

GBG | Capital Markets Event

**Uniquely positioned
to capture growth**

19 January 2023 – 14:30



Transcript

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Introduction

Chris Clark:

It's great to see so many people in person. Actually, someone just said to me, if you think about the last few years, this is probably one of the largest in-person gatherings for quite some time. It is great to see so many familiar faces. Actually, also should note, we've also got over a hundred people who are joining us virtually from around the world. Hence, actually one of the reasons we put it on in a UK afternoon to make sure our US cousins can all join. So, a very warm welcome. As I said, I know a number of you in this room, and for those who don't know me, I'm Chris Clark, Chief Exec of GBG.

Again, those of you who know as well might well remember that we ran a series of capital markets events around our three core capability areas of location, identity, and fraud. Actually, location, we did in July 2018; identity, we did in December '19; and fraud was scheduled for early 2020. And as we all know, for obvious reasons, that was cancelled. I won't say postponed. But when I thought about that, it actually made me think how far we actually as a company have evolved in the last three years or just over three years. In fact, what today is all about is demonstrating the progress we've made to create what we believe is a unique, integrated capability set.

On that note, we are very much today hoping to demonstrate to you why we believe we are in a unique position through the work that we've undergone over the last number of years. And we will not be focusing on the short term. The agenda following me takes four key parts. Firstly, we're absolutely delighted that we have Julie who's come over from Michigan, who is an external industry analyst, to give you real insight from not GBG, about what's going on in terms of structural growth drivers, what customers are saying, and how the eco industry, ecosystem is developing.

We're then going to hear from four of our products, data and technology experts, hoping to describe what makes GBG special or our secret source. We'll then take a short break and we'll hear from two of our four managing directors who will very much focus on why we win today in the market. And then we'll be wrapped up by David, our CFO, who will talk about our medium-term guidance. And then David and I will host a Q&A. And for those in person and who have the time after the event, there will be drinks but also four product demonstrations to give you all the chance to see our products in action.

GBG differentiates around three core areas, and we hope that it becomes very clear to you during the course of today: our data, our technology, and our team. Personally, actually, one of the things that I'm most excited about today is the fact that you have the opportunity to hear from and meet a number of the GBG team. We've got people that are presenting or here in the audience that have grown their careers in GBG. Gus is an example. We also have David Green, who's been at GBG for over 25 years. I can't see David, he's at the back there. Over 25 years, he is managing director of our Loqate business.

We've got people that have joined GBG more recently through acquisition. We've got Chris who is our CEO of GBG Americas, who joined us from IDology, and we've got Jose who joined us more recently with Acuant. And we've got people who've joined us over the last two years as we've helped to scale the business, whether that's Dev who runs our Asia region or Boris who runs our European region and is at the back as well. Hopefully, you'll get a sense of why we are so proud of the team and why we believe that adds significant competitive differentiation.

Before I hand it to Julie, let me try and set the scene. We have a very clear purpose, building trust in a digital world, and we have a very clear vision for a world where everyone can transact online with confidence. Those are very easy things to say and words to put on a slide. And they are certainly words that inspire all 1,300 of us around the world that work for GBG in our work day in, day out. But, as I think you'll get some sense of today, particularly actually from Gus and Julie, it's a very, very difficult thing to do. That creates a long-term opportunity for GBG, but I think more importantly for us as employees at GBG, it's what drives us day-in-day-out, thinking we're making a real difference.

We are at the forefront of a large, growing, deeply fragmented market that has strong structural growth drivers through all sorts of economic cycles. Now, Julie and Gus are both going to talk a lot more about this, but very simply it is about continued digitalisation, particularly with a focus on customer experience, continued ever-increasing amounts of fraud and ever-increasing amounts of regulation that our customers have to face. Those three fundamental points continue and will continue for multiple years ahead.

We have thousands of people that have worked incredibly hard over years, both organically and inorganically, that have helped us create what is a unique position. And that's demonstrated by the significant capabilities we have in data, as Gus will describe. It's also evidenced by the thousands of customers we serve every day, customers across a variety of end market sectors, of a variety of scales from household names right through to the most innovative startups, and customers who like working with GBG. We are very proud of our customer relationships and our net promoter scores. And actually, we're delighted today that you will hear from five customers via video of a variety of sizes and scales and from all of our key geographies that hopefully give you that flavour. And I've already talked about the 1,300 GBG team members that make us special. As I think, those of you know as well know we are deeply proud of our very high engagement scores, and we have a very attractive financial model, as David will come back to.

Our growth strategy is based on three core dimensions: geographic expansion, sector diversification, and extending our product capabilities. Let me touch on each three of those in a little bit more detail. Starting with geography. The bad actors, the people that we are trying to stop, don't see national borders. They don't understand local regulation. In fact, all of those differences creates opportunity for them and I think Julie will touch a bit more about that. So when we think about geographic expansion, the first thing we do is thinking about

having broad global coverage of data so we can satisfy our customer's demands wherever they are in the world. The second thing we then think about is how do we get more customers in key geographies because that, as Gus will explain, gives more power to our overall data capabilities, and we have over the last number of years and we will continue to expand geographically. And Dev and Chris will both talk about this in more detail through both organic and inorganic activity over time.

From a sector perspective, financial services has and will continue to be for multiple years ahead, the biggest part of what we do, and I think that's for fairly obvious reasons in terms of the size of the price for the bad actors, but also the significant regulation around financial services. And with the continued evolution or disruption of the financial services market, we absolutely believe there's long-term growth opportunity in financial services. Having said all of that, when one thinks about the secular growth drivers we have seen over the last number of years, and expect to see continue, further opportunities in different customer end markets. We believe there's significant opportunity for us over time across the public sector including things like national border controls and utilities in telco, as well as things like healthcare and continued expansion in sectors like gaming as sports betting gets liberalized further around the world. And again, both Dev and Chris will talk more about how that's playing out and how we think about it.

And then last but not least, product extension. It wasn't many years ago when our location-type services were bought by marketers to help them win more customers. Identity services were bought by compliance departments to fundamentally meet compliance regulatory needs. And our standalone fraud services were bought by risk divisions of say, tier-one banks. However, we've absolutely seen a significant shift over the last few years and we expect that to continue and accelerate. Or actually, to protect yourself as a business and to protect your consumers and keep them safe, you need to have an end-to-end capability to minimize the risk. And again, I hope that comes through further as a team explain what makes us special. And we will continue to drive through organic development, a true end-to-end capability that is second to none. So, that's what today's all about. That's a headline. It now gives me huge pleasure to introduce Julie to talk more about the market from an external perspective. Thank you very much.

Identity: The fabric of trust commerce

Julie Conroy:

Thanks, Chris. So I'm with Aite-Novarica, I'm the Head of Risk Insights. We are a global advisory firm, and I'm fortunate to manage a team of people who all of us have come out of the industry. All of us have been on the front lines fighting fraud, fighting financial crime, in some cases, building products that help do this. And now we bring this kind of background to bear with a bird's eye view that helps us educate our clients about the challenges and the types of technologies that can be used to essentially fight the bad guys while ensuring a delightful customer experience. Because that is really the goal for the customers of firms like GBG, is how can you stop the bad guys while not putting too much friction in front of the customer that leads to lost revenue. So for the next 15 minutes, I'm going to talk about some of the key trends that we see driving investment in solutions like GBGs. I'll talk about, to Chris's point, why identity is easy to say but it's really hard to master. And then we'll spend a little bit of time with the future view.

So as we look at the key trends for those that are sitting in the buyer's seat at financial institutions, at gaming firms, at e-commerce merchants, digital acceleration is certainly one of them. We were already progressing pretty rapidly towards this digital-first environment even before the pandemic, and that pandemic put the pedal to the metal on some of these aspects. So we've done some subsequent consumer surveys across multiple geographic markets to say, "Okay, so Mr. Consumer, you tried mobile banking for the first time during the pandemic because your branch was locked down. You tried sending a push payment for the first time because nobody wanted to touch cash. To what extent are you going to stick with these new behaviour patterns?" And what we have seen very clearly both in the survey data as well as the actual transactional data is that this digital-first behaviour is going to stick for the majority of consumers. And that kind of leapfrogging we saw during the pandemic is something that is here to stay.

We also, over the past decade, have seen the rapid industrialization of fraud and financial crime. And it's not a fraud presentation if you don't have your obligatory picture of that guy in the hoodie. But it very much is this, it's Fraud Inc. at this point. And they've brought all of the data breaches over the past decade to bear with very sophisticated automated tools that enable them to heavily target financial institutions with very sophisticated attacks. I was actually on a Zoom call just last week with one of our bank clients, that for the past six weeks, they have been enduring an attack that, in their words, the identities are close to pristine and the monetization of those new accounts that are opened with these identities happens within 48 hours. This is the kind of threat environment that GBG's customers are trying to face. And this is why kind of that end-to-end fabric of risk assessment technologies is now so essential to stopping the dollars from going out the door while at the same time ensuring a great customer experience.

And then at the same time that you're trying to stop the bad guys, you have this competitive impetus of a delightful customer experience and kind of this bar of

expectation that has been set for minimal friction by folks like Apple and Amazon and Uber. So as you're looking at this competitive ecosystem, having the ability to do effective risk assessment of either a new identity as it's coming to the fore, or a return identity in figuring out, is this Chris Clark or is this somebody that just bought Chris Clark's details off of the dark web 10 minutes ago?

And then regulation drives really interesting differences across geos that drive differential investment patterns. So you have markets like South Korea that for more than a decade has mandated that for any online banking transaction you have strong multi-factor authentication in place. Contrast that with the US market that has had no such requirement for quite some time. You don't have to enter a one-time password every time you get into your online banking account. So the investment patterns in those markets will be very different. Europe moved to the SCA over the last few years, that has driven some very interesting investments in things like online banking as well as card-not-present e-commerce transactions. And then you have different KYC regulations that drive different gaps in the identity construct across different markets. Australia has a very rigorous KYC requirement, and so doing things like perpetrating synthetic identity fraud where you create a fake identity out of the ether is really hard to do in Australia. In contrast with the US market which has an incredibly poorest identity construct, and synthetic identity is a massive problem in that market.

So this just underscores how complex the ecosystem is and how for a merchant or a bank that is operating an identity construct across borders, this is really hard to do. And this is why, as we look at sizing this identity market or fraud and financial crime market, if anybody tells you that they have one big sizing for the entire globe, you're going to want to take a very close look at that methodology. Because as you look at how people invest in identity and fraud and AML solutions, it's going to vary market by market, and in many cases, it's going to vary use case by use case. So when we do a sizing, we look at a specific technology such as global document identity verification where you take a picture of that driver's license or passport, verify that against the facial, and then we'll size that technology, which we believe is growing at a very rapid clip. It's double digits over the next few years because there are so many use cases that it is applicable to.

And identity really is essential and at the heart of those trusted transactions. So the identity fabric, as you look at this, is complex and it consists both of deterministic types of checks. So when somebody comes in to open up a new current account at NatWest, you're going to do some checks to see that that name, that tax ID number that address matches the data on file at a source of record. But then there are also many probabilistic checks that you're going to want to combine with those, things like does this device have a good reputation? Has it been used before? Is the email address associated with this identity something that we've seen in the ecosystem for 15 years, that we see consumer history for them? Or is it something that was a Gmail account that was set up 10 days ago?

All of these can fit factor into kind of a holistic risk assessment of, is this identity something that we can trust and put minimal friction in front of? Or is it something that we need to do some additional checks? Because the reality is, all of our data is readily available on the dark web. Our personally identifiable information, our credentials, all of it's for sale out there. And you can see the bargain price of 120 bucks to get a brand-new identity that belongs to somebody else. These are two examples. There are thousands of sites like this all over the dark web, and this is the underpinning of this industrialized fraud economy that we're up against.

Unfortunately, consumers still make it really easy for the bad guys to perpetrate a lot of these attacks. We just pulled some research out of the market at the end of last year where we surveyed consumers across Singapore, across the US, and in the UK about the extent to which they have good password hygiene and the extent to which as you are interacting with multiple online properties, be it your bank or an e-commerce firm or a travel firm, do you use different sets of username passwords? So that when Twitter gets breached and the bad guys all of a sudden have 35 million username passwords at their disposal and they immediately put those into bots to see how many different properties those username passwords will work at, if you're not using different username passwords, they have the keys to the kingdom.

