



Q1 2022 Results
25 April 2022

AGENDA

- ① **Core Business Activities**
 - ② **Business Prospects**
 - ③ **Growth Strategies & Enablers**
 - ④ **Financial Overview**
 - ⑤ **Growth Targets**
 - ⑥ **ESG**
 - ⑦ **CTOS Prospects**
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Core Business Activities



CTOS Digital

Capturing the new Digital Economy with end-to-end solutions

30

Years
of unparalleled digitalized database

3

Key Business Segments:

■ Key Accounts ■ Commercial ■ D2C

~71%

Malaysia market share*

~59%

Thailand market share^

~12%

3 Years Revenue CAGR

~24%

3 Years EBITDA CAGR

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- **Radical Transformation.** A comprehensive end-to-end digital solutions provider in the entire customer lifecycle besides providing valuable data
- **Instituting Data Analytics.** Moving up the value chain from Data to Insights with enhanced analytics and automation
- **Expanding Wallet Share.** Upselling and cross-selling products and digital solutions to onboarded customers
- **Building Scalable Digital Ecosystem.** Harnessing digital technologies and solutions for digital economy

* Based on IDC report for year 2020

^ Via BOL and based on IDC report for year 2020

CTOS End-to-End Digital Solutions

Fully digital platform with extensive data access, decisioning software and SAAs platform

CTOS Customer & Credit Management Suite

Acquisition



CTOS e-KYC

- ID Validation & OCR
- Facial Recognition
- ID Verification & KBA

Evolution / On Boarding



CTOS Fraud & Compliance

- IDGuard Fraud Bureau
- Global KYC Screening
- Connex



CTOS Credit Review

- CTOS & CCRIS Report
- Consumer & SME Score
- Income Estimator
- CTOSnet, CreditManager

Monitoring / Recovery



Portfolio Management

- Monitoring Alerts
- Portfolio Scrubbing
- Portfolio & Market Analyses



CTOS Recovery

- E-Trade Reference
- Positive Data Bureau
- Extended Litigation Database

juristech SOLUTIONS

Loan Origination
System

Decision Engine
Platform

Loan Management
System

Collections
System

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Business Prospects



Key Accounts Segment

Broadening scope of value-added services to increase wallet share



2022 KEY DRIVERS

BAU Demand

- ◆ Stimulating demand led by (1) digital reports due to stringent credit scrutiny on bank loan moratorium; (2) Comprehensive Portfolio Review for upselling and cross-selling

Pent-Up Demand

- ◆ Visibility of increased billing post pandemic and post CCRIS suspension. Anticipating continuous uptrend due to further reopening up of economy

Digital Solutions

- ◆ Revenue stream from CTOS eKYC, CAD solution and IDGuard witnessed significant growth YoY. Recovery focused digital solution will be another enhancement in the future

New Initiatives

- ◆ New revenue stream driven by vertical expansions such as Insurance industry, BNPL, P2P and Digital Moneylender targeting underserved population without regulated credit account

**New value added & analytics products and digital solutions
to drive revenue growth**

Commercial Segment

Expanding Commercial subscriber base across industries to maintain market position



**c.18,000
SME Customers**



**c.100K Addressable
SMEs in total**



**c.90% Recurring
Revenue**



**Q1 2022 Revenue
Contribution ~ 56%***

* Inclusive of Commercial- Malaysia & Commercial- International

2022 KEY DRIVERS

**Increasing
Customer Base**

- ◆ Unceasing growth with a proven track record with CAGR of 12% over the last 3 year for Malaysian operations

Higher Efficiency

- ◆ To improve BDO productivity from reactivation of nationwide sales strategy which was previously impacted by movement restriction during lockdown

Low Churn Rate

- ◆ Churn rate to remain healthy and targeting to improve further to translate into higher revenue from clients retention

Higher ARPU

- ◆ Average ARPU increasing through higher usage and also through upselling and cross selling initiatives

Focusing on expanding both domestic and international commercial subscriber base with end-to-end solutions.

Direct-to-Consumer Segment

Increase penetration via strategic partnerships & financial literacy initiatives

**c.1.9M
Registered Users**

**c.15.0M Credit
Active Consumers**

**3 year Revenue
CAGR~ 32.6%**

**Q1 2022 Revenue
Contribution ~ 8%**

2022 KEY DRIVERS

Synergistic Partnerships

- ◆ Fruition of partnership projects with e-Wallet companies and e-Service providers

Higher Transaction Volume

- ◆ Transaction volume based on total registered users continued to increase due to financial literacy initiatives and upselling efforts

Sign-Up Conversion

- ◆ Seeing more consumers converting from one-time purchase of report to subscription model with products bundling contributing to higher retention of revenue

New Products

- ◆ New products in the pipeline to enrich users' experience and needs

Growth opportunities resulting from new verticals expansion and upselling customised products for different coverage

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Growth Strategies & Enablers



Our Growth Strategies

Proliferation of growth forward



BAU GROWTH

Large addressable market in our key business segments with upselling and cross selling opportunities



DIGITAL ECOSYSTEM

Deep insights and automation through fortifying data analytics, fraud & ID and platform capabilities



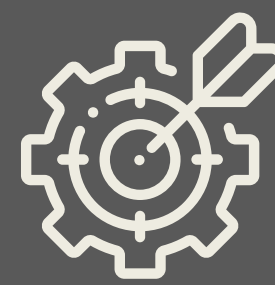
PROPRIETARY DATABASES

Enhance coverage of alternative proprietary databases to offer more comprehensive resources with improved quality of reports



NEW VERTICALS

Expanding into new industries such as Automotive, Fintech, Insurance, Real Estate with refined products and services



VALUED ACQUISITIONS

Value accretive and synergistic value creation acquisition to accelerate growth domestically and internationally

Our Growth Enablers

A Weatherproof business model

DIGITAL ECONOMY

- **New Financing Regime:** 5 Digital Banking & 8 Digital Moneylending
- **Alternative Financing Platforms:** 10 ECF, 16 P2P, 15 BNPL
- **Changing Business Requirement:** SME digitalization and automation

FINANCIAL LITERACY

Growing middle class population & higher awareness of consumers in maintaining financial health, assessment, risk monitoring and credit decisioning

DOMESTIC LOAN GROWTH

Positive annual loan growth from businesses, households and personal landscapes are expected to spur more demand for credit reporting and digital solution

SME SECTOR

Extra vigilance to undertake financing scrutiny to protect businesses and large addressable market

BAU GROWTH

ctos Digital

Financial Overview



Financial Performance - Q1 2022

Stellar PATAMI growth of 62% YoY

(RM' Million)	Q1 2022	Q1 2021	YoY (%)
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Continuing Operations

Revenue	42.68	37.96	12%
GP	36.40	33.50	9%
(-)			
Other expenses	0.10	0.06	75%
Selling & Marketing Expenses	7.58	7.06	7%
Administrative Expenses	13.92	13.94	-0%
Finance Income	(0.08)	(0.04)	88%
Finance Cost	0.68	3.58	-81%
Share of Profit of Associates	2.41	1.65	46%

Growth in all business segments. Both Malaysia and International operations posted highest ever quarterly revenue, at 12% and 25% growth YoY respectively.

PBT	16.61	10.56	57%
(-)Tax Expenses	-4.13	-2.47	67%
PAT from Continuing Operations	12.48	8.09	54%
PATAMI	12.48	7.69	62%

Higher PBT from higher revenue, lower finance costs and increased contribution from associates.

Higher PATAMI despite higher tax expenses as losses from CIBI was RM0.40 mil in Q1 2021.

