

Emerging Growth Conference

January 15, 2025

Nasdaq: XBP



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Non-GAAP Financial Measures: This presentation includes constant currency, EBITDA and Adjusted EBITDA, each of which is a financial measure that is not prepared in accordance with U.S. generally accepted accounting principles (“GAAP”). XBP Europe believes that the presentation of these non-GAAP financial measures will provide useful information to investors in assessing our financial performance, results of operations and liquidity and allows investors to better understand the trends in our business and to better understand and compare our results. XBP Europe’s board of directors and management use constant currency, EBITDA and Adjusted EBITDA to assess XBP Europe’s financial performance, because it allows them to compare XBP Europe’s operating performance on a consistent basis across periods by removing the effects of XBP Europe’s capital structure (such as varying levels of debt and interest expense, as well as transaction costs resulting from the business combination with CF Acquisition Corp. VIII on November 29, 2023). Adjusted EBITDA also seeks to remove the effects of integration and related restructuring expenses and other similar non-routine items, some of which are outside the control of our management team. Restructuring expenses are primarily related to the implementation of strategic actions and initiatives related to right-sizing of the business. All of these costs are variable and dependent upon the nature of the actions being implemented and can vary significantly driven by business needs. Accordingly, due to that significant variability, we exclude these charges since we do not believe they truly reflect our past, current or future operating performance. The constant currency presentation excludes the impact of fluctuations in foreign currency exchange rates. We calculate constant currency revenue and Adjusted EBITDA on a constant currency basis by converting our current-period local currency financial results using the exchange rates from the corresponding prior-period and compare these adjusted amounts to our corresponding prior period reported results. XBP Europe does not consider these non-GAAP measures in isolation or as an alternative to liquidity or financial measures determined in accordance with GAAP. A limitation of these non-GAAP financial measures is that they exclude significant expenses and income that are required by GAAP to be recorded in XBP Europe’s financial statements. In addition, they are subject to inherent limitations as they reflect the exercise of judgments by management about which expenses and income are excluded or included in determining these non-GAAP financial measures and therefore the basis of presentation for these measures may not be comparable to similarly-titled measures used by other companies. These non-GAAP financial measures are not required to be uniformly applied, are not audited and should not be considered in isolation or as substitutes for results prepared in accordance with GAAP. Net loss is the GAAP measure most directly comparable to the non-GAAP measures presented here. For reconciliation of the comparable GAAP measures to these non-GAAP financial measures, see the slide titled Reconciliation of non-GAAP measures.

Rounding: Due to rounding, numbers presented throughout this document may not add up precisely to the totals provided and percentages may not precisely reflect absolute figures.

Supplemental Information: These slides are not intended to be a stand-alone presentation but should be read together with “Management’s Discussion and Analysis of Financial Condition and Results of Operations” and the consolidated financial statements and the related notes thereto included in our public filings.



Agenda

Company Overview

At a Glance

Solution Suite

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Geographic Footprint and Key Operational Metrics

Segments and Financial Highlights

Product Focus – IDP (Intelligent Document Processing)

Case Study

HMPO

Q&A



XBP Europe at a glance

Who

XBP Europe (Nasdaq: XBP), is a pan-European integrator of bills, payments and related solutions and services. We serve many of the largest private and public sector clients in Europe, and our extensive network spans the majority of key European markets.

Why

We see significant long-term market opportunities throughout Europe given 1) outsized government spending, 2) initiatives to accelerate digital transformation and increase adoption of cloud-based and AI services for public and private sector players, 3) acceleration of Open Banking initiatives which will create opportunities for non-bank players, and 4) government frameworks, like G-Cloud 14, which will allow high quality operators like XBP to increase share.

Where

Secure hybrid cloud infrastructure enables XBP Europe to deploy its solutions to clients across EMEA. Our physical footprint spans 15 countries over 32 locations supported by our ~1,500 employees.

What

We have traditionally focused on bills and payments process management and we process several hundred million payment transactions each year. As our clients' needs have evolved so have our solutions and we are expanding our focus to include data modernisation and AI enablement through our solutions and services suites. We believe our business ultimately advances digital transformation, improves market-wide liquidity by expediting payments, and encourages sustainable business practices.