Unfortunately, as you can see from this graphic, the majority of consumers across all countries are using that same handful of username passwords across all of their online relationships. And one in four consumers across all these GOs aren't even using a unique username password for their bank. Again, this makes it very easy for the bad guys to perpetrate their fraud and underscores why firms like GBG that can help guard against this are so essential to the ecosystem. Failure to adequately risk assess identity has so many consequences for the firms that are on the receiving end of all of these attacks. Rising fraud losses, so application fraud, account takeover, scams, I was talking to one of our other financial services clients a couple weeks ago and they were saying right now, for every one good account login that they see into their online banking site, there are 10 fraudulent attempts. That just kind of underscores the velocity that's coming at us right now from financial services and the e-commerce ecosystem.

There's reputational risk. So if you are not adequately verifying that you know this customer on the other end of the transaction, it's not just a fraud risk, it's also you're in violation of your KYC obligations, and that leads to fines, which leads to unpleasant headlines for your brand. And then there's also customer retention. So if fraud happens on an account with a wealth management company, or with a financial services firm, that customer is not going to feel protected. Consumer surveys that we've done across a variety of different use cases show that the vast majority of consumers if that trust is breached, they're going to take their business elsewhere.

So as you look at the ecosystem of managing fraud, unfortunately, innovation all too often precedes security. So you have this kind of virtuous cycle where a new product or service is introduced. We'll take banking for example. You introduce

faster payments or you introduce push payments. You haven't necessarily, as a firm, thought through all of the risks, and so the bad guys typically find the gaps before those gaps can be plugged. They will use their automation. They will get as much money as they can in a short period of time until that financial services firm is able to bring technology to bear to plug the gaps. Unfortunately, that is not often a fast process. The bad guys don't have to make business cases to justify investment. Usually, the good guys do. So as you, over time, do justify the investments, you upgrade, then the bad guys will find a new hole.

So this is why fraud really is always going to be a journey. It doesn't have a destination for any of us because it is this lopsided game of chess where for every one move we as the good guys, the bad guys get two or three. And this is why as you look at the various technologies that are needed to protect the ecosystem, be it in financial services or in gaming or in healthcare, you need to have that ability to, as somebody comes in the door, identity proof them, determine is this a good customer? Is this a good prospect or is this indicative of patterns of a bad guy? And that requires both those deterministic identity checks that I talked about at the outset as well as some of those probabilistic that bring our digital identity into the equation. Those same elements are essential across the lifecycle of the consumer to make sure that as we have established a relationship with the consumer, somebody hasn't compromised it, and that this still is our good customer coming time and time again.

And as we put various controls in front of consumers to do this, consumers have a very strong opinion about the ability to have some control over that customer journey. We have a number of consumer surveys that we've done across geos and we've cut them by age groups, that show that in some cases consumers are very comfortable with things like fingerprints and facial biometrics. In other cases, as we look at different age groups, as you get older, your fingerprint starts wearing off, and it doesn't work so well for seniors. So having the ability to put various forms of authentication and risk assessment in the consumer's hands to choose is something that we're seeing more and more firms trying to do to facilitate that great customer journey.

This is where the orchestration hub has emerged as a key area of focus. The concept behind this is you can have one API call to your trusted vendor that then can facilitate a number of different detection and authentication solutions behind the scenes. Not only does this help to facilitate a more effective customer journey, more efficient IT resources, but it can also help firms to be much more nimble in the face of this rapidly rising threat environment.

I spoke at a conference a few years ago where I spoke after a famous hacker. At the end, he was supposedly reformed, although it kind of sounded like he was bragging up there, but at the end of the presentation, there was a financial services firm in the audience that raised their hand and said, what could we do to make it harder for guys like you? And he didn't hesitate, he said, "You've got to be more nimble. You are so slow, it makes it easy for us." And that's where we're seeing increasing investment in this orchestration hub capability set. Because you're not waiting in line in the IT queue of some slow financial

institution that takes 18 months to get through that queue, you're partnering with a vendor that can help you to be much quicker and much more nimble.

And at the end of the day, a holistic understanding of identity, both the static data elements as well as all of the digital metadata that we leave behind as we're engaging in the digital environment, is critical to being successful, both in terms of fighting the bad guys as well as ensuring that great customer journey. So I'm going to turn it over to Gus Tomlinson. She's going to tell us a little bit more about that.

Our capabilities to lead

Gus Tomlinson:

Hi, everybody. I'm Gus Tomlinson, I'm chief product officer in EMEA. And as Chris touched upon, I've been at GBG for nearly 10 years now. I've actually got to see how GBG has grown its products, data and tech both organically and inorganically. I'm also joined today by Kartik, Mark, and Jose who will also bring to life a little bit more the technologies that we're using and some of the innovations that we have coming up.

Location, identity and fraud, you all should be very, very familiar with those. Independently, they are all market-leading solutions, but hopefully what comes through today is that when combined, we add more value to our customers and we differentiate more from our competitors. And that's really the message I want you to take away. Every single day, each of you in the room and millions of customers globally will interact with our technology. You just might not know it. And that's actually a really good thing because if we listen to what Julie's just said, it's that excellent customer experience that actually is a testament to the tech and the data and how we use it.

Location, capturing addresses and validating them along with mobile and email to make sure that the very first step of the customer journey is outstanding. For those of you who get a bit of flat-pack furniture delivered from IKEA or a pair of Nike trainers globally, it's GBG that makes sure that gets to your door in the quickest best way. Identity, making sure that you can trust that a person who is presenting themselves is who they say they are, and also importantly linked to compliance, that you are allowed to do business with them. If it's a Bet365 customer globally who wants to place a bet, it's GBG's technology that underpins that. And lastly, fraud, certainly not least, throughout the customer journey, knowing that you can do business and that you can trust that transaction, that's GBG. And if it is HSBC across Asia or Barclays mortgages in the UK, it's GBG's technology that underpins those fast and accurate decisions. So when combined, these solutions are truly differentiated.

If we look next at what our customers expect, and Julie's already touched on quite a lot of this, our customers operate in a fiercely competitive landscape and a tricky one. Don't be too depressed by all the fraud that's out there. Don't worry, we're here. They want to onboard more customers. Why? So they can drive growth. They want to stop fraud as early as possible. And if you can do that at the front door, even better. And they need to comply with regulations. Onboarding more customers, it takes a lot in a competitive environment to get that customer to your front door. So it's our job to make sure that we give them the best experience, that we match as many as possible, and we don't actually insult them or give any of them a bad experience. And that's what our tech does. And by combining and layering things like location, identity, and fraud, that is exactly what we do.

We take PokerStars who are part of the flutter group. We help them combine both data and document checks, so that actually if you get somebody from a hard-to-reach market that you can't match on data, you can step them up to

documents and you can still give them a digital experience and they can place their bet.

We also take other customers where actually if you put an address in, we make sure it is in the best possible format because some of the people that we pass our data to, they don't have the best possible format. So we do the hard work making sure that you get the best match rates.

Stopping fraud as early as possible. It's a huge problem for our customers. You hear that fraudsters are getting more and more sophisticated. If we take loan application fraud, 14% of it is due to synthetic, due to all of those breaches. Bonus abuse fraud costs the gambling industry about 15% annually of its turnover. Huge, huge numbers. So stopping that is a big, big headache solver for our customers. And we layer technology and we've been doing this for a number of years that makes sure you know an identity is who they say they are and you can trust them.

A really great example, and you'll hear it a few times today, is how we reacted very, very quickly to the Optus Medicare breaches in Australia by adding alerts in when we do an identity check to make sure that you can trust them. And that actually came from the great learning of Velocity checks when we acquired IDology in America.

And lastly, complying with regulations. Whether that be anti-money laundering, age, vulnerability, or actually data privacy regulations, it's hard and it's really, really complicated and it's GBG's expertise and investment in learning about that that makes us valuable to our customers.

If we take gaming, Ontario has recently regulated in the state of Canada and we've helped most of the top operators globally to enter that market the day that the regulations went live. Another great thing is if you've got the UK Gambling Commission using your technology, it's a good rubber stamp.

So how do we do it? There's lots of different ways. I've picked four that hopefully sum it up. Over the past 30 years, we have organically and inorganically grown our data, our technology and our experience to actually make the best of those. We have global reach, which when you hear about how important identity is locally, means that we can serve customers like Meta identity solutions that are best fit for their markets. We layer our technologies. I mentioned IDology and the fact that in the Americas we combine identity checks with Velocity fraud check, seeing how many times something's coming through. We do that now globally with a piece of technology called eDNA that we acquired via Acuant and customers like Green Dot or Payfare whom you'll hear from later benefit from that to make sure that they're stopping fraud as early as possible.

Regarding the customer life cycle, I won't touch on too much because Jose will dig into GBG GO later, but we facilitate our customers at every single part of that journey. Adding that value and doing exactly what Julies just mentioned is

really, really important, and allowing them to flex and react quickly to changes in the market.

And lastly, customer choice. We are all as individuals pretty picky. We want to do things exactly how we want to. Whether that is going into a high street store, whether it is on your mobile, on your web, and GBG makes sure we have a truly omnichannel approach. Creation who power Currys' finance, they're a big customer of ours and you can use our technology from them either in-store or online to make sure that you should get that loan approved and you can take your TV home or your Apple device or whatever it is. And that's because they have our fraud tech, our data, our document tech, and also recently our mobile tech to make sure that they can do that.

So why is it complex? I've learned this over the 10 years that I've been at GBG. Nobody is simple and no data set is simple. It's incredibly complex, and that's why GBG's strength in data is so incredibly important. Take personal data. We think first name, surname, middle name, add in a second middle name, a third middle name, a fourth, fifth, sixth, seventh in some culture's middle name, add a patronymic, add a mother's maiden name. It all makes things very, very complex. I could probably ask most of you in this room your birthday and you'd all give me a day, a month and a year. If I asked the same room in the Middle East, I'd get the first of the first in the year that they were born because culturally they don't celebrate birthdays. So it's GBG's understanding of this that actually means we can source data, we can understand it, and we can build the technology and the rules so that you get the most value from it.

It is one of our core strengths. We have hundreds of suppliers globally that actually continue to work with us and actually approach us because they want to work with us. We've got a document library of over 8,000 documents. And why is that important? Because there's 8,000 documents out there. Each of us have probably got two, a driver's license and a passport. Half of the room may have a European passport and half might have already got their UK passports. Documents change and they're complex and in every country when you multiply that, 8,000 is what you need to win.

We have customer data. And we have customer data uniquely from multiple different countries, over 70 as Dev will talk about. We have it from location, from identity and from fraud. And the power of all of that when you bring it together is really, really unique, and that's what gives us the insight. Breadth and depth of data really is one of our differentiators. Owning data it's not what creates the value. Accessing, linking and deriving those fast and accurate decisions is exactly why our customers come to us.

So what is our kind of strategy with data and why am I so excited? As I touched on, we've got three types of data, the stuff that we buy from suppliers. And we are continuously accessing more data from suppliers, whether it be three bureaus in the UK adding mobile data or enriching the data that some of our suppliers give us. We have the data that we get from customers. And we've got the data that we create from our products. And each of those is continually

getting richer. When you hear Dev and Chris talk about our cross-selling and our up-sell capabilities, when customers take more products from us, our data gets richer. And we are only just scratching the surface. I'm personally very, very excited about continuing to work with those suppliers, continuing to leverage technology like eDNA that we've acquired from Acuant to really build up that differentiation.

As Julie said, you cannot make a probabilistic or deterministic decision. You have got to get a holistic picture of identity throughout its entire life cycle and that is exactly what GBG does with its solutions. I'm now going to hand over to Kartik who will also touch on how AI is helping us get even more value from that data.

Kartik Venkatesh:

Thank you, Gus. I'm Kartik, the CTO for GBG's location capabilities and I'm pleased to be talking to you today about our use of AI and ML.

At GBG we are inspired by data and the value that it drives for customers. From the beginning, we have delivered rich data insights across location, identity and fraud, utilising advanced techniques from unique algorithms to multi-level rules engines. Hence, we believe in the strategic layering of AI on top of our current approaches to keep ahead of the ever-evolving digital world.

AI and machine learning have been a core investment area at GBG over the past few years. It has enabled us to drive even greater value for our customers in terms of increased match rates, complex fraud detection and advanced identity verification. We do all of this while having customer privacy at the forefront. Let me highlight a few great applications of AI that we're working on.