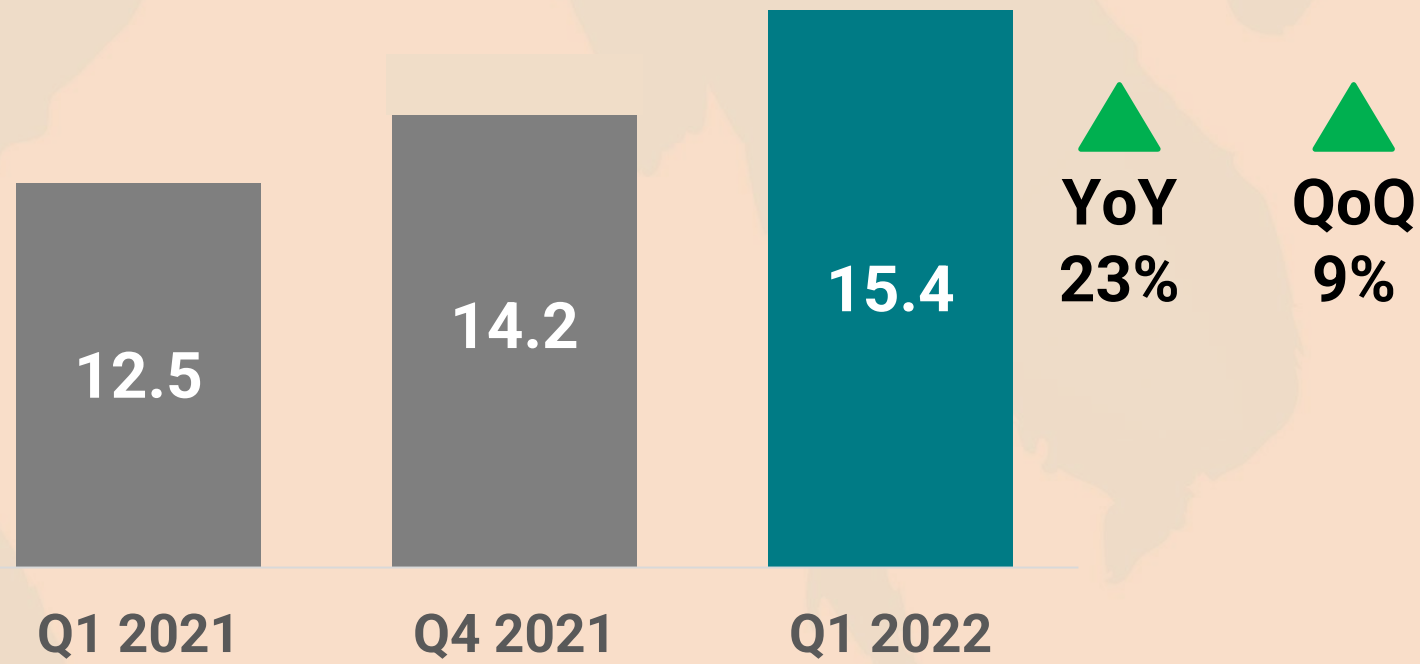
Normalised PATAMI	16.90	16.39	3%
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(RM' Million)	Q1 2022	Q 2021
Losses from CIBI	-	0.40
Costs related to acquisition	0.69	0.10
Borrowing cost	0.64	3.56
Forex losses on USD borrowings	-	3.11
Incremental income tax expense	3.10	1.54
Total	4.42	8.70

Revenue Breakdown by Business Segments

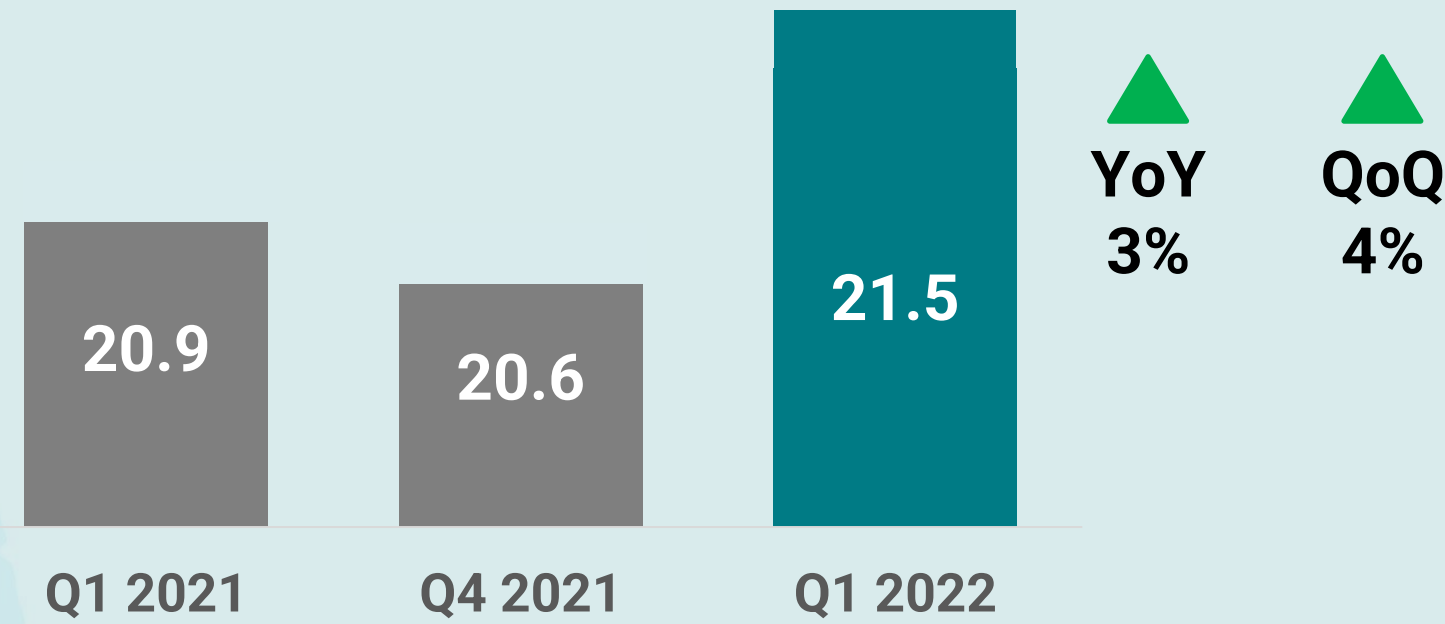
Strong growth across all business segments driven by improving demand and economic conditions

Key Accounts (RM' Million)



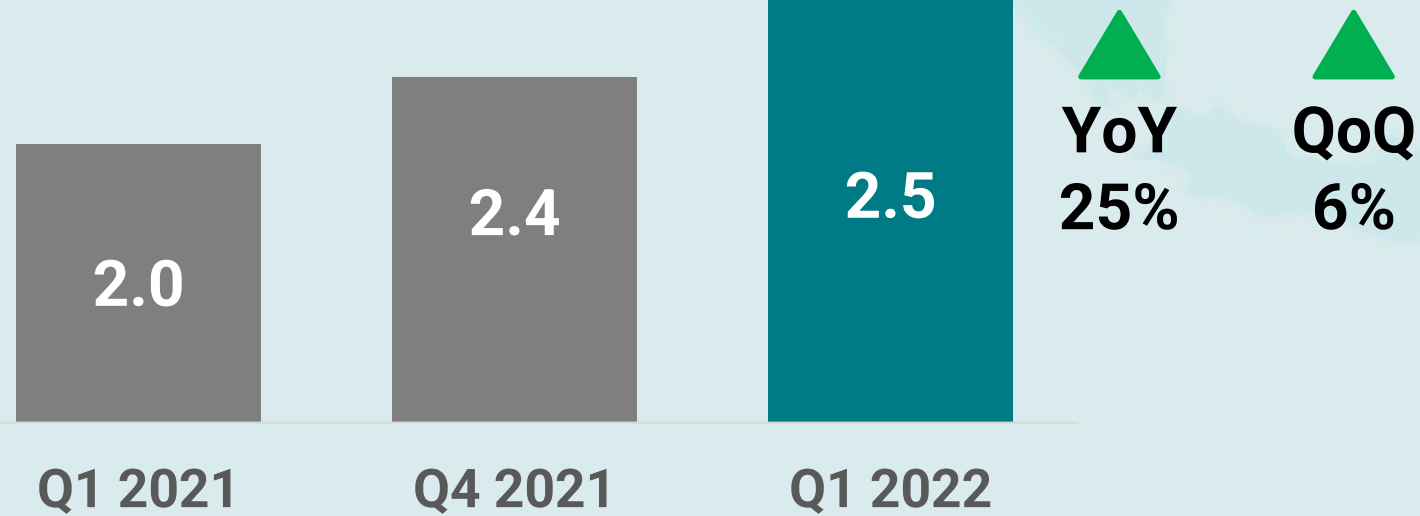
- ◆ Driven by strong demand for CTOS Digital reports, digital solutions and comprehensive portfolio review and analytics services

Commercial- Malaysia (RM' Million)



