-	-	1,542
Normalised PATAMI	30,472	42,053	45,488	9,475	16,388
Normalised PATAMI margin	27.6%	32.6%	32.4%	27.8%	38.8%

1Q21 Commentary

- Tax expense adjustment of RM1.5 mm was applied in order to reach the normalised PATAMI for 1Q21, representing an estimated annual effective tax rate of 15.2% for FYE2021 as approval from MDEC for extension of certain tax incentives has not yet been granted. We plan to submit an application in 3Q21 for approval to continue to enjoy these tax incentives for an extended relief period of five years until November 2026.
- 1Q2021's PATAMI included CIBI's loss after tax and minority interests of RM0.4 mm. CTOS Digital no longer has any equity interest in CIBI post-Distribution completed prior to IPO.
- Unrealised loss on foreign exchange on RHB Term Loan 1 of RM3.1 mm was related to the USD-dominated borrowing utilised to finance the acquisition of BOL. As part of the IPO proceeds, all outstanding borrowings will be repaid.

Note:

(1) Unaudited management accounts.