Throughout the eDNA identity network that Gus just touched on, we are now able to use AI to underpin the threat analysis across our entire identity fraud ecosystem. AI enhances our identity graph compliance and monitoring capabilities, which is crucial to our ability to continue creating trust in a digital world. As we expand our documents and biometrics capabilities, AI is used extensively in tamper detection to ensure that the key elements of identity are valid and not altered, including photo substitution, physical presence and text tamper detection.

Onto fraud. AI is enabled in our financial crime studio to enhance fraud detection where rules-based approaches stop scaling. In fact, with some of our customers, we're seeing significant uplifts in fraud detection and a reduction of up to 50% in false positives. Across these three examples, AI allows our products to find patterns in identity and fraud that are imperceptible to humans and rules engines and other traditional approaches by learning from data to detect very complex and subtle nuances.

In fact, our application of AI and threat analysis in the identity fraud ecosystems demonstrates our expertise, which led us to be recognised recently with an Asia Risk innovation award, which we're very proud of.

Finally in Loqate. Due to the complexity of global addresses and the lack of a single addressing standard, we've developed verify AI to help understand the intent of end-user inputs alongside AI-based address parsing to manage complexity. And we're seeing an uplift in match rates of up to 25%. As we roll out this great technology across all regions, we're already seeing the commercial impact it has on accelerating customer acquisition. We're delighted in recent months in welcoming Klarna to Loqate services. It's a great example of a high-value cross-sell with identity. Our ability to outperform our leading competitor by 23% on match rates in a head-to-head was a clear differentiator.

I've used my section to share a few great examples of the progress we made with AI and data science and GBG, which demonstrates our ongoing commitment to innovation and drives our competitive advantage. All this is not possible at scale or replicable without a solid data platform, providing strong governance, lineage and privacy audit capabilities. These are core elements of our data mesh, which Mark will soon touch on as he dives deeper into our technology. Before we do that, let's hear from IBM, a strategic partner of GBG utilising Loqate services. Thank you.

Customer testimonial video transcript

Scott Brokaw: So I'm a director of product in IBM software's data and AI division. We focus on helping clients across really three key pillars. The first is business applications and insights, which is focusing more on helping get end users value out of data applications and products. The second is a data fabric layer, like helping clients start to automate data and AI life cycles. And the third would be more around data storage, right? Helping clients with their raw data storage and infrastructure.

IBM's a global company. We operate across all the major industries. And really this middle layer that I'm talking about, this middle pillar of the data fabric, this is kind of an architectural pattern that we've been helping a lot of organisations with, especially as they start to move towards data-driven architectures or data-driven cultures and starting to try to connect the producers of data with the consumers of data no matter where the data ultimately is.

It's a really big problem. According to Forbes, users spend like eight hours a week searching for information. But it's not just finding the right data, it's how we help clients conform to industry and privacy regulations. 70% of nations have some sort of data protection and privacy legislation in place and there's another 8% that currently has something in draft. And so it's a huge problem for IBM and specifically even also for GBG to be able to have this opportunity to help provide significant value to our clients to solve for this.

GBG provides IBM's data integration components with address verification. And this is a really unique value add to our offerings because it lets us focus on data movement, transformation and then enrichment, and the address verification that GBG provides helps clients with that enrichment and

validation of their data sets no matter where they exist, the locality or what have you.

We work with clients that tell us that 80% of the time they spend working with data, it's the time they spend on data cleansing and integration and preparation. And organisations frequently cite that data quality issues are the barriers for their data projects. And so if they can have access to validated, cleansed, enriched address data, this gives our clients a leg up not only saving them time but saving them money. And so our partnership with GBG, IBM is a really tightly integrated solution that makes integrating this address certification technology into clients' data pipelines really seamless and easy.

GBG is a fantastic partner to work with. Not only do you provide really sound market-leading technology, you make it really easy for us to work with you. We stay in sync with each other in terms of events and marketing. You work with us to provide structured terms and conditions that allow for us to have really maximum sell-through to our worldwide sales distribution network.

We're really, really excited about 2023 because we feel like we have the opportunity to really start to scale our joint solution with GBG and really help clients start to be more data driven and help their data teams dramatically reduce the amount of time it takes to cleanse and prepare data for consumption.

Mark Mamone:

Thank you Scott, and it was great working with IBM. So I'm Mark Mamone. I'm Chief Information Officer at GBG and I'm going to spend some time talking about the significant progress that we've made in technology and really help demonstrate why it's a real enabler for growth. So let's start with the team.

We've built a global leadership team with decades of experience. We have over 500 technology professionals globally. They are organised in a modern way and they are using best practice tools and technologies. This year we will invest £50 million in technology supporting our product development, our product operations and GBG. And there's a big number there, 22 billion transactions that traverse the platforms that underpin our products. And I just want to dwell on that a little bit because it really does bring to life the performance and flexibility enhancements that we've made and have within our products.

So if we focus on performance, we have events that drive unpredictable surges of demand such as Black Friday and Cyber Monday where this year in the Loqate platform alone we saw 2 billion transactions across our platforms and we coped admirably.

It also talks to the fact that we could scale our infrastructure, scale our operations up to cope with that demand, but also and importantly we can scale down that demand to more economically cope with the small to medium enterprises as well. And it also underpins the flexibility that we now have around deployment and consumption for our customers, some of which you

heard through Scott and coping with the variety and differing needs of our customers.

I also want to draw your attention to the trusted and secure piece. So in the world of compliance over the last few years we have invested significantly in enhancing our products to cope with the needs of compliance and that includes things like data controllership, audit trails and reporting. And if we look at security as well, we have invested in a global security operations centre, we have enhanced our cyber defence, and we have embedded best practice security engineering within our products. Both of those are not an end game of course, but what they have done is significantly improved our risk position.

A lot of what I've talked about there can be explained at least in part by the capability-led architecture against which our products align. So let me spend a bit of time on that. So it's a journey as I've described. And if we look back four or so years ago, certainly when we did the last capital markets, we had strong regional products and of course, we still have those, but we were constrained somewhat around agility and around operational cost. If we roll forward to where we are today, we have a far more integrated set of products and technologies, some of which are sharing capabilities that realize some of the value that I've described.

We are able to release faster through that capability. We are able to deploy more easily and our customs are able to consume more easily. But it's not an end game. As I said, if we roll forward to a position where all of our products will align to this architecture, then what we have is a set of reusable composable capabilities where our products, whether new or enhancements are made up from those capabilities which talk to the agility that we need that Julie mentioned. And that will mean that we will release even faster, and we'll be even more innovative.

So let me bring out two proof points just to bring that to life and I'm only going to two in the interest of time. We've mentioned document and biometric technology, and Gus talked about the 8,000 document types that we now have in our combined library, which is important obviously. But what we also have is an automatic document recognition capability that recognises you can't always know the type ahead of time.

We also augment that capability in areas where we know it's perhaps better to ingest capability from a strategic partnership. And we do that in the case of facial recognition for example. And that talks to the flexibility of the platform being able to ingest partner services as well.

And then if we flip to the right, you've heard from everybody actually, certainly Kartik and Gus about the importance of data. So let me just dig into the data point. So for our artificial intelligence and machine learning, we have built a data platform, a data mesh that allows us to decentralize data management, that allows us to ingest data faster, to allow us to create data to allow us to manage our own data and present that data, compliantly and responsibly to our

products and the machine learning models that drive the differentiation that you've heard from Kartik. And these are just two examples.

So in conclusion, where we find ourselves today is a strong foundation on which to build our products. The net result is that we are able to release products, incremental and new faster than we've ever done before. We're able to deliver that value to customers regardless of their needs of geography, of consumption, for example, and I hope you share my excitement in what that enables and what that might unlock for GBG, our customers, et cetera.

So I'm going to stop there and I'm going to hand over to Jose who's going to describe what that depth and capability really means for our customers and the consumption of the services. Over to you Jose.

Jose Caldera:

Thank you, Mark. That is indeed a fantastic foundation to deliver value to our customers in the marketplace, but also a foundation that makes my life a lot easier by building and releasing products faster to the market.

Hey everyone, my name is Jose Caldera. I'm the Chief Product Officer for Global Products at GBG. I'm the former Chief Product Officer for Acuant and I'm thrilled to have now technology and data and leverage the data intelligence from GBG to create better products to the market.

I going to close the session of technology and products and focus on how we deliver customer value and how to deliver our products to the customers. Before we do that, I want to introduce our second customer testimonial, Onto. Onto is a European digital first electric car subscription service using several products from GBG to help onboard their customers. Let's hear out from them.

Customer testimonial video transcript

Carenza Harvey:

My name is Carenza Harvey. I'm a Senior Product Manager at Onto. And Onto is essentially an alternative to car ownership. We do electric car-only car subscriptions and there I work as part of the kind of consumer experience, trying to make sure that we have the best offering possible for our customers and the best user experience too.

I think when it comes to the business problems that we're trying to solve, there are probably three main areas. So first off, a really key part of the ethos of Onto is that we are a hassle-free company and therefore we want a really low-touch, low-stress way of verifying and validating customer identity. But then obviously internally as well, we need to make sure that the data that we use to verify and validate our customers is really accurate, reliable and up-to-date. So we need to kind of have that balance between a low-touch experience but also one that's really, really sturdy. And finally as well, Onto is a really fast-growing company. We're scaling up massively. We're internationalizing. We need something that balances consumer experience, risk internally, and the capacity to grow and build really quickly.

When a customer books a car, all they have to do is upload an image of their license and a selfie with that license and then GBG both does the first piece of reading the information out of that image and actually validating and verifying that it's not a fraudulent an image. But then also integrating with our systems to run a check on that person using all the data sets that we have set up in our profile. So GBG helps us with having a really clear, nice consumer experience and then also doing the internal piece for us where you go and check data. So it's kind of having that twofold experience in one place means that it's a lot more simple and less complex for both us and our customers.

GBG acts as a gateway for us. So all we have to do is integrate once with GBG and then that means we can benefit from multiple data sources, data sets and partners that you guys have integrated with. It means that we can scale a lot quicker rather than having to integrate with a new service every time we build a new part of our composition. So that's really, really valuable for us and it's been a key differentiator.

The other piece that's important for us is we want to be able to do all of our checks in one place. So not only can we do a kind of customer checking on KYC and is this person and who they really say they are and looking at risk level using things like affordability, but we can also do an entitlement to drive check with GBG and access the kind of DVLA databases. That's been absolutely crucial for us to have all of that information, all of those services in one place with minimal integrations and have that kind of benefit across our entire platform.

Jose Caldera:

Clients can leverage our services to gain a competitive advantage and perform better in the marketplace. So let's get into how we deliver these values to the marketplace.

So GBG is the only platform that can deliver identity fraud and location services in an integrated manner. But also we deliver this in different capabilities and different integration and adoption methodologies. So we can build on-premise, we can go hosted solutions, or we can go fully on the cloud through our SaaS solutions. That SaaS can be integrated through a robust set of APIs or through low code or no code.

We can always have, for example, clients in the financial industry like Bank Parva, which tier one financial institution that rather integrates on-premise solutions can have digital-first disruptors in the real estate market like Knock that rather integrates through a no-code solution.

But the majority of our clients take advantage of our SaaS platform, and that implies that they integrate because they want to perform well in the marketplace and the SaaS solution allows them to scale and perform at whichever capacity they need in the market. Also, by having SaaS models, we are able to leverage data and apply machine learning and artificial intelligence technologies as Kartik and Mark described before and the value that delivers to the customers. All of this is through a robust set of APIs.

However, things are changing. It's more difficult nowadays to find technical resources that can actually go through the process of implementing applications that take advantage of those robust APIs, and some of our clients want to go to market much faster. So GBG is at the forefront of solutions by enabling the adoption of location services through low code APIs and identity and fraud services through no code. So all of this gives the chance and the ability to our clients to integrate however they want and it's important. Then the key is enabling them to get those services to their client as fast as they can.

One of the things that Julie mentioned throughout their presentation is that identity is a trusted fabric of commerce. That is correct. And in order to achieve that, you have to have an understanding of identity throughout its lifecycle. So it's very normal for us today that if we're going to do a transfer, say from our bank account into say a different bank account or our investment account, we get challenged for our authentication. That implies that there is a methodology in which the banks and financial institutions or whoever has a view of that identity and what are the challenges that require to that identity in their life cycle.