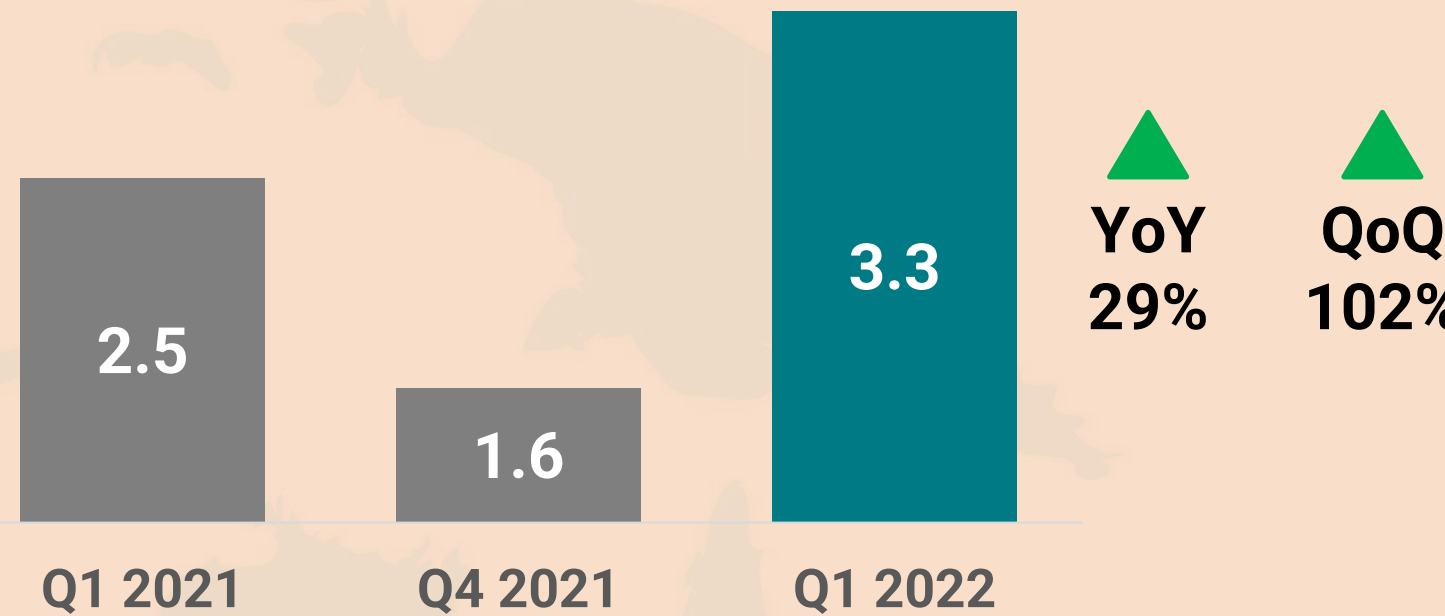
- ◆ Marginal revenue growth caused by lower activation due to limited face time with SME in restrictive mobility situation
- ◆ Expect higher client activation forward due to the opening up of the economy

Commercial- International (RM' Million)



- ◆ Higher growth on the back of new customers onboarded and ramp up in consumption

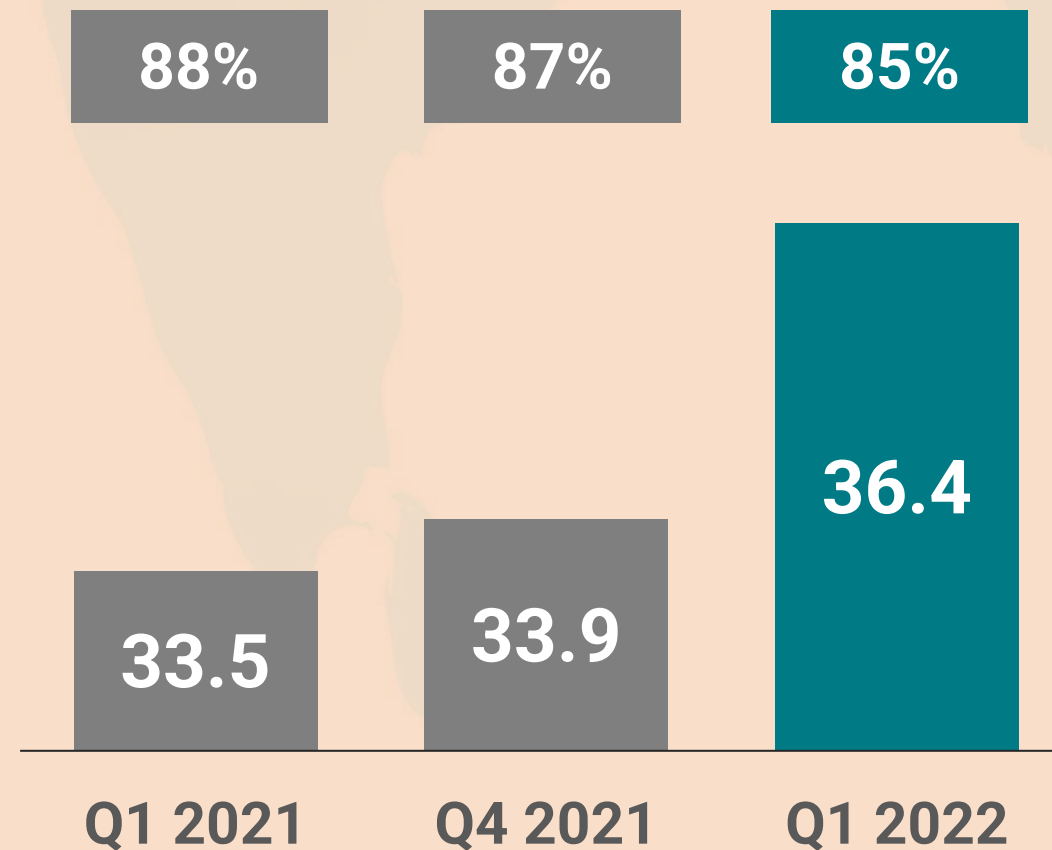
D2C (RM' Million)



- ◆ Higher growth YoY backed by rising financial literacy and upselling.
- ◆ Higher transaction volume led by partnership projects

Profitability Trend

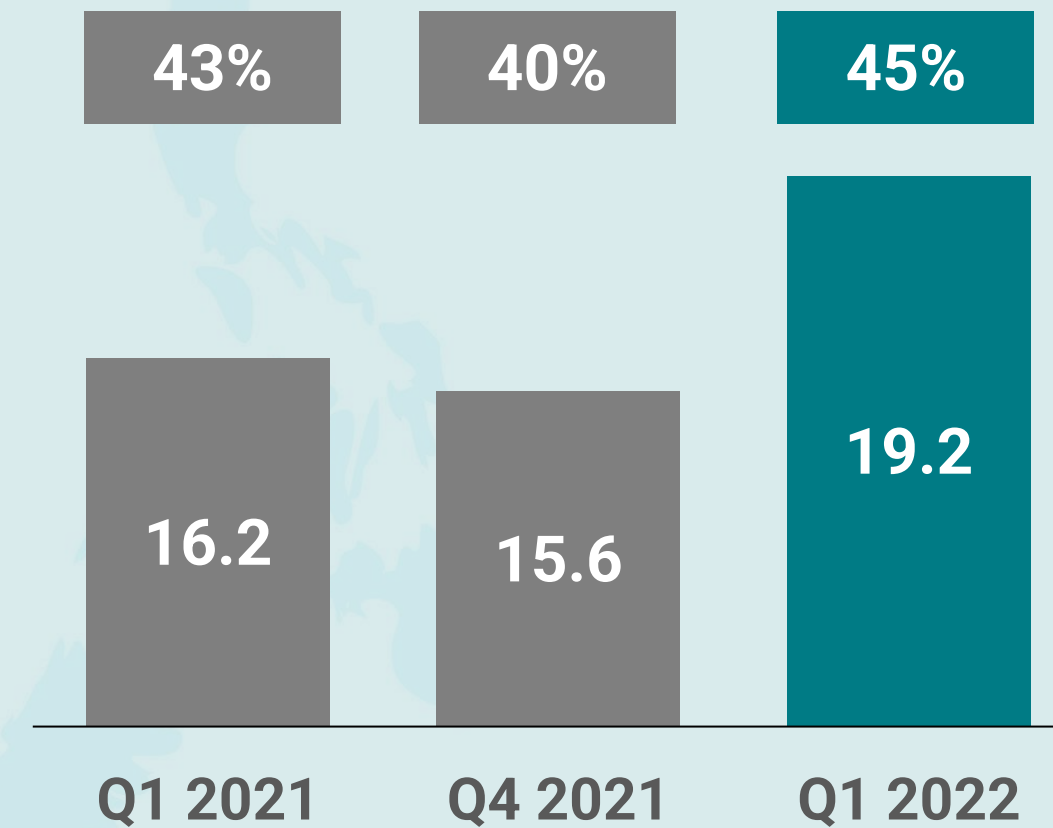
GP (RM' Mil) & Margin (%)



