



Your Swiss Bank

Acquisition of Byjuno AG and Q3 2022 trading update

30 September 2022

Acquisition of Byjuno

In line with strategy and with a compelling economic rationale

Transaction highlights

Cembra to create the leader in invoice payment solutions

- Acquisition of Byjuno AG, an major provider of invoice payment solutions in Switzerland, from Intrum AG (Switzerland)
- Combine Byjuno and Cembra's subsidiary Swissbilling with the aim of creating compelling solutions in online and POS checkouts for pay-by-invoice services in Switzerland
- Cembra and Intrum AG to cooperate on BNPL debt collection activities and credit information
- Purchase price of CHF 60 million financed through excess capital available in cash and debt

Q3 trading update

Cembra's positive performance continued in the third quarter

- About +1% net financing receivables growth in Q3 2022 expected
- +3% net revenues in Q3 year-on-year, with fees about +10% due to cards and BNPL
- Growth in credit card revenues progressing as expected in Q3, +8% vs previous year, supported by the successful rollout of the new credit card range Certo since July 2022

Outlook

2022 outlook and mid-term targets confirmed

- FY 2022 net income not materially impacted by the transaction
- Net income contribution of at least CHF 6m p.a. from 2023 on, excluding one-off integration costs of CHF 4–5m to be incurred over 2022 and 2023
- About 1.0 percentage point impact on the Group's Tier 1 capital ratio at time of closing (expected in Q4 2022)
- Overall outlook and mid-term targets confirmed