GBG already provides services that provide value in the lifetime of that identity. However, in order to do so in a manner that is consistent, we have to build the capability that allows us to describe that journey in a consistent manner, and we have to bring the capability of orchestrating the different types of services that GBG offers so that they can be introduced at the proper time in that customer journey. This is in essence the GBG GO platform.

We launched the GBG GO platform in the United States in October, and in this platform, we are building on top of the Acuant technology that allows us then to deliver the services and more GBG services to the market in a faster way.

With GBG GO, we're bringing orchestration, we're bringing customer journey, and we're bringing statistics to give our customers and our clients the value that they require so that they can create more value for their end users.

The GBG GO platform also is delivered as a no-code. And that allows us to, with orchestration, with a journey and with no code, it allows us to retrieve new services and make these services available to our clients, which implies that we can have the capability now to go to different markets, different sectors much faster than we could before. I know all of this may sound a little bit too abstract and one of the sessions that we'll do in the demo is going to be demonstrating the capabilities of the GBG GO platform.

So with that, I'm going to close down the technology and product session and I suggest that we take a short 10-minute break. And when we come back, we're going to hear from Chris Luttrell and [inaudible 00:58:48] that are going to walk us through our go-to-market capabilities in the world. Thank you very much and we see you in 10.

Executing the market opportunity

Dev Dhiman:

Delighted to be with you here today to share more about our opportunity. Asia-Pacific is GBG's fastest-growing region. Today we are very well established in our core markets of Australia and New Zealand, where we have market leadership with our identity proposition and we are very well established in our Asia region where we have market leadership in terms of fraud and financial crime propositions.

However, across both markets, we still have considerable room for growth. In the coming slides, I'll be providing you with a summary of the way in which we organise our go-to-market teams around the world, and how that's evolved to better serve a changing marketplace. I'll be sharing more on the tools that we have at our disposal to help us unlock growth in our markets, both in the places we play today and the spaces we can go to tomorrow. And then finally, I'll share more about our plans in APAC and how we plan to make that an even more significant contributor to group revenues in the coming years.

I'll then hand it over to Chris Luttrell, CEO of GBG Americas, who will talk to you about the great work that's happening in our biggest market and how we bring things together for our customers.

So let me start by sharing more on how we take our products and services to market across all of our three major regions. Today, that takes the shape of three channels, direct sales, indirect sales or partner sales, and digital or self-serve. Today, our most established and largest channel is direct sales. We have over 300 colleagues around the world in our key markets located on the ground with our customers and empowered to make the decisions that provide our customers with the best possible outcomes. The direct sales teams of GBG are typically focused on tier one, tier two or mid-market customers, where our customers typically have the best understanding and the most mature understanding of their requirements for identity, fraud or location products and services. Our customers in financial services, e-commerce, gaming, telco, and healthcare just to name a few sectors, rely on our experts to help them keep pace with rapid market developments.

The direct sales team is typically broken into two approaches. Firstly, those who target new logo acquisition and it's thanks to the great work of this team that we're proud to be able to say we have over 70 countries around the world where we have large-scale installations. And secondly, we have account managers who deliver best-in-class customer retention rates, which David Ward will talk about in his section, who help our customers get the best from the solutions that they've already invested in, and who help make our clients aware of other products and service that we've either developed or we've acquired. And Chris Luttrell will talk about how we're doing that with Acuant and IDology, for example. So let's move to our second sales channel, indirect sales. As the testimonial from IBM showed collaborating on our ecosystem, we can reach a much broader market and we can get them much, much more quickly.

At GBG, we have built the capability required to enable, manage, and motivate the channel. And this is an area we've seen really good recent success around the world. Our willingness to cooperate has enabled us to really differentiate ourselves from others in our marketplace. The expertise that we've built in that team has meant that we've been able to develop a range of partnership models and we use the best option to best fit the opportunity we are evaluating. A few of the partnership types that we use today include resellers where we allow a local partner to resell our products in a market where we either don't yet have a presence or don't wish to have a presence, capability or technology partners where we include point solutions in our end-to-end offerings.

Data partners, Gus talked about this at length, but this would include how we consume data from credit reporting agencies and provide our own intelligence over it. And final example of many is OEM relationships and that's where GBG solutions can be embedded in an off-the-shelf product sold to an end customer by another entity. And that is exactly how IBM are taking our Loqate product to market to their huge potential marketplace.

And then thirdly and finally our most recently developed route to market, self-serve or digital. And this has become a key tenet of our go-to-market model. This channel enables us to firstly reach profitably smaller customers. Given the higher cost of going direct, it allows us to nurture, capture, and convert new customer interest through a much lower touch model. Secondly, it enables us to scale quicker for less complex solutions and that includes the low and no-code solutions that Jose just covered in his section.

And thirdly, it's been a great way to prove demand in new markets before we put down further infrastructure there. In recent years, we've made significant improvements to our lead generation process in this space. We've greatly improved our conversion rates by better qualifying leads and we've also invested in a much better digital experience ourselves just like our customers have, and that includes a much slicker integration through APIs. So simply put, why is this important? Well, having three channels allows us to capture more customers, access more prospects, and deliver greater revenue growth.

So you've heard now about the scale and the breadth of our go-to-market teams, which are pretty much unparalleled in our space. Now, how do we leverage that organisation to address our opportunity? Earlier Chris Clark showed this graphic to show how we think about our growth across three dimensions, geographies, sectors, and customer life cycle. Let me now build on this by sharing more about the tools that we have at our disposal to access those opportunities. And it won't surprise you. We have more than one given our size and scale

Before the break, you heard from the product and tech teams on the capabilities that we've recently released and have in development. Therefore, product innovation and product development is a core growth engine for us. Once we've developed new solutions, we put it in the hands of the go-to-market teams that I've just shared more context on to help them power, progress. That

progress is obviously greatly helped by the customer relationships we enjoy. It gives us the ability to cross and upsell. We have thousands of customers around the world, and an unparalleled database of leads who value GBG solutions, who come to us for advice on solving age-old and new challenges. Thirdly, we can enter new sectors and we've seen already how our solutions have been deployed into both existing vertical markets where perhaps we didn't play before, but also into newly emerged marketplaces such as buy now, pay later, or the neobanks across Southeast Asia.

Next and a tool we've seen central to our plans in Asia, in Latin America, and in Europe. We can extend our geographic footprint both in terms of laying down infrastructure in a market and being able to serve customers from afar. Two really good examples of this. Southeast Asia, in the last 18 months, we've expanded our business into Thailand, the Philippines, and Vietnam, taking advantage of some very favourable market conditions. And secondly, in Loqate where the team started their German operation just purely through digital and self-serve before putting down more roots there once we've proven the demand for our solutions, and we've built a material size business there thanks to the great work that that team has done.

And the final tool, which David Ward again will touch more on in his section is how we acquire businesses. We have a strong track record of doing this and this is a lever that will always enable us to increase the pace at which we can grow and also increase the pace at which the businesses we acquire can grow. The important takeaway on this slide is really that we have different instruments at our disposal to capture the market potential.

So now let me touch on our opportunity in APAC before I hand over to Chris. APAC is a region that is home to 60% of the world's population. It enjoys the highest digital adoption rates of any region in the world. It's home to some of the biggest consumer marketplaces and presently it has regulatory tailwinds that help increase demand for GBG's products and services. I said at the outset, our APAC business is well established. In ANZ, we have market leadership in identity. We enjoy strong customer relationships with some of the leading financial services, gaming, and telco players to name a few.

In Asia, today, we only go to market with our fraud proposition. We don't really take our identity or location services to market. However, we've not done badly in fraud. We deploy our solution at eight of the top ten banks in Singapore or ten of the top ten banks in Malaysia, six of the top 10 in Indonesia, and three of the top five in Hong Kong. And we also manage two of our biggest customer relationships from the region with HSBC and Citibank. But we are not done yet. Now Chris might disagree, but having lived in Singapore for seven years, I truly believe this is the biggest opportunity for GBG and its future growth. And I'm going to use two instruments of the toolkit that I talked about earlier to represent how I see that playing out, and that's product innovation and geographic expansion.

As I said earlier, ANZ is the biggest part of our APAC business today, and our strategy here is really clear. We're going to double down on the size of that business and take it to the next level. We're going to innovate at pace and we're going to deliver new capabilities to market, including taking capabilities we have in other markets like Chris's to our customers in Australia and New Zealand. Two really good examples of this, firstly, GBG alerts. GBG alerts is a market-first proposition in Australia, which will help our customers there share information on highly suspicious identity verifications to prevent the perpetration of further identity theft and further fraud. We've actually accelerated the deployment of this solution in the wake of the recent Optus breach that Gus talked about. Optus is one of the largest telcos in Australia and suffered a breach that impacted almost half of the Australian population.

We've made that product available in beta already to help our customers maintain the trust of their consumers. And it's the latest example of a consortium model, which Julie featured in her slide and closely mirrors actually the service that Chris and her team have won in the Americas for many years. And secondly, we're going to be deploying some of the newly acquired Acuant solutions into Australia. We're going to make it relevant for the local context and we're going to cross and upsell our existing customers. In particular, we're really excited to be launching our ongoing PEP and Sanction Screening solution next month. And that has been based on a really pressing need we've heard from our customers, which we can now solve. In comparison to ANZ, our Asia business today is smaller, but our opportunity in Asia is much broader and much larger, albeit with inherently greater execution risk.

Today, as I said, our business in Asia is fully focused on our fraud solutions, but clearly we have much greater possibilities ahead of us in the broader market, and prioritization will therefore be really important. In the midterm, we're going to focus on three things. The first is geographic expansion. So whilst last year, we expanded our Australian New Zealand business into New Zealand with the acquisition of Cloudcheck, we've clearly got much more scope to expand in Asia where really we today focusing heavily on Southeast Asia. This will also include bedding down in markets we've recently expanded into such as Thailand, where we're seeing really strong interest and we've already delivered new customer wins. Secondly, we're going to deliver a next-generation cloud-enabled financial crime studio. This is going to enable us to take our fraud business to the next level. We'll be able to deliver fraud propositions at a pace that can keep up with the fraudsters in this lopsided game of chess.

We'll be capable of scaling up to handle the enormous volumes of transactions that we see in the populous markets of Asia that our financial institution customers have to deal with. And finally, as Mark said, we'll also be able to scale down to fit the commercial context of the number of fast emerging fintech that we see day in, day out in Southeast Asia. And last, but by no means least, we see a huge opportunity to deliver a market-leading identity solution for Asia, taking the heritage that we have around the rest of the world and putting it to bear in a market that has 60% of the world's population. We'll do this by bringing together components that we have in the group. We'll do it in a way that meets

local market needs and we'll do this by outperforming homegrown offerings that exist today in the market, but at subscale.

This is a market that offers huge possibilities to GBG and huge growth paths for the future of our business. Our in-market presence, our 250 talented colleagues, our knowledge of the market and our longstanding relationship with some of the marquee brands in the region give us a lot of confidence that we can deliver on this opportunity. To close out this section, I now want to introduce another of our very strategically important customers, AMP Bank. We've been partnering with AMP for over eight years. They trust us on staying on the right side of AML and other regulations in a market like Australia, which I'm sure you all know has hugely significant fines and penalties for non-compliance. Over that time, our relationship with them has grown manyfold and the latest example of that is that they were one of the first customers to take the GBG alerts product not only taking it to market but also contributing their data to help us make it an even better proposition.

Customer testimonial video transcript

Michelle Reinisch: Michelle Reinisch, I am the director of business management and financial crime for AMP. AMP is a financial services company based in Australia and we deliver wealth and banking products to all ranges of Australians. So financial crime has evolved in the last five to 10 years. It's gotten a lot more digital than historically it was because we would do things with paper and signatures and identification. So the more digital we've evolved. And in AMP, we do a lot of things digitally from an acquisition perspective. Then our problems have also changed. And so some of the things that we're facing from a financial crime perspective is that we have a lot of customers we're acquiring digitally that we need to identify. And then once we onboard them as a customer, we need to make sure that it's them that are accessing their money. And then post that, we also want to manage behaviours and attributes so that we can report to our regulators correctly on different transactions that are happening across our customers.