Lower YoY & QoQ GP margin in Q1 2022 mainly due to different product sales mix

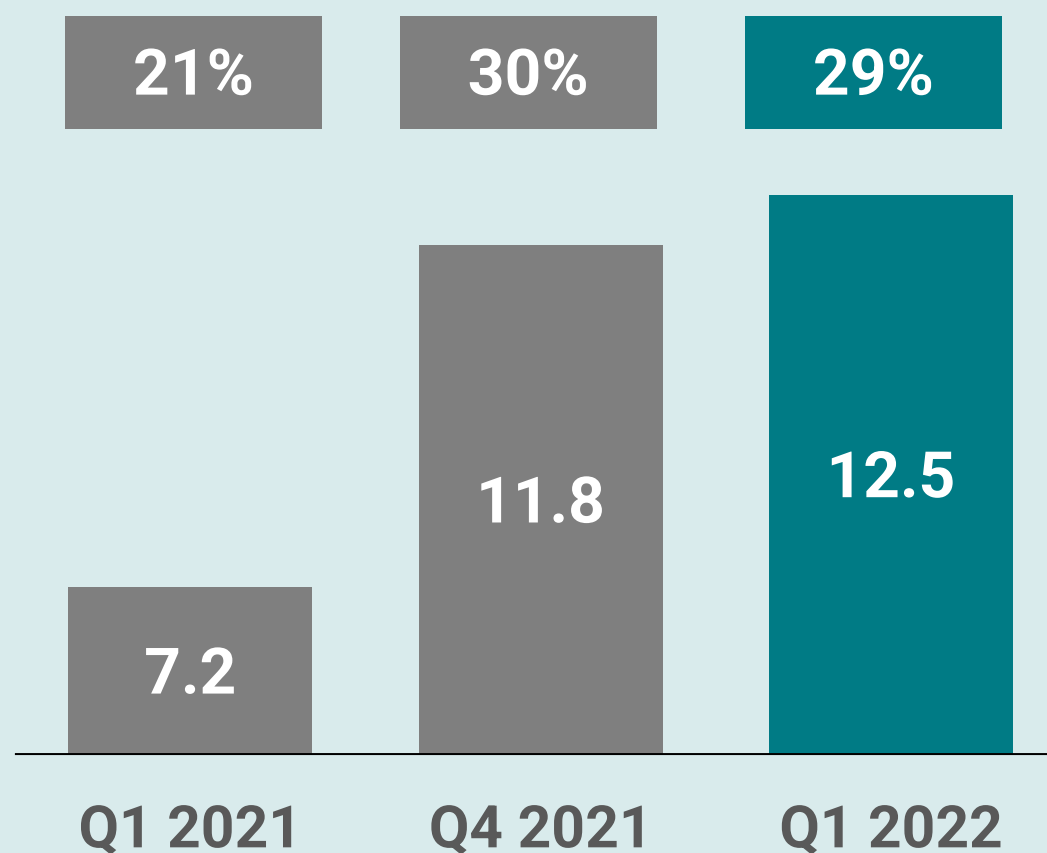
GP Margin at current level is expected to be sustainable

EBITDA (RM' Mil) & Margin (%)



EBITDA margin expanded YoY due to higher associates contribution and lower forex losses in 2022

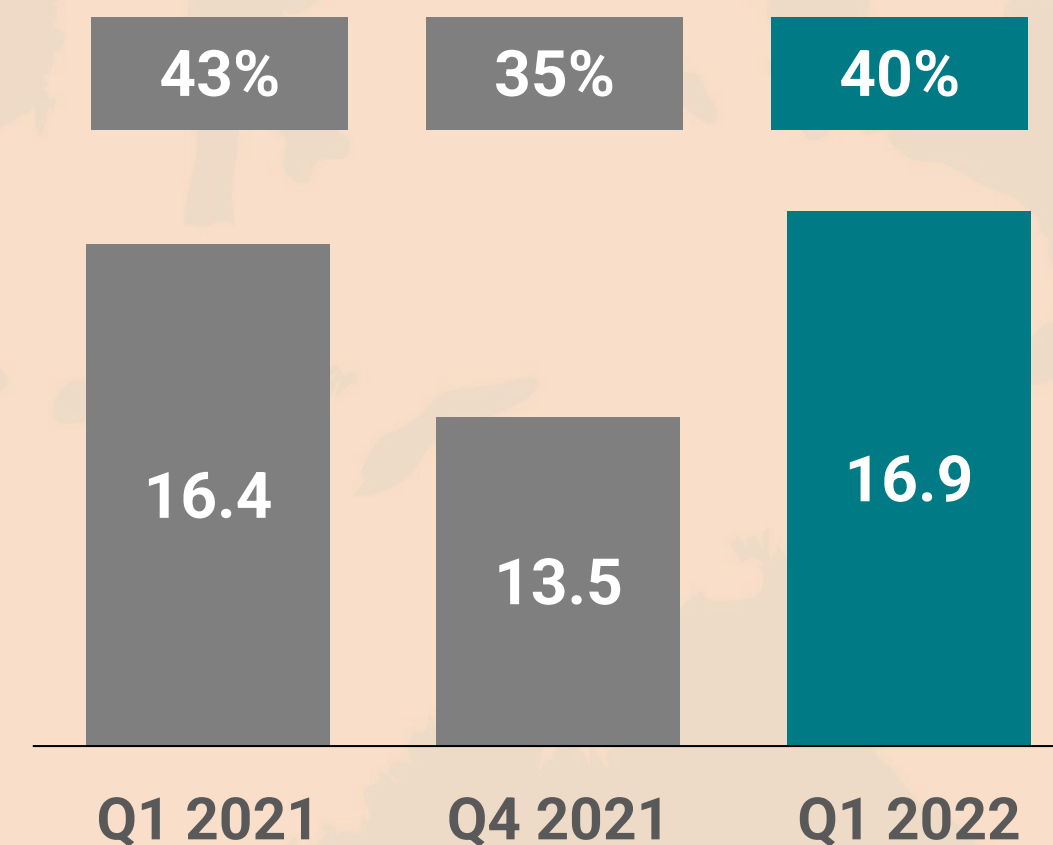
PATAMI (RM' Mil) & Margin (%)



Higher PATAMI Margin YoY mainly due to higher forex loss and finance cost in Q1 2021