Agenda

- 1. Transaction highlights**
2. Q3 trading update
3. Outlook

Appendix

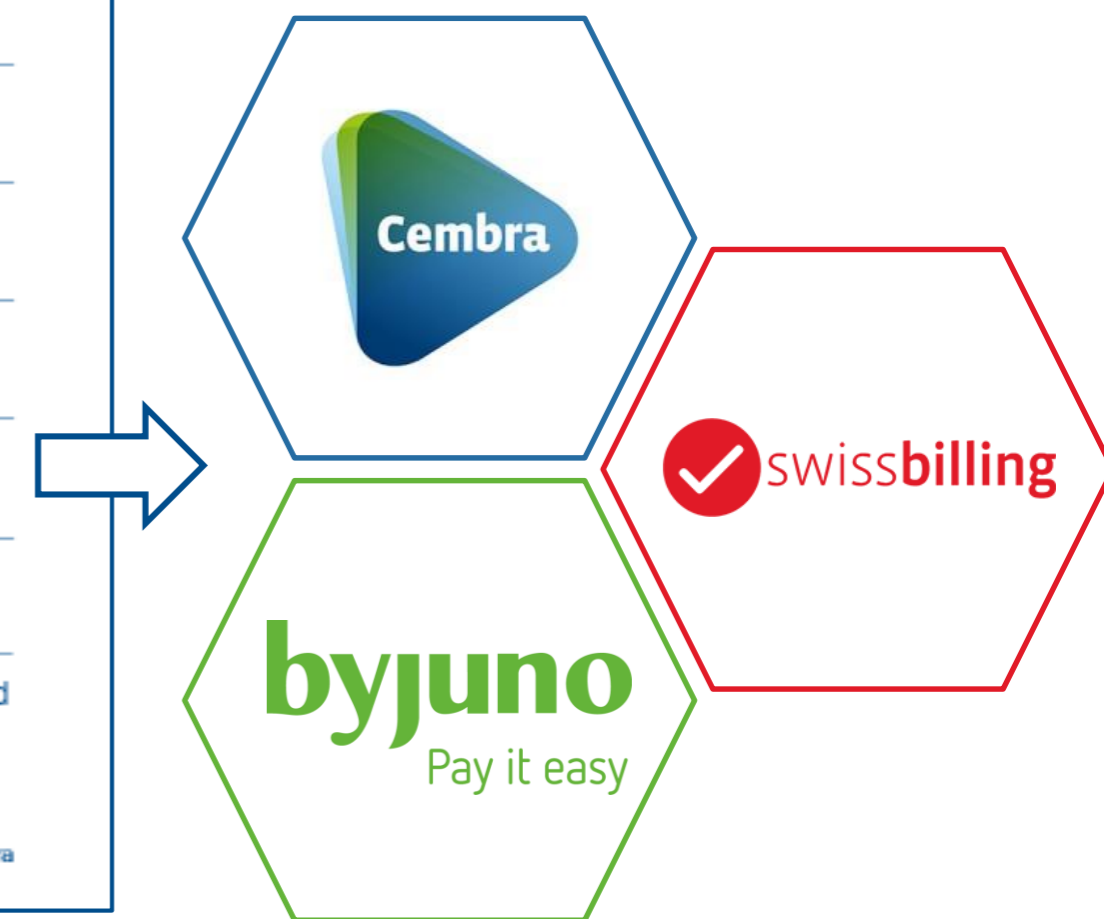
Cembra strategy until 2026

An excellent strategic fit to accelerate growth in embedded finance

Strategy 2022 – 2026 Reimagining Cembra

Strategic ambition	⇒ We will leverage technology to deliver the most intuitive customer solutions in consumer finance
Core	⇒ We will draw on the strengths of our world-class credit factory and our market leadership in selected markets
	⇒ We will radically simplify our operating model and we invest to transform our technology landscape to further improve customer service and reduce the cost base by more than CHF 30 million
Strategic programmes	⇒ We will further differentiate our value proposition and enhance our market reach
	⇒ We will drive embedded finance solutions across products and channels, and we will leverage Swissbilling to grow our 'buy now pay later' business
	⇒ We will foster a customer-first mindset and create an agile and learning-oriented organisation in which people work together with confidence and trust
Financial targets	⇒ We will target an ROE of above 15% from 2024 onwards. We will aim to deliver an increasing dividend, supported by a cumulative EPS growth of 20-30% until 2026

36 7 December 2021 Cembra Investor Day - Updated strategy 2022 - 2026 Cembra



Embedded finance

Ongoing gradual shift to financing at purchase and post-purchase

Instrument	Description	Traditional money lending	Embedded finance		Embedded finance presence
		Pre-purchase	at purchase	post-purchase	Cembra
Personal loans	Unsecured loans	✓	✓		●
Auto leasing and loans	Leasing/loan product tied to vehicle	✓	✓	✓	◐
Credit card, revolving	Variable terms on credit card balance	✓	✓	✓	●
Credit card instalments	Card-based; traditional personal loan terms	✓	✓	✓	◐
Invoicing Processing	Deferred payment typically after 30 days		✓		●
Buy Now Pay Later	Deferred payment, partly subject to CCA ¹		✓		◐
Other	Object-bound loans, asset leasing (non-Auto), asset renting, subscription etc.				◑

¹ Not subject to Swiss Consumer Credit Act as long as less than 3 months, < CHF 500, or interest-free for end-user

About Byjuno

A leading provider of invoice payment solutions in Switzerland



About Byjuno



- Registered in Zug (Switzerland) and founded in 2014 as a fintech start-up by Sweden-based Intrum AB
- 41 employees (FTEs), including a highly skilled team of 26 (mainly IT) in Riga, Latvia
- Partnerships with 170 online and offline merchants, including purchase on account with monthly invoice for Swiss Federal Railways (SBB)
- Serving 1.5 million active customers, and 6.5 million transactions processed in 2021
- Profitable business with revenues mainly from service fees from merchants and end-customers
- Innovative technology and scalable platform

Combined key financials (FY 2021)



CHF m (except FTE) , Byjuno: management accounts

			Pro forma combined
Billing volumes	317	408	725
Financing receivables	65	39	104
Net revenues	11	16	27
Provision for losses	2	3	5
Operating expenses	7	8	15
Net income	1	4	5
Employees (FTE)	36	41	77

Commercial proposition

Broader range of invoice financing and billing solutions

Invoice financing and billing solutions

Product/service	Description		
Billing as a service	Service provider for outsourcing of billing transactions	●	○
Short-term financing (payment after delivery)	Typical invoice with 20-30 day payment term with optional partial payment	●	●
Monthly invoice	Monthly invoice with consolidated transactions, and digital onboarding	○	●
Wallet	Virtual wallet with interest charges, for flexible repayments	○	●
Long-term financing	Instalments with flexible repayments without interest charges for customers	●	◐

○ No area of focus / expertise

● High area of focus / expertise

Product functionality and sophistication

Transaction rationale

Create a leading provider of invoice payment solutions

Attractive financing portfolio

- Constant revenue growth
- Strong profitability

Complementary

- Full service product suite (embedded finance)
- Full area coverage in Switzerland