GBG has been really great with different technology solutions to help us across the whole of the financial crime space. If I think broader than just the technology, I've been really pleased that the partnership with GBG for me has brought a large range of global insights that then help us predict some things that will happen across Australia that may have happened in other industries across the world. And then that helps us be at the forefront of fighting financial crime in Australia, and that helps us keep our bank and our wealth business as well as our customers safe.

If I reflect on the Optus data breach, but then also the Medibank data breaches and there'll be lots of different data breaches, I have no doubt in the future. GBG were our first partner to call me on the day that there was an issue with data breaches across the industry. What that then allowed us to do is to move quite quickly to say, "So where could this go? What are some of the

controls that we need in place to make sure that, again, we keep the bank but also our customers safe?"

And pleasingly, there were a few small little rule changes that we made, particularly with some of the secondary scams that came out of that. So when there was a recent scam on text message saying, "Oh, mom and dad, I'm with Optus, can you transfer me some money to this account?" And so putting in really quick alerts that would understand or identify. And Optus transfer between our systems was one way that we put in one of the additional controls to make sure that our customers were safe and that they were safe from scams off the back of the data grid.

Within AMP, we want to make sure that we have true partners, and true partners for us is a two-way street. It's not just a service or a provider. It's someone that actually cares about our business and our customers the same way that we do. And I think that's a differentiator for GBG. I've found GBG to be a business that really cares about my problem. And they don't just bring a product to that problem, they bring holistic solutions and that's very valuable to me, like I mentioned earlier around global insights and forward thinking. So it's not just about a product or service that's here and now.

Chris Luttrell:

I love customer testimonials and that's one of my favourite ones. I love hearing them. When customers mention safety and trust and just using the word safe over and over again, it's really, really good. It's nice to hear customers reference us using these words because it's what we're doing. We're building trust in a digital world. Thank you, Dev. I appreciate you speaking here as well. So hello everyone. I'm Chris Luttrell and it's a pleasure to be with you all here today. I lead the GBG team in the Americas. I came from the IDology acquisition and I'm located out of Atlanta, Georgia. So I'm really excited to be here with you all today. The US, Dev, is the largest and most strategically important market for identity verification and for identity fraud. It represents about 41% of the total market and it's projected to grow substantially over the next few years.

So let me set the stage for you. Julie mentioned, she talked about this, the pandemic. We all know what happened in 2020 and we saw that rapid shift to digital during the pandemic. This meant that there was an instant and growing demand for the services that we offer at GBG. Identity is critical to onboarding. It's critical to onboarding legitimate customers, and companies really began to think about identity and fraud together, not so much separately anymore. When you can take care of the fraud at the beginning of the process, it actually costs much less down the line to have to handle it after you've already let a fraudster into the front door. So one thing that I know that will always... If you have a job in fraud or a job related to fraud, not being a fraudster, but if you have a job in fraud, well, I guess it could go either way, but you will never go hungry a day in your life.

There is always going to be a need for the services that we offer when we're doing identity verification and fraud prevention. So that's pretty exciting. We want you to stay on the good side of fraud, not the bad side of fraud. So every

year we actually publish a research paper that measures consumer sentiment on identity fraud in the digital environment. 76% of the customers told us, or of consumers that we surveyed told us that if they knew that an online company was using advanced identity verification solutions, they would be more likely to do business with that company. And so on the other side of that, we also surveyed businesses. And it was interesting because the businesses told us that having strong identity verification in place is a strategic competitive differentiator for them. So understanding that there's always going to be a need for what we do, and businesses are now seeing this as a competitive differentiator.

You can see really how the opportunities are really endless here at GBG and we're well-positioned for that growth. The diversity and the breadth of US businesses create a tremendous opportunity for GBG for that continued growth. And now when we combine IDology and Acuant, this means we have the best capabilities to serve this market and it gives us access to new sectors as well as those best-of-breed products. New sectors, Chris and Dev both have mentioned. Those include things like border control, healthcare, automotive services, travel and leisure. One of my favourites is gaming. I think I'm actually approved to open a casino. We can talk about this over a beer at some point, but all the licensing requirements that you have to go to in the US to be approved for gaming. So that's one of my favourite markets. But some of these markets are markets that would've taken us quite some time to penetrate, but now we're already there because of the Acuant acquisition.

So a really good benefit there. Gus and the team gave an incredible overview of our products and how our customers are using them. I'm really passionate about this. We truly have the most innovative and best-of-breed products in the industry. We're serving some of the largest businesses in the world when you hear these names that we're working with. Having that great product means that we can maximize our opportunities in the markets that we serve. For example, in the Americas, from the Acuant acquisition, we can now offer the compliance platform, document verification and biometrics and our wide range of options that Jose and Mark and the team talked about.

Jose talked about GBG GO. That gives us a much quicker way to go to market than we've ever had before. Also, having these capabilities and having the expertise that we have in staff, within our portfolio, it really provides more leverage and flexibility when it comes to pricing. We were challenged by a customer to reduce the price due to competitive pressures in the US. We were able to extend an offer with more attractive commercials and retain that customer relationship. And we're able to do that because of the capabilities in the portfolio that we have.

Consumers report fraud losses north of \$5 billion in 2021. Big number. That was almost a 70% growth from the prior year. So that's why we're really excited to bring in the Acuant AML, risk prevention offering. And when you combine that with the IDology fraud consortium capabilities, the joining of these solutions and verticals positions GBG to have the largest risk prevention solution in the

US. It also opens up opportunities for us to create more innovative product and do more within our solutions. And we talk a lot about fraud.

It's fun to talk about, but really at the end of the day, what we're trying to do, building that digital trust, but we are trying to make sure that we are giving our customers the ability to onboard their consumers in a user-friendly way so that they can drive revenue for their company. Their company grows, their company generates revenue. That equates to generated revenue for us as well. So I'm going to take a moment and we're going to hear from Michelle Prince-Glenn. She is from CentralAMS, a specialist digital platform provider for gaming in the US and they've taken on more services from us over time. So let's hear from Michelle.

Customer testimonial video transcript

Michelle Prince-Glenn: Hello, I'm Michelle Prince-Glenn with CentralAMS, formerly known as CAMS, and we are a partner with IDology and GB Group in the gambling industry. We provide identity services to various operators in casinos in the gambling industry – supporting registrations for the players of online gambling. And we are also working with the teams to provide these services across the resort now. So we're expanding from just our online presentation together, seeing how we can take our combined services and utilise these across the entire casino resort.

There are many gaming jurisdictions and not all KYC providers are approved in each jurisdiction for our clients. Having the integrations with IDology in GB Group in our portfolio allows us to offer those services to our existing clients. For example, recently GB Group partnered with me to provide their services to FanDuel in Ontario. This additional database with GB Group allowed FanDuel to take advantage of improving their player registrations during their onboarding process and improve the approval percentage of those KYC registrations, somewhere between five and 7%. This is not something that I could have done on my own, but having the integrations with GB Group and being able to bring them to the table was a value-add to our client and benefited all three organisations.

The services that you provide are going to be reliable, and stable, and that is very important, especially when we are dealing with online gaming and being able to serve our clients appropriately. Not only are we using your GBG's services in our heritage system, but also moving into our newer platform and expanding those services so that we can tackle not only the online registrations that we've been using for sportsbook and online casino for the past ten years but also what path can we build for the next 10 years and expanding our services together.

Chris Luttrell:

Another great testimonial. And that testimonial, I really like because it shows you how when we take great care of our customers, our customers are going to take us into new opportunities and new growth and they'll take on more solutions. So that's a great example. So following the growth toolkit that Dev described, we have clear plans for growth in the Americas. We're addressing sales reach and productivity by combining the Acuant and the IDology sales teams and aligning them against the market opportunities and the verticals. Our direct sales teams are now combined and they are focused on winning quality and sustainable customer sales in the mid to enterprise sector. And this is a huge market with a proven appetite to buy our solutions and respond to the unique data and fraud assets that we have. We've had some near-immediate success through cross-selling between IDology and the Acuant client base.

For example, we had IDology clients who were instantly interested in document verification and transaction monitoring when we announced the acquisition. And on the Acuant side, we had clients immediately interested in things like IDology's fraud consortium and deeper KYC checks. One of the reasons I was personally excited about this acquisition is because of the relationship that Acuant and IDology already had prior to the acquisition. We were partnered on certain products and this just made it so much easier for our go-to-market teams to jumpstart any conversations on these upsell and cross-sell opportunities. It wasn't much of a learning curve because we already knew one another's solutions and products. So we were able to hit the ground running and I was pretty excited and proud of the team for that. So let's focus on channels for a moment, channel partners, because this is where it gets really, really exciting for us.

We have a tremendous opportunity with our partner programs and this enables us to have a broader reach. Bringing Acuant into the GBG family created even more opportunities for us. Acuant had and still has a mature and robust partner ecosystem. That means we all now have that mature and robust partner ecosystem. So GBG now has thousands of indirect relationships across the world, spanning OEMs, resellers, system integrators, distributors, and more. For example, we're helping SITA implement the new check-in and security and boarding process at Newark, New Jersey International Airport. We're delivering biometric services to the SIA that are government-approved for deployment into the Italian and Spanish airports, and we're enabling TALIS to reach new markets in Latin America. We have a great new route to a further diversified market for our services, which drives further global expansion. We see the opportunity for consistent double-digit growth, delivering not only new business cross-selling and product innovation but also our own geographic expansion.

We already have some customers in Mexico, which is an emerging market, but it's also a good springboard into Latin America via our partner network TALIS mentioned earlier through selective customer acquisition and in time, as Dev mentioned, as part of the growth toolkit and M&A strategy there as well. This all really sits in that toolkit and we see the midterm growth potential with these initiatives. You should see a theme coming together here. We have the best and most innovative products, a stellar network of partners and customers and a

market appetite that will only continue to grow. The opportunities there really are for the taking.

So let's bring this all together. I love this slide. It really tells a great story. We have growing momentum, leaning in with our market-leading capabilities. It starts with making sure we've got a range of innovative products that can be consumed to meet real-world customer needs, combined with making sure we're easy to do business with, along with taking great care of our people and our customers. We have strong relationships with our customers. You've heard from some of them already today, like IBM. And we really have a team in place to build long-term revenue by upselling, cross-selling, gaining more market share and delivering the best products and results than any other company out there. We understand the local market requirements and regulations, we understand the needs and we look to expand into adjacent geographies using these same go-to-market strategies. We really have the complete package. We're enabling commerce, we're facilitating payments, we're stopping the bad guys, and we're making the world safer. And that's something that I know I am immensely proud of and I hope you all are as well because it's really good what we're doing in the world. No one else in the world is doing what we're doing today with how we're doing it. If I can leave you with anything, it's that we have the best in class products, we have an incredible customer base, and we have tremendously smart people working with us. We've got a deep expertise in our markets and a passion for our product suite and our company.

We know that we can win in this market consistently. So before I hand it over to David Ward, who will discuss how this all translates to results, I'm going to leave you with one final customer testimonial and this one is from Payfare. Payfare came to us for documents while they were using IDology for KYC, they needed to also add in document verification, so came as a cross-sell. And a really, really good example of how we can work together to bring multiple products together across the organisation. So let's hear from Sue.

Customer testimonial video transcript

Su Young Chun: I am the Chief Compliance Officer and Head of Customer Support here at Payfare. We are a publicly traded FinTech neobank located in Canada, operational in the US as well. We provide debit and prepaid cards to gig workers. Our clients include the likes of Uber, Lyft and DoorDash. So pay uses IDology to conduct identity verification. So KYC, initial sanction screening, we also use IDology to meet our Know Your Business or KYB requirements for vendors and clients.

We really rely on IDology for its speed and reliability. IDology is able to process pretty instant ID verification and we're in the business of instant pay. Our clients and cardholders always want things done really quickly, so within seconds of submitting their application details, IDology is able to assess whether an application should pass fail or be escalated for further review. We've worked really closely together with IDology to optimize our application and KYC process. We've been able to increase our auto pass rate by over 5%.

This is a huge, huge help in terms of speeding up our onboarding process for new cardholders, and also reducing the time and costs that it takes us to manually process applications. From a fraud standpoint, IDology has been really helpful as well. The IDology portal is really quick and easy to use. It's really easy for our teammates to log into the portal. We can block details such as social security numbers, and addresses of fraudulent users to make sure that they can't come back.