QoQ Margin declined due to higher tax expenses

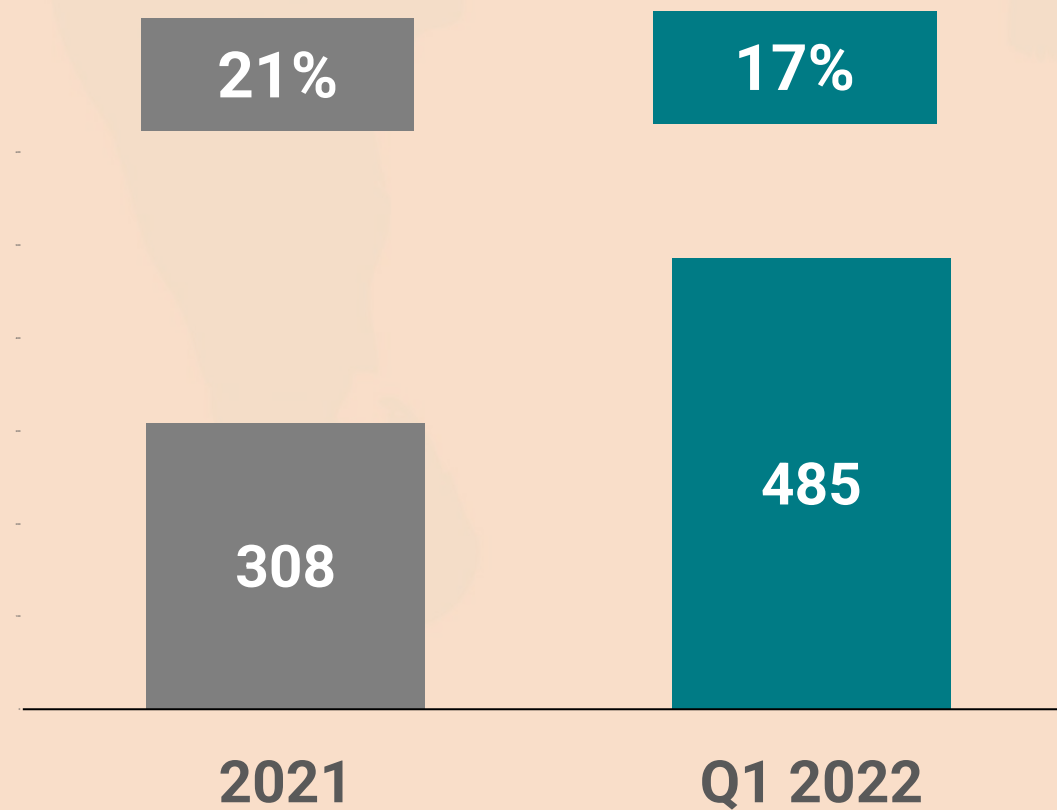
NORM. PATAMI (RM' Mil) & Margin (%)



Lower PATAMI Margin YoY due to the lower profit from M'sia operations but mitigated by higher share of profit of associates

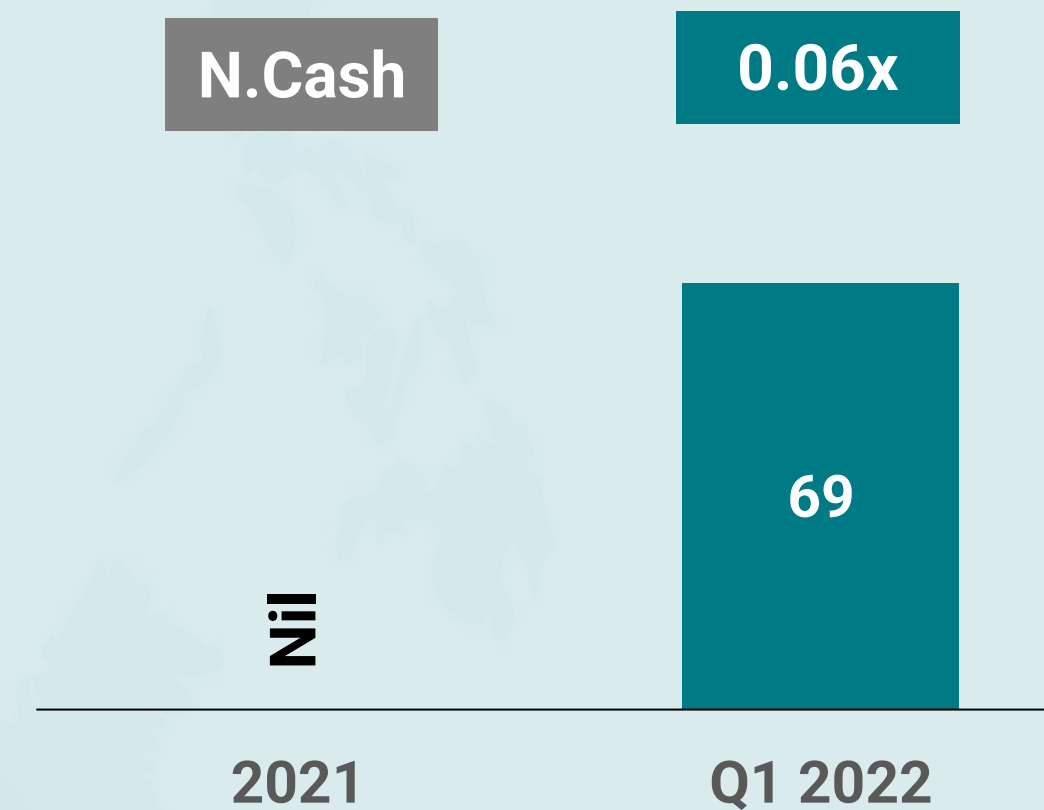
Key Financial Ratios & Matrices

Shareholder Equity (RM' Mil) & ROE (%)



Shareholder equity base increased as a result of the private placement of new 110 million shares on 3rd of March 2022

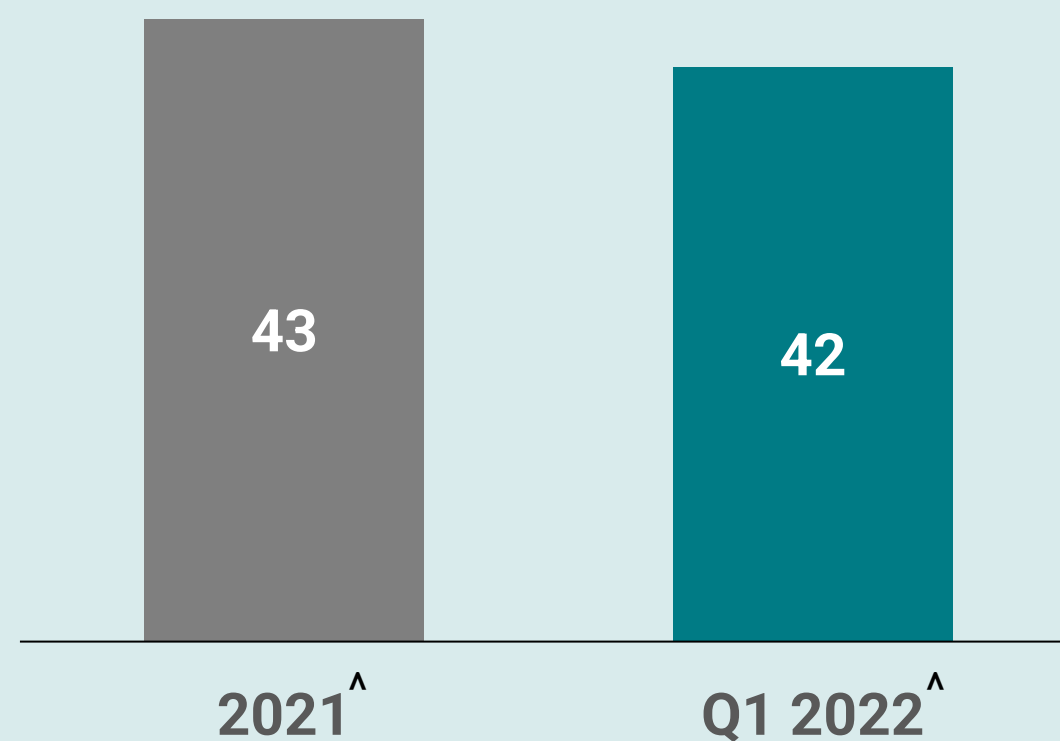
Borrowings (RM' Mil) & Net Gearing (x)