People

- Skills and expertise (including significant offshore IT expertise in high-demand skills)
- Cultural fit

Scale benefits

- Compatible IT platform
- Collection

Capital redeployment

- Efficient use of capital
- Tier 1 capital ratio >17%

Net income contribution

- At least CHF 6m p.a. from 2023 on, excluding integration costs

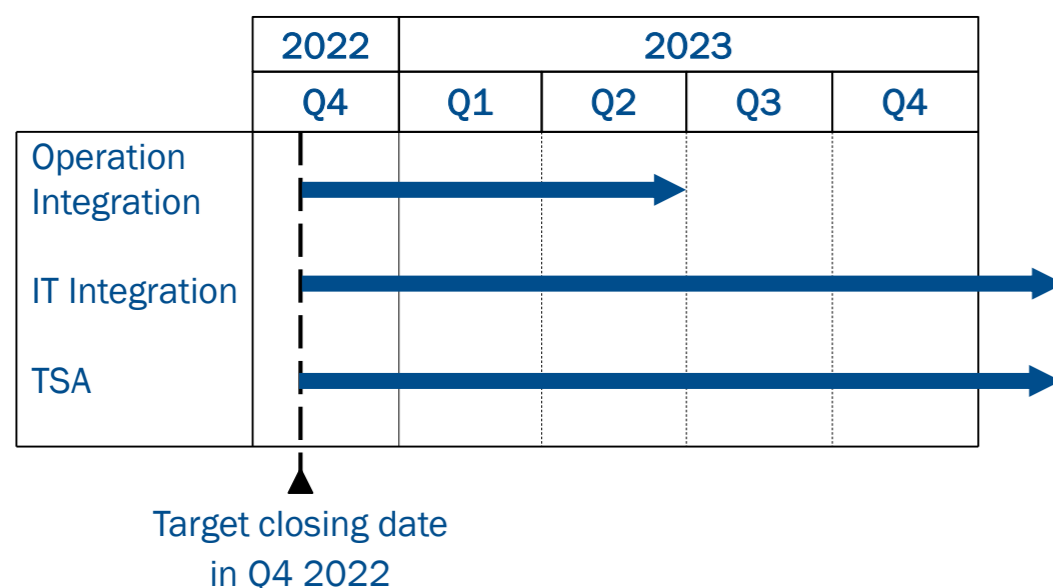
1 IT and platforms are compatible, and no impact on Cembra's Operational Excellence and Business Acceleration strategic programmes

Integration

Byjuno and Swissbilling

Integration plan

- Integration plan in place, including agreed transitional services agreement (TSA) with seller



Combining businesses

- Current CEO of Byjuno to be appointed CEO of the combined business
- Convergence towards one market strategy and product offering
- Implementation of BNPL collection agreement in place with Intrum AG (Switzerland)
- Prepare legal entity merger

Combining systems and culture

Systems

- Use “best of two worlds” principle
- Joint forces of IT teams in Switzerland and Riga

People

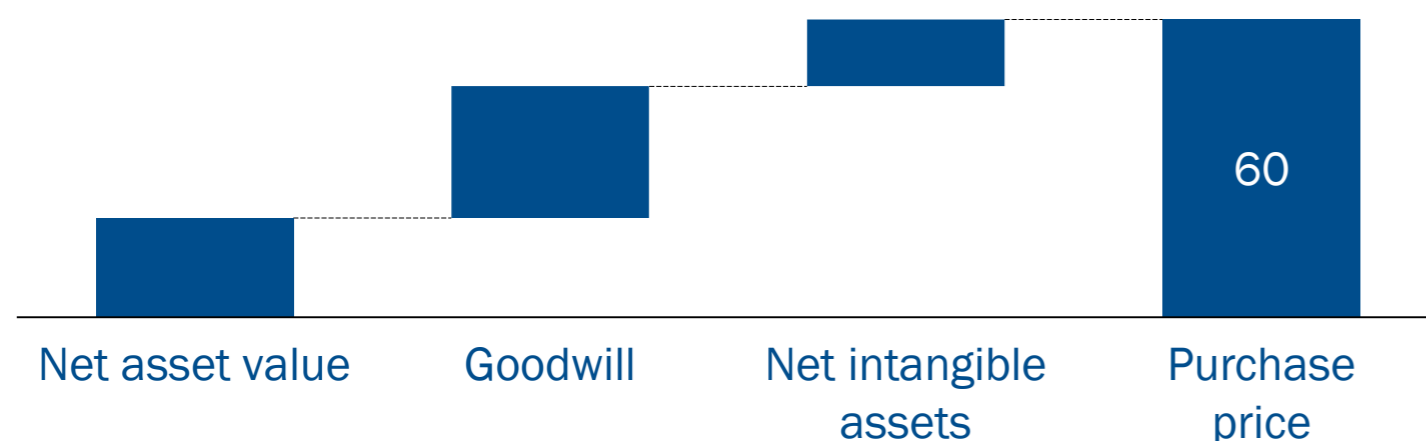
- Build on existing experience and skills
- Great Place to Work – attractive working conditions