Payfare has been working with IDology for over three years and in that entire time we have never had downtime or an outage. Something that we can't say about, I don't think any other vendor. And as Payfare's business continues to expand really quickly, we've grown exponentially, IDology has always been there to support our rapid growth. IDology is always expanding its product base which gives me confidence that we have access to the latest and greatest offerings, making sure that we're not only doing things really quickly but that we're also meeting our regulatory requirements, reducing fraud risk, making sure that we're meeting our own internal standards of excellence. Over the years, we've increased the different services that we use with IDology. We started with pretty simple data verification from an ID verification perspective, we've added in out of wallet questions, ID scan and selfie and also KYB products.

Session 4) Delivering strong financial returns

David Ward:

Okay. Thank you, Sue. And thank you to all of our customers actually for taking time to give their contributions to the session this afternoon. Hopefully that's been very helpful to bring the story to life for everyone. I particularly like Sue's video because I think it summarises our differentiation really well. So she talks about speed, resilience and outstanding customer relationships and I think that's a really good summary, I think of what you've heard throughout the session today.

And I hope you also caught the comment towards the end there that originally Payfare were a IDology customer using data verification and KYC and that they have now taken, since the accurate acquisition, they have now taken the document solution from us as well. So good afternoon everyone. Thank you for joining us for our first capital markets event in a while now. I'm David Ward CFO at GBG. I'd first of all like to thank my colleagues for their presentations today. I thought they did a cracking job. Lots and lots of content in there, but I guess we don't apologize for that because I think that is just a sign of how much we've got going on at the minute and the opportunities that we are all excited about.

So GBG is a group that has always been evolving, but in many ways some of the changes of the last two to three years have been some of the most significant of our history. And it was for that reason that Chris and I felt that it was high time for a capital markets event, so that we could take this as an opportunity to showcase to you some of the exciting opportunities we've got that make us feel optimistic about the future and therefore underpin our ability to be able to execute on our medium-term financial plan.

As Chris said earlier, this session today isn't about the short term, whereas you know, we have faced some post-pandemic headwinds, but it is about our strategy and our medium-term prospects. So using the next few slides, my objective is to bring together for you the key themes that you have heard from the team today and explain why we see these as the pillars that underpin the financial outcomes that we expect. And of course, there will be a reminder of our medium-term financial guidance that we are today reiterating.

So those of you that are familiar with GBG will know that we have consistently said that our competitive differentiation comes from three things, comes from our data, our technology, and our people. And I think we've demonstrated to you today that it's those three things working in concert that is really our differentiation. And as you've heard from the team today, we have been busy bringing to market some exciting developments by a way of broader and stronger data sets and state-of-the-art resilient technology. And this is why we are trusted by thousands of customers globally with some of their most critical business workflows. You also heard from Chris Clark and Julie about why the structural growth drivers of the markets we serve remain strong and have a very long runway of growth opportunities for us. We can all debate TAMs and market growth rates and I think Julie did a great job earlier explaining the complexity there, but I think it's best if we just keep it simple.

Firstly, it is unanimous amongst industry analysts that there are significant structural growth drivers that will face our business through the economic cycle. And second, as of today, our markets are still highly fragmented. And while GBG is a leader in terms of scale and technology, we still only hold a very small market share. And that gives us an opportunity for us to be able to expand the wallet share that we get from our customers. And so it's the combination of these things, us addressing a large market with exciting opportunities for growth, and being confident that we are differentiated from the competition and with a strategy that will ensure we stay ahead. And therefore overall we expect gains in customer wallet share. These give us confidence in our long-term growth potential.

Our next pillar of confidence is our track record. Over the last five years, GBG has delivered mid-teens revenue growth and high-teens growth in adjusted operating profit. We have delivered that through a combination of strong organic execution and selective M and A that has not only delivered an enlarged GBG, but as you have heard today, has also significantly differentiated us from the competition. And our growth has also been delivered with one eye on resilience and sustainability. And therefore we have focused on expanding our diversification. As you've heard from the technical and development team today, Gus, Mark, Kartik and Jose, our solution set has been substantially broadened. We have moved from being a UK-based UK-centric business to a much more global business and we now derive 70% of our revenues internationally. And I particularly enjoyed the healthy competition between Dev and Chris as to whose region is going to grow fast this next year.

And we are proud of our sector diversification, where we have seized opportunities in many new markets where our solutions are increasingly becoming relevant and necessary. It is true that in 2022 we did suffer from some pain from our exposure to the cryptocurrency markets and to some internet economy customers. But in the context of cryptocurrency, it's worth remembering that crypto was only approximately 7% of our proforma group revenue last year. And actually, therefore we feel that we seized that opportunity while it was strong pretty well, and also at the same time managed our exposure far better than some of our competitors, both in terms of how deep we were involved in that market, but also some of the parties we were involved in working with. Overall, our track record and our diversification give us the substantial belief that we can continue to deliver excellent financial returns.

Our business model is not so dissimilar to many other technology subscription businesses. We see significant value and take confidence in our future from the fact that more than 90% of our revenues are repeatable. We have strong gross margins of over 70% and we have natural operating leverage. We generate strong cash flows and over the last five years we have averaged a cash conversion rate of over 100% and that is the rate at which we convert adjusted operating profits to cash flows. That gives us an excellent business framework for continued investment, and within our financial plan, we expect to reinvest the potential operating leverage that we could create to fuel further growth. The emphasis for our investments will continue to be product and technology

advancement and go-to-market resources. Since I joined GBG just over 18 months ago now, I have increased our focus and disclosure of our revenue types and I actually see our mix of commercial models as a differentiator from an investment case perspective.

Both of our two main commercial models, subscriptions and transactions or consumption, are repeatable or recurring in nature as both involve continue in revenue streams for GBG if customers want to continue to use our solutions. And combine that with the down many years of experience that we have of customer and revenue retention, and this becomes a very important pillar behind our midterm guidance. Both models have benefits and we feel that the optimum for GBG is to have a mix of the two. Different customers prefer different models as you do expect. Some like the low entry point of the transactional model whereas others prefer the certainty of availability and pricing that the subscription model gives them.

And from a GBG perspective, we like the forward visibility that subscriptions provide and of course, the proportion of our subscription revenue did increase after the accurate acquisition, but we also like the more immediate correlation between volumes and revenue that the consumption model provides. In a market where customer usage is expanding, it means that there is an immediate and directly correlated revenue impact for GBG. And over the years, this has served as very well and we feel that in certain commercial situations is the best way for us to maximize customer value.

And the final pillar that underpins our confidence is our fantastic customer base. And you've heard a bit about that from some of the other presenters today. We have many thousands of customers globally and we have relatively little customer concentration. In FY 22 we had around 40 customers with revenue in excess of 1 million pounds each. And in total these contributed 30% of group revenue. That's after normalising the crypto revenues and US stimulus revenues we saw that year. And retention in this group of customers has tended to be very high. You will see that we have a very long tail of customers where revenue is less than a hundred thousand pounds each per year and these customers also contribute approximately 30%. Overall, our customer retention has been a strength of GBG. And if we exclude the real end of the tail of small customers, say for example, all customers under 10,000 pounds per year, even in the last 12 months, our retention has been comfortably above 90%.

And net retention, which we define as the rate at which we grow our existing customer relationships over a rolling 12-month period, has been in the range of 105 to 108% for the last three years. Clearly, in the current year that has dipped given the substantial declines we have seen from just a few crypto customers and internet economy customers. But we do expect this level of NRR to return given our business model that has a number of different levers for expanding the revenue opportunity within each customer, including of course now cross-selling the accurate solutions.

At the bottom of this chart, I've laid out four real examples of where we have successfully grown our presence, with the drivers of growth ranging from upsell and pricing as we did with the top UK supermarket, volume growth from the expansion and penetration of our customers' products when we are built into their workflows from day one, expanding the use of our solutions into additional business units or geographies as we do with the buy now pay later company. And finally from our successful cross-selling through our identity, location and fraud solutions. Hopefully, those examples are helpful illustrations of how we enable strong growth from within our customer portfolio and why we have confidence that there remains a significant runway ahead. Within our medium-term guidance, we continue to expect that approximately two-thirds of that growth will be generated from existing customers with the remainder from us winning new logos.

So bringing that together, the pillars of confidence that you have heard from me today and from the team and are shown at the bottom of this slide, is why we are today reiterating our medium-term organic financial guidance. We expect revenue growth of 12 to 14%, adjusted operating profit margins of 23 to 24%, and an average cash conversion of around 95%. Clearly in the current financial year, as I've said, our growth has been below this level as we have faced into the headwinds caused by crypto and some of the volume declines from internet economy customers. And it is a bit more growth than most analysts are expecting for FY24, our next financial year. But we are talking here about the medium-term guidance or GBG's growth potential through the economic cycle. And we certainly believe these growth rates will be deliverable when we are past some of these short-term turbulence items.

Moving on to capital allocation next, our short-term focus is on repaying the debt that we took on to fund the two acquisitions that we made in our last financial year. At that point, we took our debt leverage to two times EBITDA and that still feels like a comfortable level of debt for our group. As I've said already, we plan to continue the operating cost investments that we have been making into technology and go to market resources in the hope that that will fuel future growth. And these investments are within our margin guidance that I just provided.

And just a reminder that we expense all of our R&D and technology spend, we do not capitalise any of those costs. In the last three years, in fact, we have invested more than £100 million into technology all through the P&L. We plan to maintain our progressive dividend that provides a consistent and reliable cash return for our shareholders. But given our growth plans and high cash generation, we do expect to generate surplus cash over and above that which we would pay as a dividend. And just as we've been doing successfully now for over 10 years, we would first look to deploy surplus cash to accelerate the strategy through acquisitions.

My next slide has more detail on how we think about M&A, but the key message here is that we continue to see a strong pipeline of acquisition opportunities and it is the board's view that utilising surplus cash for

acquisitions is better strategically than making additional returns to shareholders. Though of course, those do remain an option that we continue to keep under review. So to M&A, this has been such a critical component of the strategic development of GBG over the last 10 years and the board does expect that to continue. We are very fortunate that in our markets there are many potential acquisition targets and we believe that careful selection of those targets will allow us to further accelerate our strategic development.

There are two main characteristics that we look for in potential acquisitions. Firstly, a target might be able to enhance our access to new markets, new customers or new data. Or a target may bring differentiated IP that can help us bring additional value to our existing customers faster than we may be able to do organically. And often targets we contemplate would have a mixture of both components just in varying degrees. If we look at our two most recent examples of acquisitions, Acuant and Cloudcheck, Acuant offered very strong elements of both of those characteristics where Cloudcheck was primarily offering access to a new market for us.

And following the Acuant acquisition, we actually feel that right now we have filled out our technology portfolio nicely and there are no immediate or obvious gaps that we feel we need to plug via an acquisition. Hopefully you got a sense from the team today that we have plenty of exciting organic opportunities ahead for us. And in all of our contemplated acquisitions, we focus on repeatable commercial models that support profitable growth with attractive financial returns. And most critically, we look for complimentary cultural alignment. That all said, our short term focus is on repaying debt and continuing the good progress we have made so far with the integration of Acuant. So we do not expect any acquisitions in the very near term, say the next six months. But following that, we do expect our focus for M&A that would best accelerate our strategy is likely to be an acquisition that would open up new markets or customers for us. And that would almost certainly be a bolt on acquisition that we could do either from cash or from our existing debt facility.

And so in summary, my key aim for this session was to, excuse me, was to give you a good sense of the pillars underpinning the confidence we have in reiterating the medium term financial targets that we first set out just over a year ago. I do have to acknowledge that in 2022 we have been disrupted with some growth headwinds that few of us predicted, but those will be behind us, we expect at some point during this new calendar year. And none of those short term challenges take away from the longer term potential that we see for growth. And as you've heard from all of the team today, there is a lot of excitement about what GBG is going to be able to achieve.

As I reflect on this slide, which frames the fantastic journey of growth that GBG has had since 2018, Chris, myself and the whole leadership team are relentlessly focused on the opportunity between now and 2026 to be able to push beyond 400 million of revenue and 100 million of adjusted operating profit.