Borrowings increased to partially fund the acquisition of Juris Technologies

Net Gearing remains at minimal level

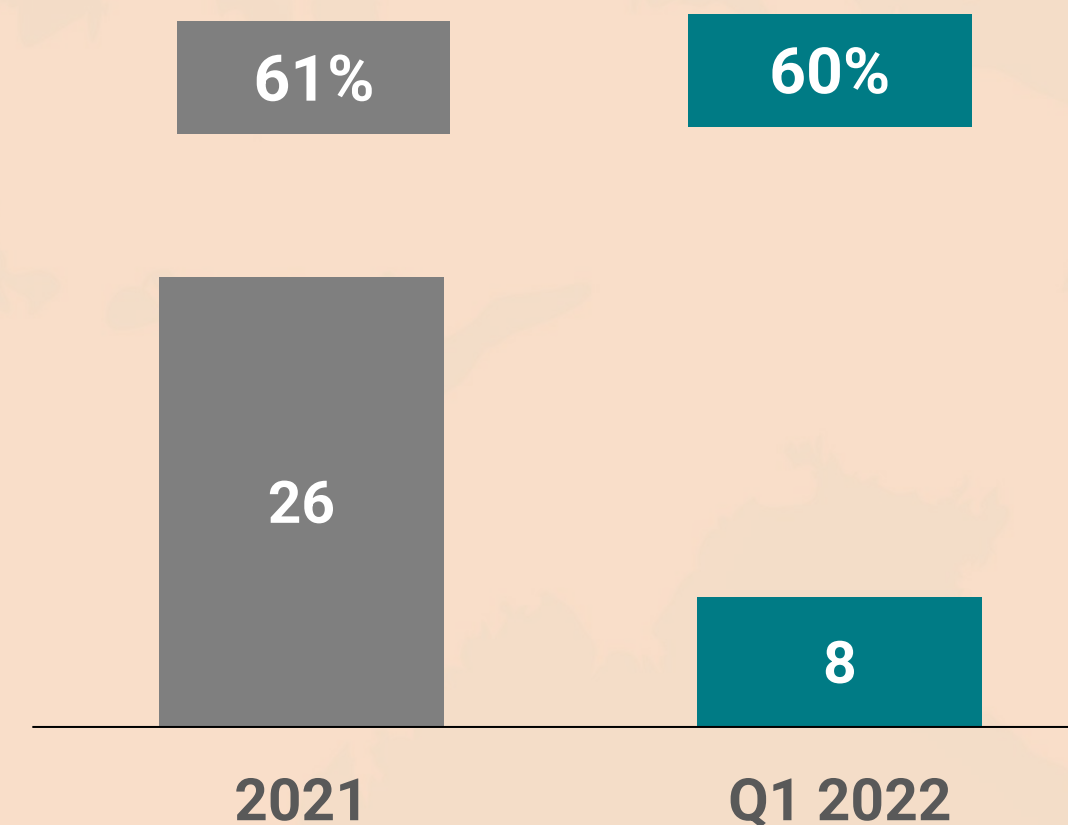
Cash (RM' Mil)



Cash on hand remains healthy

[^] inclusive of investment of RM26 million in money market funds

Dividend Payout (RM Mil) & Payout Ratio (%)



Annual dividend pay-out policy with at least 60% of PATAMI

Tax Relief Status



Grandfathering and Transitional Guidelines

- Pursuant to Grandfathering and Transitional Guidelines effective on 1 January 2019, tax relief period for the first 5 years was shortened to 30 June 2021
- Application has been submitted to MDEC to enjoy these tax incentives from 1 July 2021 until 8 November 2021 (the “Transitional Period”)
- Anticipating a positive outcome by May 2022
- Incurred additional tax expenses of RM4.1 million in 2021

Pioneer Status

- The second 5-year incentive period can be extended by applying to MDEC
- Application has been made for MDEC’s renewal of CDS’ pioneer status for an extended relief period of five years
- Optimistic on renewal within next 6 months.
- Normalisation of corporate tax rate is pending renewal of the pioneer status
- Incurred incremental tax of RM4.3 million from Nov 2021 to March 2022

* CDS- CTOS Data Systems

2022 Landscape

A steady start pointing to a strong finish

Q1 2022

Strength to strength growth from Jan - March as businesses regain confidence

- **Strong EBITDA (+45%) and PBT (+57%) growth achieved in Q1 2022**
- **Tax relief implications**
- **Based on previous growth patterns, acceleration expected as the year progresses**
- **Acquisitions provide immediate earnings uplift and value accretion**

Q2 to Q4 2022

Growth escalation expected amid rebound in business sentiments with operations optimization



Domestic demand envisaged to expand by 6.6% while private consumption is forecast to increase at a higher pace of 7.3% (MoF)



Loan growth momentum maintained at 4.7% in first 2 months indicating recovery trajectory



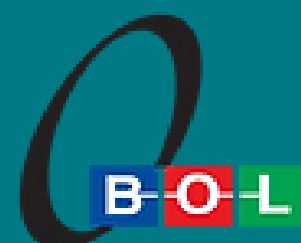
Active risk management associated with multi faceted headwinds requires businesses to stay vigilant in credit evaluation e.g SME and banks dealing with loan moratorium lifting



Increase wallet share through up selling and cross-selling within business units and across related companies



New Revenue: New innovative/ enhancement products & digital solutions pipeline, targeting price increase for selected fields to enhance ARPU



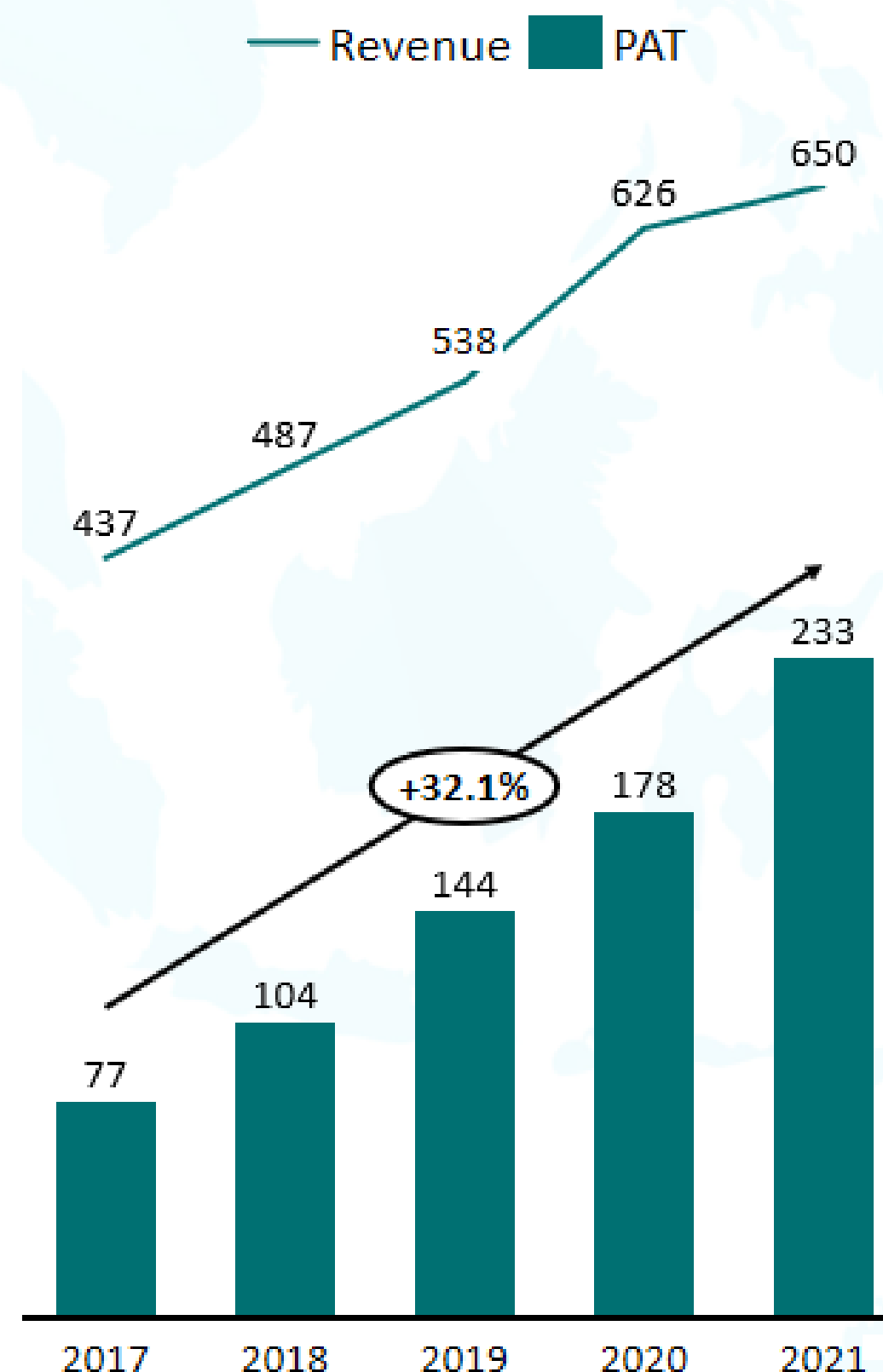
Snapshot of Business Online PLC (BOL): 24.83%

Market leader in business information in Thailand

Overview

- ◆ Established in 1995, BOL is the leading provider of business information in Thailand
- ◆ The Company has business information of >1.6m registered companies in Thailand and >350m registered companies in 214 countries
- ◆ BOL also owns 12.3% stake in Thailand's National Credit Bureau (NCB)
- ◆ BOL's vision is to empower businesses to capture unique opportunities and manage risk through innovative technologies and insight and to deliver innovative products and services of the highest quality for businesses to make smarter, faster and more efficient business decisions.