Financial implications

Enhanced return and earnings per share through redeployment of excess capital

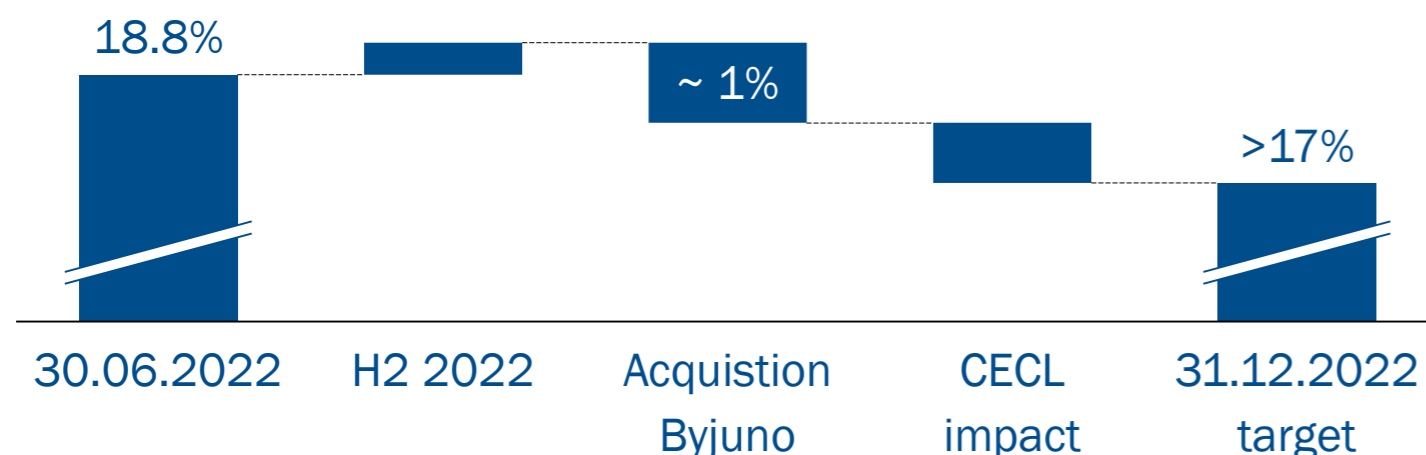
Purchase price allocation

In CHF m, estimated allocation



Tier 1 capital ratio

As %, impact on statutory consolidated financial statements



- Acquisition of a profitable business above 15% ROE target
- Annual incremental net income of at least CHF 6 million expected from 2023 on, excluding one-off integration costs of CHF 4–5 million to be incurred over 2022 and 2023
- Financing of purchase price through excess capital available in cash and debt
- About 1.0 pp impact on the Group's Tier 1 capital ratio at time of closing (expected in Q4 2022)
- Impact of CECL implementation unchanged (total expected one-off impact on the Tier 1 ratio of 0.6–0.9 pp for the financial years 2022 and 2023)