Q&A

- David Ward: And so at that point I'd like to close today's formal presentations and we can prepare for some Q and A. So just a few points of guidance for the Q and A, we have just under 25 minutes, because I think we said we would run until 05:00 and I think we want to be respectful of everyone's time if people need to leave at 05:00. We will close sharply at 05:00 and give you all an opportunity to go and see the demonstrations that we have set up for you.
- So if you don't need to rush off, please don't, please come and see the demonstrations, the team would love to see you. We've got the whole team available for questions. Everyone who you've seen presenting today is available and if you'd like to ask any of them any questions, please do so. I should just say, as you know, we are not talking about the short term today. We only announced our half year on the 29th of November and so there is no new news, so we are not talking about that, and therefore, for any questions on the short term, I'm afraid we are going to keep out of bounds as well at this point. So if you'd like to ask a question, please raise your hand and we'll sort you out with a microphone. When you get the microphone, if you could first, please state your name and the institution that you're representing, that would be great. And I think Tintin's hand shot up. So we'll go to Tintin first.
- Tintin Stormont: Good afternoon guys. Tintin Stormont, with Numis. Obviously, lots of talks about market leadership and winning customers, etc. Maybe phrasing the question differently, when they don't choose you, what is the reason? And maybe there are reasons why they don't choose you, you're happy because maybe it's price led, et cetera. But when they don't choose you and you really wanted to win it, where do you think the shortcoming has... Or where's the shortcoming?
- Chris Clark: Thank you, Tintin. Actually, I'm going to pass that straight onto to the two of the team that actually day in, day out are winning customers because I'm interested in their answers as well because they tell me they'll never lose. So Chris, why don't you start off and then, oh Dev, why don't you start and then Chris, why don't you follow?
- Dev Dhiman: Yep, sure, I can take that. So just a reminder, Dev Dhiman for APAC. So where we have not capitalised an opportunity, typically I think it's because we haven't positioned our solution in a way that we should. And I think actually what you've heard from the team is actually we have everything we need and sometimes we've not positioned the completeness of that solution and obviously, some of that's recently been acquired in the best possible way to customers. And when that's happened of late, what we've almost always done is gone back and had a second conversation and had a very different outcome. So that's one occasion that I can think of very clearly in Australia recently, another has been price.
- So we do obviously operate in a very, very competitive market and we are definitely not the cheapest player in any of the markets we operate. We are

convinced that we offer the best match rates, for example, in certain solutions over and above what our competitors can do. And obviously, we also have an infrastructure in market that most of them don't invest in. And so we do see prices and others challenge. And again, in those occasions, sometimes there's things we can do, Chris talked about that in the Americas of how we won that customer back, but there's other occasions that we have to walk away from opportunities because they're not profitable for us to pursue.

Chris Luttrell: Am I still on with this mic? Just use this one? Okay. Hi, Tintin. So I'm going to echo a good bit of what Dev just said. For us in the Americas historically if we did not win it might be because we didn't have a specific offering. We might not have had AML transaction monitoring or document verification, but now we're seeing businesses come to us because they know we have a full suite now of identity fraud. The document verification, the transaction monitoring really that true in life from onboarding to in life that Chris talked about initially. I would also echo what Dev says about pricing. The US is very, very price competitive... There's a lot of pricing competition and a lot of pricing pressure going on there, but we're able to address that now. We can address that in some more creative ways by having this whole toolkit and all these capabilities that we have at our fingertips now.

David Ward: Okay, next question. Julian in the middle there please.

Julian Yates: Thank you. Julian Yates, Investec. Two, if I may. Firstly, in terms of the fraud business and the fraud capabilities, a lot of chat about that alongside verification. Would there be any plans or a stage where you can integrate fraud and the ID verification businesses over the median term? That seems like something that may happen, interested in the views there. And the second one, financials, 12 to 14% revenue growth. This is looking sort of beyond the near term headwinds as you say, 23, 24% margins.

Where's the operational leverage going? If it's a 12 to 14% revenue growth business, a static 23 to 24% margin would suggest quite a lot of investment going in each year. Is that the case in terms of technology requirements? Is it a case of battle against pricing or is it just a view taken now and then we'll see how we go when we kind of get there? I noted your 26 ambition is a slight high margin than that, but maybe that's a bit of M&A in there, I don't know, just interested in that long term aspiration for the business once we get past these headwinds, we're seeing now.

Chris Clark: Thank you Julian. David, why don't I take the first and then you can take the second. So firstly, in terms of identity and fraud coming together, I think one of the key points you've heard all of us from Julie actually right through to all the team talking about fraud. When we talk about fraud, we aren't talking about the fraud solution that we describe investors in terms of X growth rate, we're talking about all of our solutions helping prevent fraud, whether that's from a plan or address, right through to deeply sophisticated AI technology.

So actually fraud is the biggest driver of all of our solutions. Point one. Point two, is actually in reality today our business is combined. So we run identity and fraud as combined capabilities today in the markets. We report them. I've said this, been asked this question a number of times, been asked this by a number of investors, we report them separately candidly, because it's a moment of history, and actually, dare I say it, especially with my audit chair sitting in front of me, our orders didn't want us to change reporting too often. So actually how we're managing it on the ground, how we're managing it in front of customers, which matters most, is integrated today.

Julian Yates: Thanks, that's helpful.

David Ward: Yeah. And on margins is good question Julian. And I think that the short answer, I'll give the longer answer, the short answer is, for the window over which we're covering by the presentation today. So the medium term, we do expect that level of investment to be going back into the business. So the longer version of the answer is that actually we see, as you've heard today, so many opportunities for growth and it is still a highly fragmented market that I think we are best placed strategically at the minute to continue to invest technology, bringing the products together, better solutions for customers, new go to market resources in new geographies as Dev talked about, let's chase the extra growth.

Chris Clark: I think there's one other point that I think is just worth noting and possibly you've all kind of reflected a bit on this and perhaps we don't talk enough about. A point that actually I've articulated a bit in the past, but I think Julie articulated it incredibly well today, which is one of the reasons we thought having someone external talk about the market. What we have to all remember is fraud is a fact of life, and it's only getting worse, which I think is awful for all of us as individuals, but it is a fact of life through the digital society that we're moving towards. The bad actors are unbelievably good at what they do. The reality is, to remain relevant and current and continue to grow for multi-years as a supplier in that industry, you have to keep investing hard because otherwise your technology and products become legacy very quickly and don't serve today's problem.

David Ward: Okay, next question. Where should we go next? While we're in the middle, can you pass it along to Andrew for me?

Chris Luttrell: Sure.

Andrew Ripper: Cheers. Thanks. It's Andrew Ripper from Liberum. I've got two if you'll indulge me. So first one, GBG Go. Jose sort of talked about it at the end of his section. I just wondered if you could take a couple of minutes and just go back over what that product is, and what you feel the opportunity for it is, maybe referencing also the digital and self-service opportunity.

Jose Caldera: Sure. So GBG Go, is a no-code platform that allows to basically do three fundamental things. First off, it allows us to describe the journey of identity, and

what it means to take identity from one form to another form throughout the life cycle of that end user. The second thing it allows us to do, is to orchestrate services such within that journey, we can bring those services and the value of those services at the most important part of that journey. The third thing that allows, is to give statistics and give data back to our clients, as to how that process works and how they can optimize the process for applying that value and those services into the user experience.

The second part of your question as to what that enables to do, there are two things that I think are fundamental. One is there is a side of the market that is struggling with two things. One is, finding the technical resources to deliver their solutions and their applications to market, a no-code solution in the future, a low-code and API towards Go, is going to allow them to be able to bring those services to market with less use of technical resources.

The second thing is that many clients have a requirement to go to market much faster. What that means is that, they need to reduce the time upon which they take to develop applications, and Go allows them to do that because of the capabilities of the low-code and no-code. So I think those are kind of the two things.

So what we're doing is expanding our capabilities of reach into markets that now are having those deficiencies. That doesn't mean that it's going to replace APIs or it's going to replace all the other things that we do, it's going to go and enhance our capabilities so we can add more clients to our portfolio. Does that sense?

Andrew Ripper:

Yeah, thank you. Is it possible, I'm not asking for a target revenue number, but just in terms of trying to understand roughly quantitatively, what the sort of opportunity is and also that sort of digital self-serve opportunity? I've got no idea how significant that could be if we look out to 2026, could it be a meaningful contributor to growth over the next four years?

Chris Clark:

It is a great question. We are absolutely not going to give loads of detail on that, partly because I think a key point that Jose mentioned, in this whole presentation actually is, what we are really striving to do is offer customers today and customers tomorrow, different ways of accessing our services, because the reality is not only by size of customer, so from a small business to a very large global enterprise, but actually depending on the sector and a number of other sectors. We absolutely believe that there isn't a one size fits all model.

So exactly one of the reasons that we can never be that definitive on Go is, how many larger enterprises will use it as their orchestration. That's a really simple example. You heard Julie talk about the battleground being around orchestration. I think it's still early to say whether large enterprises will continue to onto orchestrate stuff themselves, or will look to third parties. So it's very difficult to be very precise about it.

The other reason it's quite difficult to be precise about it is, Jose mentioned in his presentation that it offers one of the things that we are really excited about is, it offers a low risk, low cost easy deployment model into new geographies. Now how successful that is will be dependent less on the technology and lots of other factors. So we're not going to give specific numbers around it because candidly we don't know. What is really important is, we think strategically it's a critical part of the jigsaw puzzle.

Andrew Ripper: Thanks Chris.

David Ward: I think the final comment I would make on Go is, as Jose advertised nicely, he will be doing a demonstration shortly. So it is honestly the best way to understand it.

Chris Clark: Yeah, that's true.

David Ward: And I think the instruction Jose had was keep it to five minutes. So even if you're in a hurry, go and catch that before you go. Did you say you had a second question?

Andrew Ripper: If you'll allow me, I mean I don't want to take somebody else's questions, but I do have another one.

Chris Clark: There's only two more hands flying around over there.

Andrew Ripper: So the second one, I made the point I think Chris on the call on the interims, that as your growth slowed in the last 12 months, it's been quite difficult to get a sense of how you performed compared to peers, given that a lot of those peers are privately owned, and the bureaus obviously are very large and fraud is a relatively small proportion of their sort of business. How have you thought about that as 2022 evolved? Can you give us a sense of how you think you've performed versus those peers? Thanks.

Chris Clark: Yeah, I mean Andrew, thank you for the question and as you said, we had this discussion for those who were on the half-year call on the 29th of November. I think it is actually one of those really unique challenging situations that we have, and I know you all must have whichever, sell side or buy side, which is in reality we don't have any other publicly listed business that looks like us. In fact, I would say for people who don't know, the closest is MiTek in the United States.

But actually, in reality, MiTek in the United States have a relatively small identity business and a legacy cash-checking business, which is a cash cow. So actually... And they do pull out the numbers slightly, so even they are quite difficult to tell the difference.

And actually, when you look at the three bureaus, or even dare I say it, LS, London Stock Exchange Group, there's Refinitiv where we compete with them a little bit as well or even RELX Group where Lexus Nexis resides. It's impossible

whether you look at those five populist companies, Experian, Equifax, TransUnion, RELX Group or LSEG, to actually work out in our space. So it is actually impossible to from public information.

We clearly are in a very fortunate position that, whether it's those companies or all our private competitors, VC or PBAC, we hear a lot more in terms of market chatter. We're actually a relatively small industry, as you all know, we tend to have a compete collaborate model anyway, and also people talk.

I think I'll summarise because there is public information out there, I'll summarise to say, and I think David covered this perhaps quite subtly in his update, now what we do know when it comes to the last 12 months is, a number of our privately held customers, and Julie might have more information than me on this, have really suffered from crypto, really suffered. Now we've felt that we've suffered and I'm sure a number of you feel you've suffered as well. But yeah.

And I guess that's demonstrated where in the United States, a number of our competitors have laid off quite big chunks of teams in the last six months, and in fact, two at the start of this year.

Andrew Ripper:

Thanks Chris.

David Ward:

Okay, I think Kai, you had your hand up first so I'm going to come to you next if that's all right

Chris Clark:

Thanks. You've confused me. We're going that way

David Ward:

Strictly first come first served. Yeah, To the end of that. Right.

Kai Korschelt:

Thank you. It's Kai at Canaccord. Just a couple of questions. The first one was around pricing pressure, which seems to have been a recurring theme, but we've had it mentioned a couple times in the presentation, and I guess in an environment where a lot of enterprise software company and IT service companies have been able to increase rates and have CPI kickers, how exactly does it manifest itself in your business? And then also, to continue from that, how much average price pressure across the portfolio have you baked into the 12 to 14% revenue growth assumption going forward? That was the first one.