Financials (THB m)



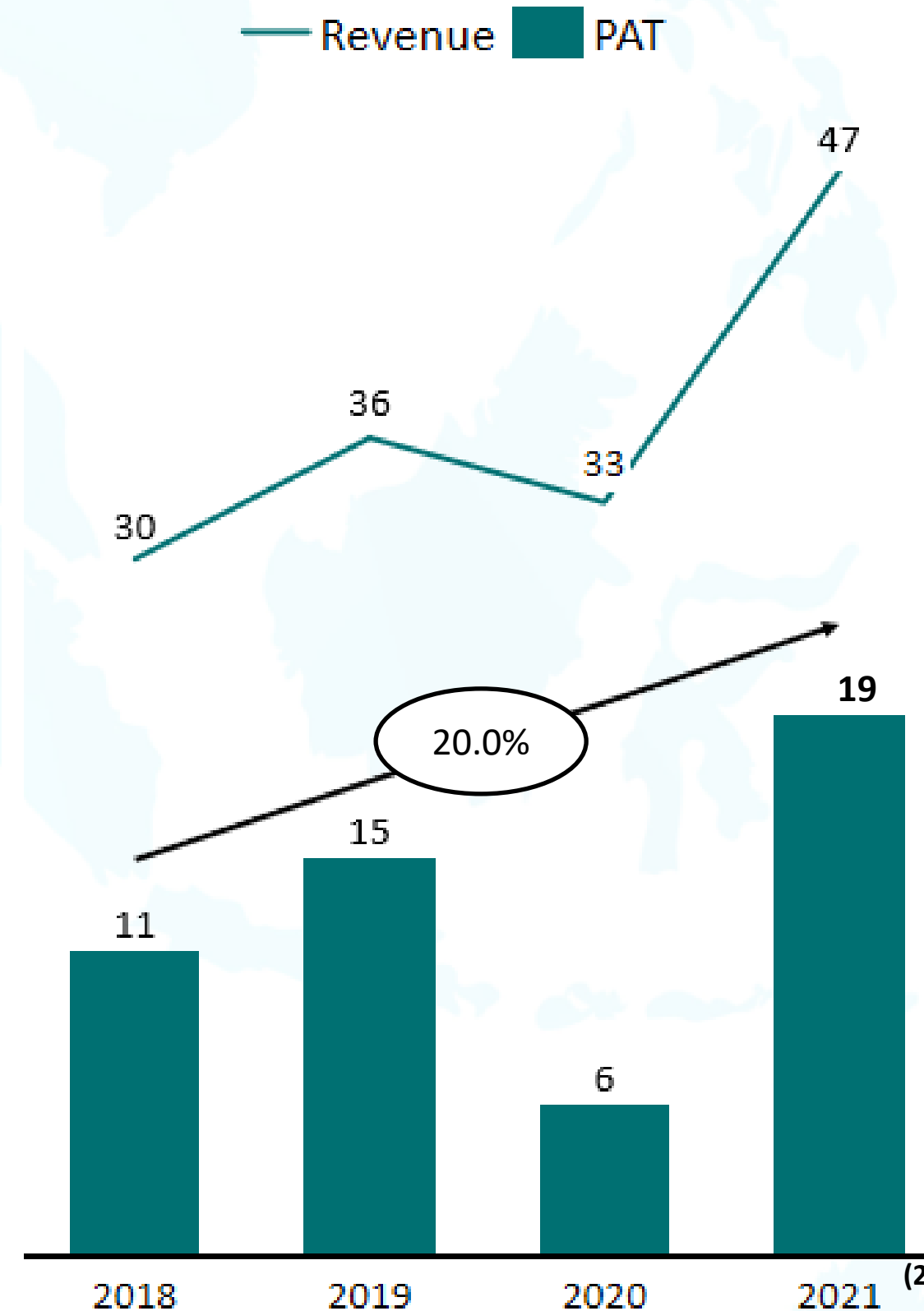
Outlook

- ◆ BOL is striving to be the leading provider of business information and analytics tools to enable its customers to enjoy fast and effective decision-making process
- ◆ Launched the Corpus X Platform in 2021. Corpus X was designed to meet the needs of its customers
- ◆ BOL continuously develops and updates its existing business registry and financial database while searching for new information sources. Leading innovations from around the world are harnessed to offer new dimensions in analyzing and interpreting business risks and opportunities

Overview

- ◆ Founded in 1997, JurisTech is a leading Malaysian based fintech company, specializing in enterprise-class software solutions for banks, financial institutions, insurance and telco companies
- ◆ Juris provides end-to-end credit management platform that allows enterprises to digitally acquire customers, evaluate borrowers, approve loans and recover debt
- ◆ Strong entrenched market position in Malaysia and overseas presence in 4 countries, namely, Singapore, Australia, Brunei and UAE
- ◆ Recurring revenue stream (~65%), highly cash generative, minimal CAPEX and high ROE business

Financials⁽¹⁾ (RM' mil)



Outlook

- ◆ Building a world class end to end digital lending solution together with CTOS by combining best in class credit data, software solutions and analytics services
- ◆ Developing new propositions to better address opportunities from emerging trends in digital lending space
- ◆ Targeting 15-20% CAGR profit growth
- ◆ Driven by synergistic end-to- end digital lending solution and ML/Ai toolkits
- ◆ Regional expansion opportunities



Software solutions

Analytics services

Credit Data

Enterprise grade software that is scalable and secure for loan origination, management, credit decision, collections & workflow automation

Provision of external analytics support services to complement in-house analytics, bringing deep domain expertise to generate insights through data

Ready access to comprehensive credit, identity and fraud as well as corporate registry and trade database to support critical lending decisions

Unique position in the market to realize end-to-end proposition

Juris
Origination
Juris Access
Juris Legal
Juris OneCore
Juris Collect
Juris Agency

E-Onboarding
IDGuard
ConneX

Juris Mindcraft

Portfolio insights
Credit Xformation
Custom model dev.