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Q3 trading update

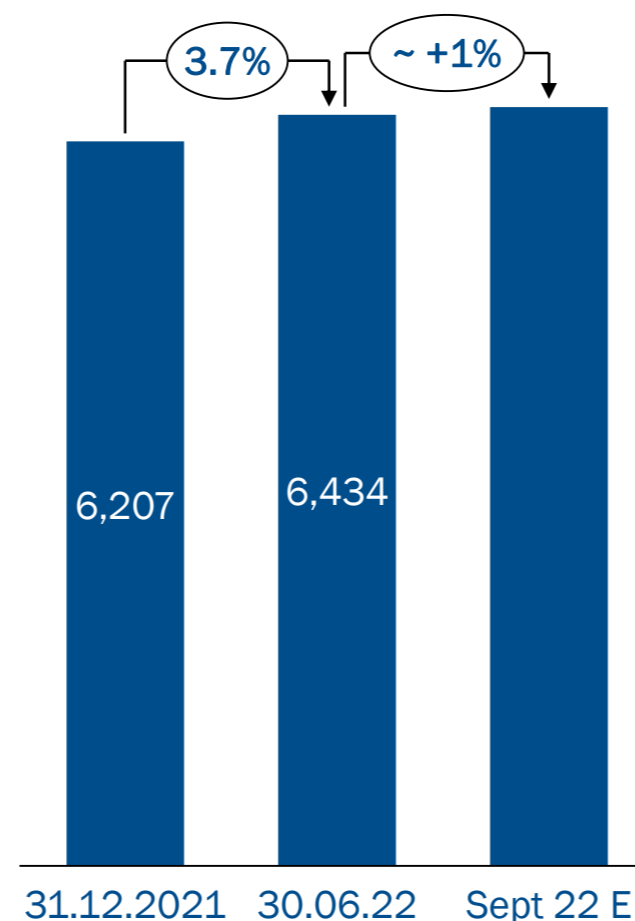
Continued strong business performance in Q3

Highlights (Q3 outlook estimates, unaudited)

- About +1% net financing receivables growth in Q3 expected
- +3% net revenues in Q3, with fees ~ +10% due to cards and Swissbilling
- Growth in credit card revenues progressing as expected in Q3
 - Cards revenues +8% vs previous year, and in line with pre-covid levels
 - Rollout of new credit card range Certo! continues to progress successfully and according to plan