The second one was around regulation. Are there any upcoming new regulations in any of your major geographies, that might help you or boost demand for any of your products or solutions? Thank you.

David Ward:

Sure, I'll take pricing first, but I'll see if there are any volunteers from the commercial team to see if they want to get involved as well. But I think on pricing it has been a topic that a lot of investors have wanted to ask us about, and probably starting with the half-year announcement where we had some questions on that call.

So pricing is different across different regions, different solutions and even in different sectors. So there isn't one answer that I can give you to it. We have enjoyed some success this year in parts of the business, and we've been able to put through successfully some price increases. An example there particularly is the Loqate business, they've had good success this year and have driven some growth from that. That's not... By no means, that's not the only place where we've seen some price increase.

And then trying to pull out a few more general points, I think as Chris and Dev particularly have highlighted in identity, it's tough. We are a more premium priced, we think premium quality product, and there are lower cost options out there. When in times where some customers have faced a few more challenges, that has been... we have seen a bit more of that in the last year.

But I think as Chris I think did a great job in illustrating with the customer that she said that we got a challenge from, it's I think the easiest way to think about pricing is not on a like-for-like basis. If you think about us providing the same service as we did to a customer three years ago, then we probably wouldn't have been able to increase that price. And in fact, we might have faced some deflationary pressure. What's much more likely is that we'll be talking to that customer about additional data sets or additional layers of identity proving that will allow us to be able to push that price up.

And so that's where it gets quite complicated. But I'll just see if anyone else wants to add to any. No? Okay, great.

Chris Clark:

And then on the second point, it depends how much detail you want to go to. I can go to a really high level, but we also actually, we've got four of the executive team at the back. We've also got our chief legal officer who can go into a lot of detail if you so wish, or Gus is also an expert.

But actually, I just think depends on the timeframe, but at a high level yeah, there are significant regulatory tailwinds. If I was to pick probably three big ones that we see over the next 12 months that we think will help, albeit some of them move very quickly, absolutely liberalisation of sports betting in the United States. As we've heard from Chris and from one of our customers in Canada, which we've heard from Gus and one of our customers and South America is about to happen. We see it as a significant regulatory tailwind. Dev touched on it, there are very strong regulatory tailwinds across Asia, and places like Indonesia where they're bringing in new regulations. So that we think offers a significant opportunity.

There's always additional regulation around financial services in each of our markets, but actually, partly to be a bit controversial, perhaps one of the big unknowns is what happens to regulation in crypto, because we talked to you a lot about crypto. We're all down on crypto, but if crypto gets a regulated market, it could be very interesting. And of course, we all know people like the FCA and all around the world are talking about how to manage that. So those

sort of macro trends, that's how we think about it. But we can go into a lot more depth if you so wish.

David Ward: Ah, you've got the microphone. You're next then Brandy.

Bridie Barrett: Thank you. It's Bridie Barrett from Stifel. I'm borderline embarrassed to ask this question now, because you've been pushed quite hard on it already. But the messaging that's coming across quite clearly, is that you think you've got best in class technology across the various different areas. But we have also heard that you are having to walk away sometimes from deals because you can't make them profitable. So I just wanted to understand a little bit about that sort of quality price balance, and whether or not you think you've got that right. And why is it that the competition can make some of those deals work?

Chris Clark: I think it's a really easy answer. It's because the people we lose to on price, they're not focused, on profitability. It is not the publicly listed companies that I reeled off. It's all the other ones. And as much as they might have a little bit more focus on cash, the reality is they all lose a hell of a lot of money.

Bridie Barrett: And do you feel that the sand is shifting there a little bit?

Chris Clark: No, not at the moment. We're not seeing that candidly. We're absolutely seeing as one would expect, particularly in the US at the moment, I think Europe will follow, we're seeing them tighten their belts in terms of reduced marketing spend, reduced hiring, firing, but they're not moving from price. Why they're not moving from the price in our opinion and that of our sales teams, is because that's the only reason they can win and they're still committing to growth to their investors.

Bridie Barrett: Thanks.

David Ward: Good. If you could pass it forward, I think we'll just take one more question.

Chris Clark: We've got a couple more.

David Ward: Oh are there? Okay.

Chris Clark: Yeah, James. We are promising we're closing at five pm.

Charlie Brennan: It's Charlie Brennan here from Jefferies. Can I just continue on this question of competition, and I was wondering if you can give us some metrics around maybe your win rates that you are seeing, because there are certainly private competitors that are growing faster than you. You can't rely on them becoming financially rational to restore balance in the market. At what stage are you forced to compete? And if you're not seeing any particular change in your win rates, are they just seeing different opportunities to you, and does that mean you just need more feet on the street to be able to see those opportunities?

Chris Clark: In the interest of time, and happy to talk further about this afterwards, but in the interest of time because I'm conscious people have had their hand up, giving a group-level metric on win rates is actually slightly irrelevant because it does vary so significantly from geography and solution. But I think it is fair to say, we're seeing improving win rates.

Absolutely, we don't win everything for lots of different reasons. And absolutely, we absolutely recognise that some of our privately held competitors are growing at a good old clip. Actually, exactly what numbers they're growing at, you're doing better than me if you can work it out because there's a lot of smoke and mirrors that comes out of that community. And I saw Julie smile when I just said that. So yeah.

But if you look at a few of them, they are going after opportunities and sectors that we are not because we are focused on sustainable long-term growth and making money. They've got a different playbook, they're looking to grow fast and then IPO and flip or flip the business. So they're playing different playbooks. But we're okay with that. Our own view is long-term. Actually, I don't think that all of the privately-held competitors that lose money today, will go out of business. Some of them are very good businesses with very good technologies, and we do think that their emphasis will evolve over time.

But yeah, that's fundamentally the reason. And actually crypto is a good example. We got 7% of growth, it was a nice growth driver, but I can tell you in fact, one of the big well-known privately-held companies, and I won't say who, we know that 70% of their businesses are from crypto. So their growth numbers in the last 18 months would've been pretty good. Sorry, the last 12, are less good.

David Ward: Yeah. The one other comment I'd make Charlie, there is, that situation hasn't changed. If we were standing up here 18, 24 months ago, we'd have been talking about price competition from lower cost, lower sophistication competitors. So what you shouldn't do, is link that with the fact that we've been growing more slowly in the last year. We've explained why we've been growing more slowly. It's not to do with competition.

Chris Clark: Yeah.

Charlie Brennan: And just if we accept then that there's a faster growth, higher risk, less attractive market for you as part of the market growth dynamics, and if we accept that you're going after the more stable, potentially lower growth segment of the market, how do we get comfortable that the market that you're in, supports the growth that you're targeting?

Chris Clark: So the reason that these guys are winning at some of those markets, is because of price. So it is not that we don't have a solution, it's just offering it at a different price point. How do you get comfortable? I hope whether it is hearing it externally from Julie or from the team, it's because of the number of significant growth opportunities we have, whether that's geographic expansion,

sector diversification or most importantly, is expanding our capability set and therefore upselling and cross-selling that.

David mentioned it right at the end and we've got... we're in a big market, very difficult to define how big that's growing well, very difficult to define exactly what speed it's growing at, and in that we are a leader, but our relative market share is small. And that isn't just these few areas. So that should give us all comfort, I think, that we can grow at those rates. And looking back as well because let's be honest, you look at the last 10 years of GBG growth organically and inorganically, if you take out the last 12, we've gone at those levels.

David Ward: Okay. Thanks for the questions Charlie. So over to that side.

Chris Clark: James.

Chris Clark: There's one more thing.

James Zaremba: Hi, it's James Zaremba, Barclays. Two questions on growth, unsurprisingly. So on your forecast growth, how much would you define as being within your control, so things like cross-sell, up-sale and new customers, versus expected market growth at your existing customers?

And then the second one on new business, I think in the last couple of markets there might have been, Chris mentioned, a lot of businesses still doing things manually. So on that new business, how much are you winning from competitors versus, I guess, people who maybe aren't using a provider?

Chris Clark: So I'm going to try and be conscious now we've overrun our five o'clock and that beer is warming up, I promised that'd be my bribe to stop questions.

So on the first question, James, broadly, if you think about our growth over time, as David articulated in his, we expect about two-thirds of that growth to come from upsell, cross-sell and customer growth, and then a third from net new. I mean one of the dynamics that we've absolutely seen evolve over the last five years is, if you think about existing customer growth, if you've got a customer doing really well, you don't have to sell a whole lot more to enjoy that.

So actually, we feel relatively lucky that actually in a market where we're going to see less of that in the near term, we have a broader capability set. So actually we can offer more services to offset the slightly lower growth from customers. I think an important point though is, even through all cycles, what we've tried to show today actually in our customer testimonials is, we work with a range of customers. And irrelevant of the different cycles, we'd expect some of those to do well. And so that hopefully broadly covers that.

And the second point, and I distracted myself by mentioning beer, what was that?

David Ward: It was about the share of new customers where you're winning from a competitive versus greenfield.

Chris Clark: Yeah, sorry. Yeah.

So I think if you mentioned that I made a comment in the last couple of markets today, which was December 19, most of our wins been greenfield. I think actually you should ask all of our regional leads afterwards for their view, but I think it's fair to say that has evolved. But I'd still say that two-thirds to a third now, two-thirds being greenfield and the third being competitive win-backs. And the good news is, we're winning off the competition.

And again, the reason... And we do think that will evolve over time as well, but it's still a lot of untapped opportunity in the market out there, particularly when you look at new geographies and new sectors.

And to close, one right in the middle. Hi.

Advika Jalan: Hi. I am Advika Jalan from Peel Hunt. So just two very quick questions. The first is in terms of your target channel mix. So over the medium term, how do you expect this to evolve in terms of sales?

And secondly, you highlighted that you do see significant greenfield opportunities in new geographies, but say in the US where there would likely be many ac[inaudible] Acuant customers who are using providers other than GBG for their data verification purposes, what are your plans to win those customers? And could you provide them certain cost benefits in switching over to the broader GBG portfolio?

Chris Clark: So Chris L, do you want to take the second one as it is about the US.

So the first question I think was around, Dev talking very articulately about our three core chance to market direct partner Self-serve, and today we're broadly 70-20-10. So broadly 70% direct, 20% channel and 10% self-serve. We absolutely believe that if you fast forward three to five years, we'll see less of that coming from direct. How much less, would be a slightly dangerous thing to predict, but we'd expect self-serve to grow substantially, particularly solutions like Go.

So I think if we expect that over time, I wouldn't want to point at an exact timeframe, but we'd expect them to actually be relatively even in size. I just had to think about it strategically.

Chris Luttrell: Yeah, and from a solution standpoint, there is a tremendous opportunity with the Acuant customers to take on more GBG solutions. And we're already seeing, we're already realising that through some of our Acuant customers now taking on Loqate, or taking on more of the ideology solutions, or ID3 with the European data that we have there. So it's already... It was a near-instant thing that began happening once we announced the acquisition, where we had

customers just coming to us and saying, "We want this, we want that," and starting to really pick out things from the GBG portfolio that we have.

So did that answer your question? Okay, great.

Chris Clark:

Okay, we're going to wrap up as we've overrun.

So look, firstly, thank you all very much for taking the time out of your busy schedules to come and see us. Thank you also to everyone who's joined us virtually. I last heard I suspect not the case now, but we did have at one stage nearly 170 people signed up online. So I hope the technology worked and you got the sense. So thank you all very much.

Thank you also, David mentioned it, but from my perspective, thank you very much for the GBG team. I'm sure you all appreciated it, David and I get the pleasure of doing this more often, but for the team, this is a different audience. So I thought they did an absolutely terrific job. So thank you all very much.

I guess we'll finish, for those who... finish by selling the demonstrations. But actually, if there's a message we would like you to take away, it's this.

Firstly, we recognise that we are all operating and living in tumultuous times. We also recognise that in the last 12 months, we've been hit with our own short-term challenges driven by two end market-specific issues, particularly crypto and to a lesser extent, the internet economy. But what today is all about is, on behalf of the 1,300 GBG team members around the world, we are all incredibly excited about what the opportunity holds.

Why? We're operating in a great market. If you're in fraud, to quote Chris, you're not going to go hungry. We have exceptional and unique capabilities, and most importantly, we have a team that will deliver over multiple years.

So thank you all very much for coming, and look forward to seeing you in the demonstration shortly. Bye for now.