CTOS report
CCRIS data
External reports
Trade bureau
Bureau score



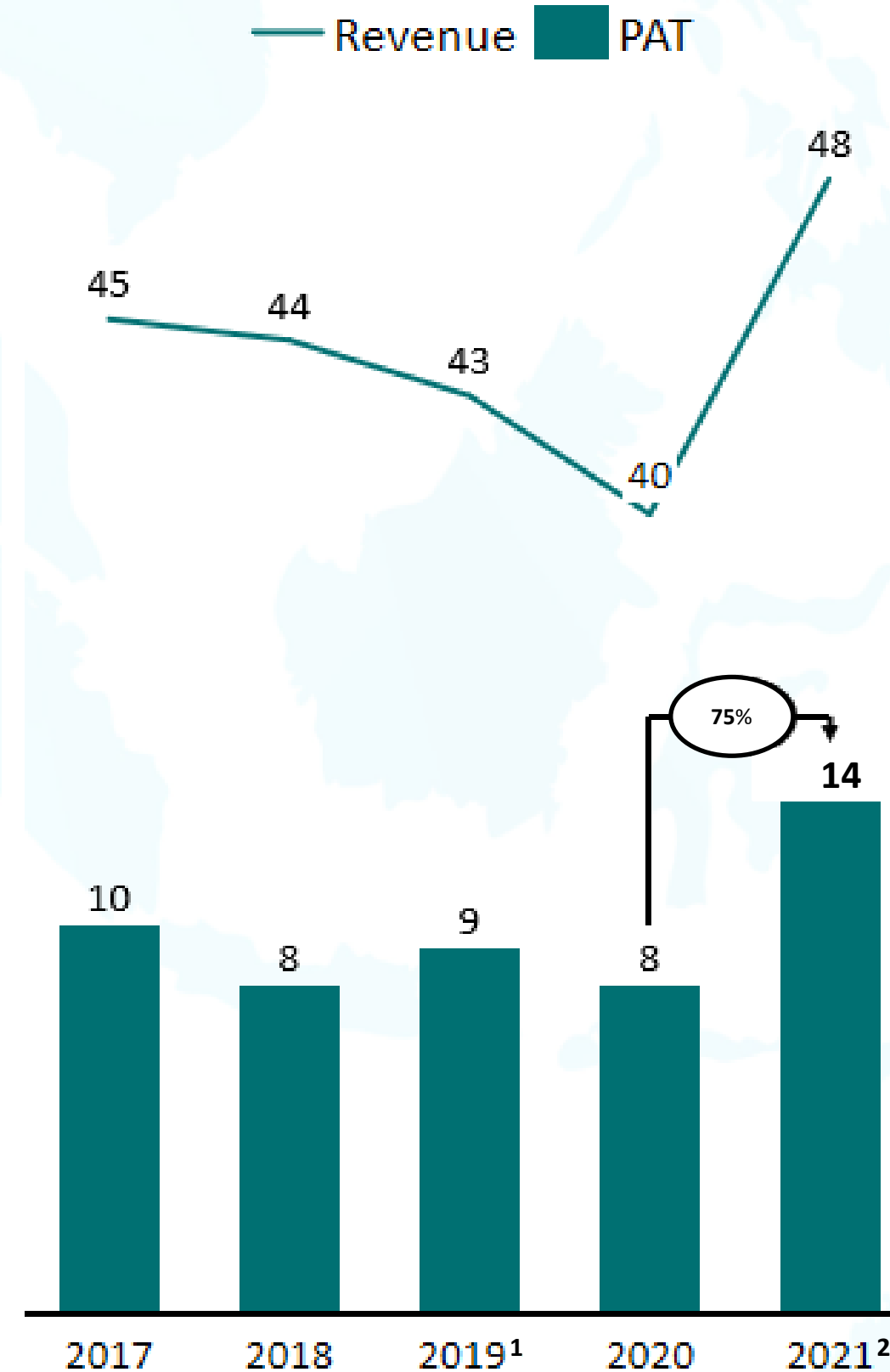
Snapshot of RAM Holdings Berhad (RAM): 11.625%

Market leader in credit rating agency in Malaysia

Overview

- ◆ RAM Holdings is one of the only 2 bond rating agencies in Malaysia. Bond rating agencies assess and publish creditworthiness of debt securities and their issuers
- ◆ Market leader in bond ratings with a ~70% market share similar with CTOS
- ◆ To-date, RAM has rated more than 2,800 bonds & sukuk issues valued at > USD450bn
- ◆ Offers additional services e.g. research, training, consultancy, risk analytical etc.
- ◆ World's leading Sukuk rating agency for securities issued under Islamic principles

Financials (RM' mil)



Outlook

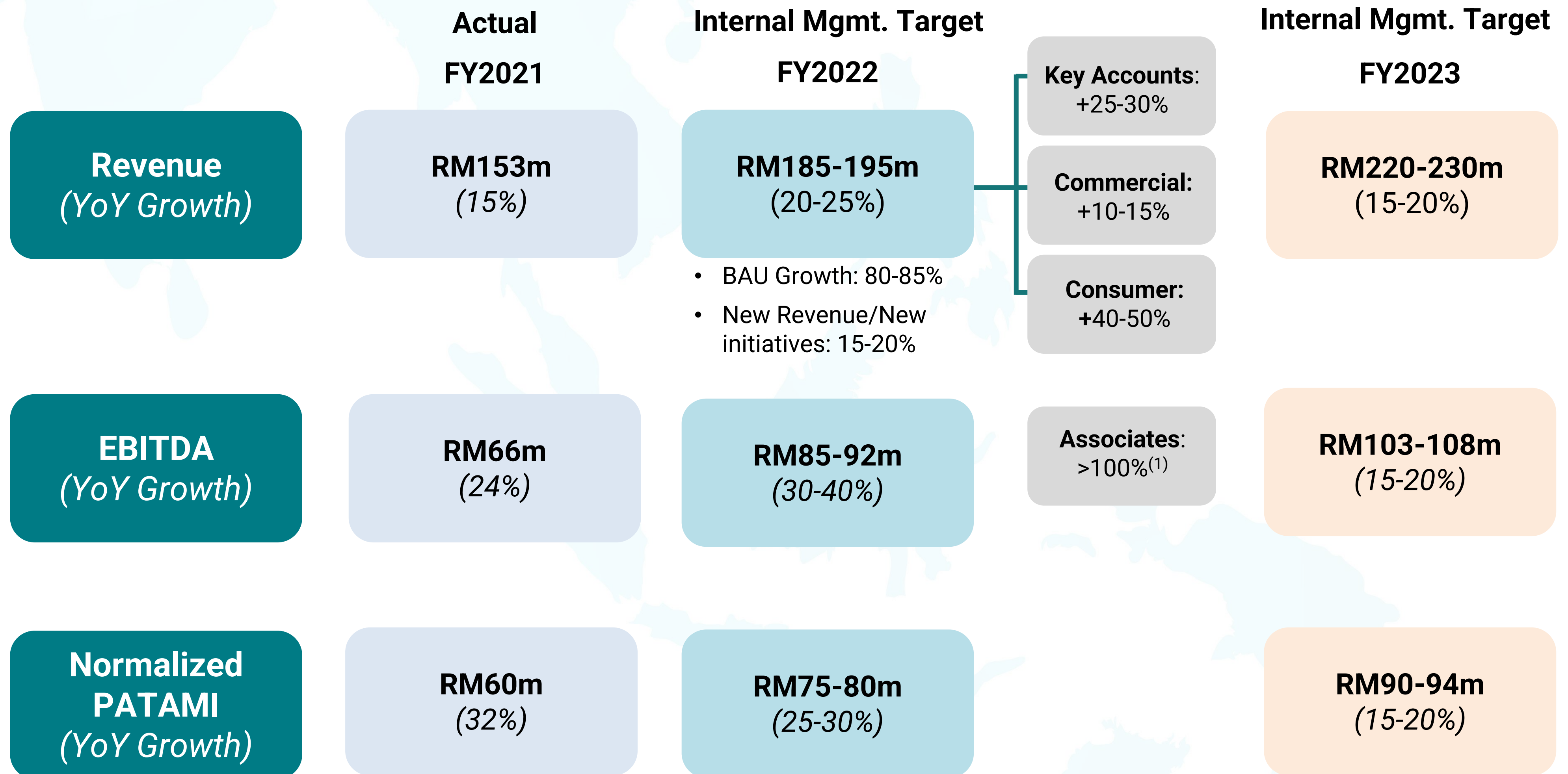
- ◆ Leverage market leadership to penetrate new segments and offer new products such as ESG related ratings
- ◆ Ability for CTOS to tap RAM's large corporate markets and bond ratings segment to cross sell data and digital solutions
- ◆ Enhances CTOS positioning as an expert in credit assessment
- ◆ RAM to enjoy higher earnings potential moving forward driven by consolidation of associate company, Bond Pricing Agency Malaysia (BPAM)
- ◆ Plans to increase stake in RAM to 20%

Note: (1) Normalised for Experian divestment

(2) Unaudited

Source: Annual report and financial statements

Our Growth Targets



Note: Figures are for simulation purposes only and mgmt. internal targets; Indicated YoY growth % assumes average of previous year figures

⁽¹⁾Juris Tech alone is targeted to contribute RM9-11 million in FY2022

Prioritizing Environmental, Social and Governance (ESG)

Towards creating long-term value for all stakeholders

**“To help empower individuals & businesses to make sound credit decisions confidently,
leading to better financial health”**

ctos Digital

ENVIRONMENT

- Our business is not detrimental to the environment or emission heavy
- Commencing journey on energy management and GHG emission tracking

SOCIAL

- Studying socio-economic impacts
- Promoting financial literacy
- Employee engagement

GOVERNANCE

- Emphasis on Data Privacy & Cybersecurity
- Board independence and diversity*
- Compliance to evolving financial regulations & standards

* 3/7 female directors, 5/7 Independent Directors

CTOS Prospects

Key Takeaways



Relatively nascent but rapidly growing with bright industry prospects



Leveraging on Digital Economy



Innovative technologies with end-to-end solutions



Unique data assets hard to be replicated



Strong branding with unparalleled CTOS Experience



Diverse and talented team continue to strengthen the organisation



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