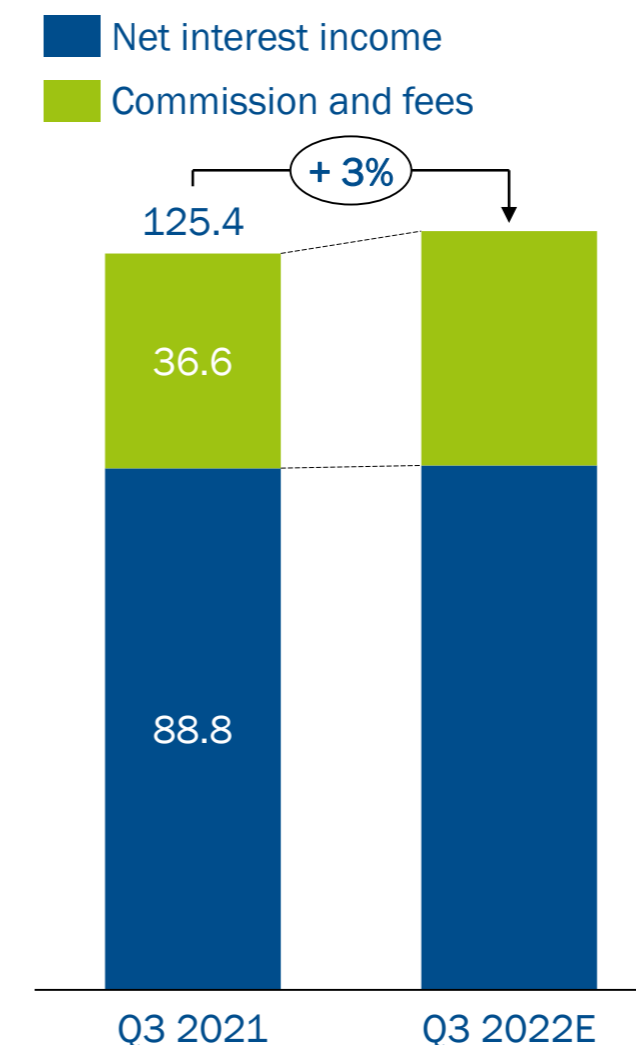
Net financing receivables

in CHF m



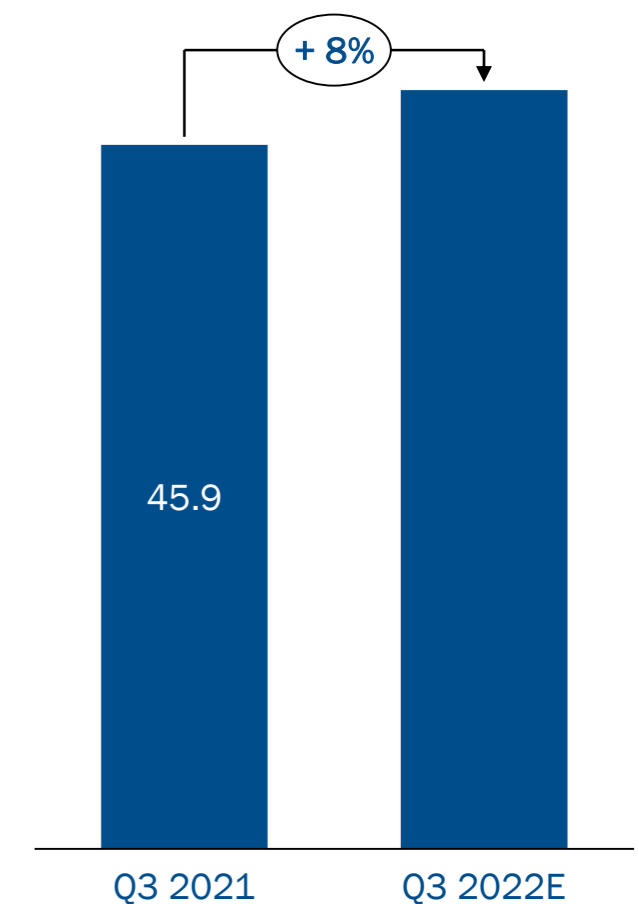
Net revenues

Q3 (3months), in CHF m



Credit cards revenues

Q3 (3 months) in CHF m



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Outlook

Unchanged outlook

Outlook¹

Deliver on strategic milestones

- Press ahead with credit cards transition and migration to Certo!
- Continue repricing measures
- Deliver on operational excellence
- Develop digital and agile skills
- Prepare launch of the digitally integrated payment solution with Twint for summer 2023

Transaction impact

- Confirmed CHF 10-20 million net income contribution from BNPL by 2026 at the latest
- Unchanged outlook for 2022 and 2023

Financial targets until 2026

<p>ROE</p> <p>2022-23: 13-14% 2024-26: >15%</p>	<p>Tier 1 capital ratio</p> <p>2022-23: >17% 2024-26: >17%</p>	<p>Dividend per share</p> <p>for 2022: ≥ CHF 3.85 for 2023-26: increasing²</p>
<p>Financing receivables growth</p> <p>1-3% p.a. / in line with GDP</p>	<p>Cost/income</p> <p>2022-23: stable 2026: < 39%</p>	<p>Risk performance</p> <p>Loss rate ≤ 1%</p>
<p>Cumulative EPS growth</p> <p>20-30% until 2026</p>		

¹ Assuming the Swiss economy continues to grow in 2022 | ² Based on sustainable earnings growth

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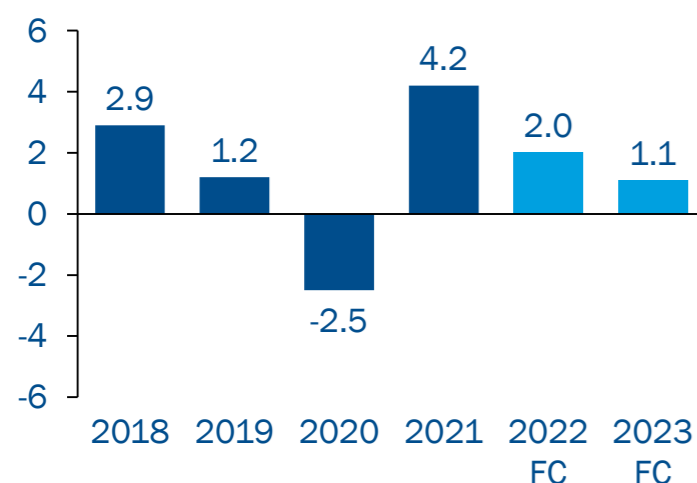
Appendix

Macroeconomic outlook Switzerland

Current 2023 forecasts: GDP +1%, inflation 2%, unemployment 2%

GDP in Switzerland

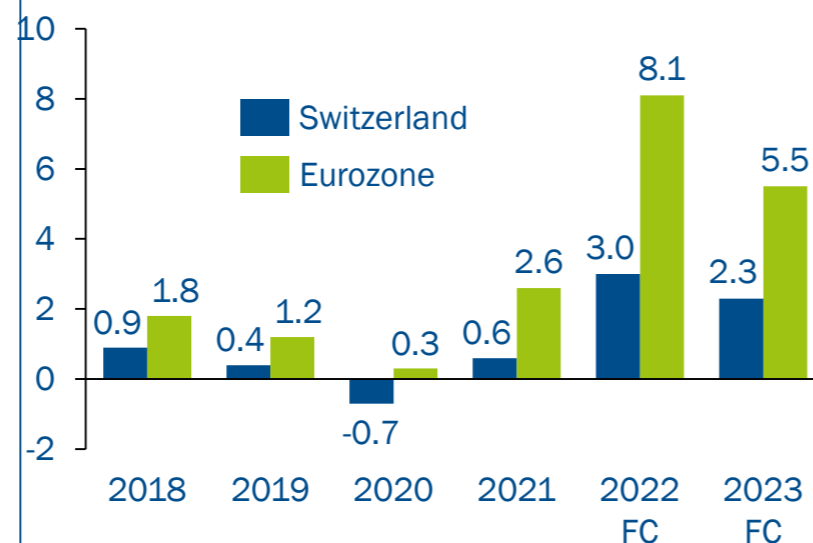
Change vs. previous period as %



Source: SECO September 2022

- In Q2 2022, GDP increased by 0.3% vs. 0.5% in Q1 2022
- Swiss economy expected to grow by 2.0% in 2022 and 1.1% in 2023¹
- Consumer spending forecast to increase by 4.0% in 2022 and increase by 1.4% in 2023¹

Swiss vs. Eurozone CPI Inflation

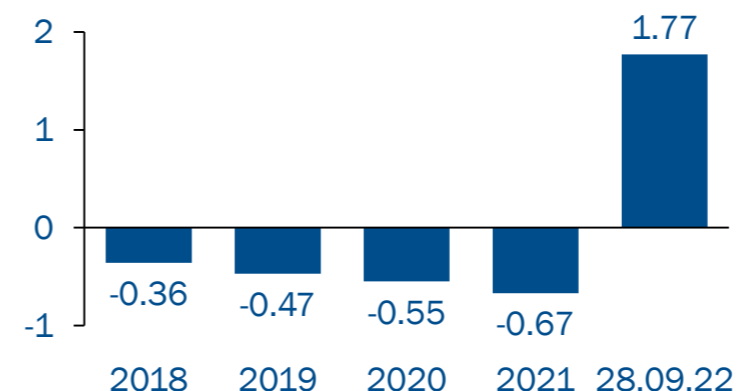


Source: Bloomberg September 2022

- Inflation lower in CH than in the Eurozone due to stronger CHF and lower exposure to higher energy prices
- Swiss inflation 3.5% yoy in August
- Eurozone inflation 9.1% yoy in August

CHF interest rates

End-of-period 3-year swap rates as %

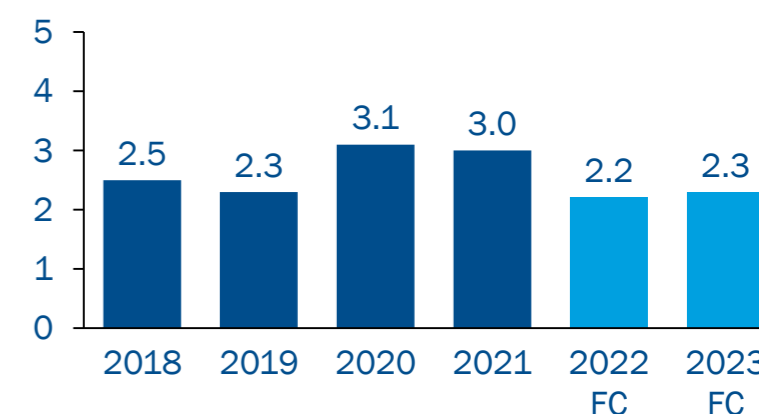


Source: Bloomberg September 2022

- CHF interest rates increased further due to higher inflation
- Swiss National Bank increased rates by 50bps in Q2 2022 and by 75bps in Q3 2022
- Forward curve suggests CHF rates will move higher in the medium term

Swiss unemployment rate

As %, average per period



Source: SECO September 2022

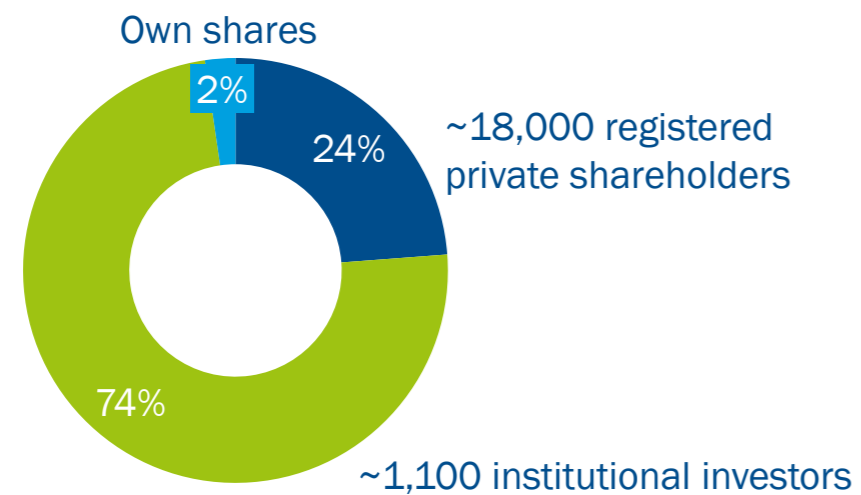
- Unemployment rate at 2.0% in July 2022¹
- Unemployment expected to decrease to 2.2% in 2022¹ and to 2.3% in 2023¹

¹ Sources: SECO (Swiss State secretariat for economic affairs) September 2022

The Cembra share

Shareholder structure: 100% free float¹

Based on nominal share capital of CHF 30m, as %



Main investors and indices

Holdings >5% of share capital ■ UBS Fund Management (Switzerland)

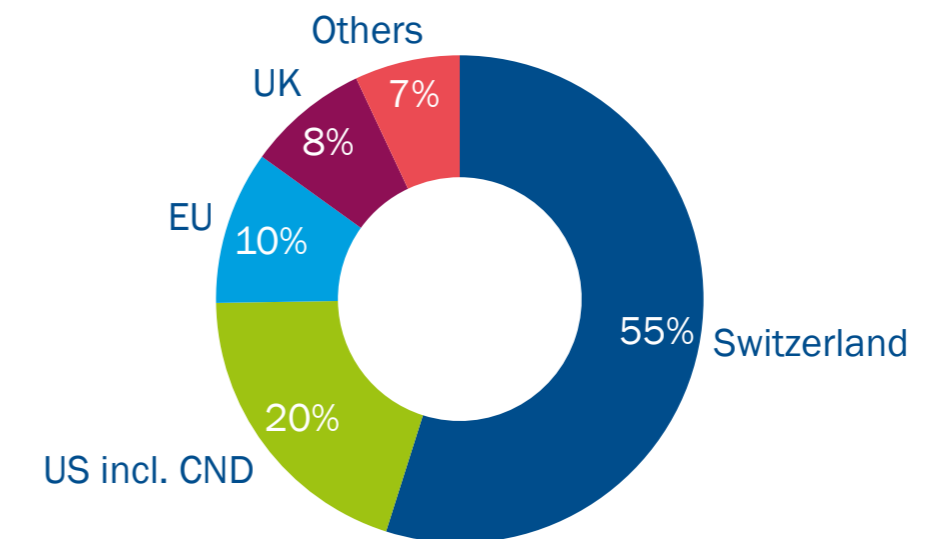
Holdings >3% of share capital ■ Credit Suisse Funds AG
■ Swisscanto Fondsleitung AG

Selected indices: ■ Bloomberg Gender Equality Index 2022
■ MSCI ESG Leaders 2022
■ SPI

2022 MSCI ESG Leaders
Indexes Constituent

¹ Estimates

Institutional owners by domicile¹



Share data

	H1 2022	FY 2021
Number of shares	30,000,000	30,000,000
Treasury shares	656,757	613,931
Treasury shares as %	2.2%	2.0%
Shares outstanding	29,343,243	29,386,069
Weighted-average number of shares outstanding	29,361,176	29,378,525

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Corporate events

23 February 2023 Publication 2022 full-year results
15 March 2023 Publication 2022 Annual Report
21 April 2023 Annual General Meeting 2023

Investor conferences, roadshows and calls

2 November 2022 ZKB Swiss Equities conference, Zurich
17 November 2022 Credit Suisse Swiss Equities conference, Zurich

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