XBP Europe solution suite - Summary

Finance & Accounting

- Exchange for Bills & Payments (XBP)
- Procure to Pay (P2P)
- Order to Cash (O2C)
- Record to Report (R2R)
- Financial Planning and Analysis
- Finance & Accounting Outsourcing
- ERP Data Consolidation

Banking & Finance

- Confirmation of Payee (CoP)
- Request to Pay (RtP)
- Mortgage/Loan Management
- Payment Processing/ Enablement
- Cross Border Payments
- Check Clearing
- Know Your customer (KYC)

Enterprise Information Management (EIM)

- Document Digitisation
- Data input/ Keying Services
- Digital Mailroom (DMR)
- Document Records Management
- Intelligent Data Processing
- Data Visualisation
- Big Data Analytics

Business Process Management

- Workflow Automation
- Robotic Process Automation (RPA)
- Incident Management
- Workforce Management
- Document Digitisation
- Application Support

Cloud & AI Technology

- Data Modernisation
- Multi Cloud Management
- Cybersecurity

Integrated Communications

- Omnidirect
- Print and Mail
- AI-powered Contact Centre Services

Digital Workplace (Work From Anywhere)

- Intelligent Lockers
- Digital Mailroom (DMR)
- Digital Signature
- Expense Management
- Incident Management
- Ethics Reporting
- Workforce Management
- Learning & Development

Center of Excellence

- Exchange for Bills and Payments (XBP)
- ERP Data Consolidation
- FAO services



Who We Serve

Serving over 2,000 clients across the public and private sectors

Industry Specific and Industry Agnostic Enterprise Software and Services

Low client concentration (FY2023):

- **Top 10** clients accounted for 26% of revenue
- **Top 100** clients accounted for 76% of revenue



Large Enterprises and Small Businesses Finance Departments

F&A, IPA, WFA, SaaS

We empower accounting and finance through a suite of solutions that offer automation, communication, and business insights to seamlessly manage transactions and help to improve liquidity.

#Financial Services

50+ Enterprise level clients across all regions



Financial Institutions, Banks & Insurance Companies

Digital Banking, Financial BPO Services

We help financial institutions to provide a better experience to billers, payers, and clients, thereby optimizing payment transactions and improving satisfaction, loyalty, and retention.

#Banking

- 30 top global and European banks
- Provider of state-of-the-art technology platform that processes 100% of UK cheque clearing
- XBP Europe's technology supports ~63 million online banking customers



Governments & Public Sector Organizations

BPO

We help governments and public sector organizations on their digital transformation journey, including workflow solutions, documents processing, and content management.

#Public Sector

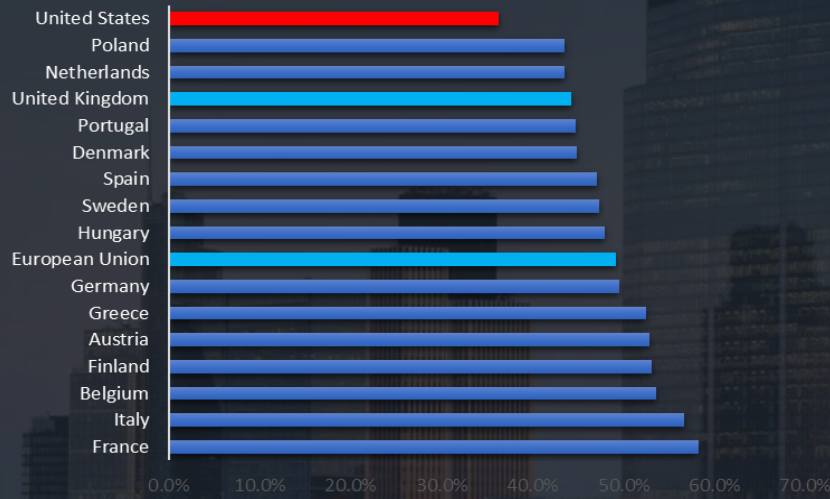
Serving 55+ central & local governmental entities across 7 countries



Market Opportunities

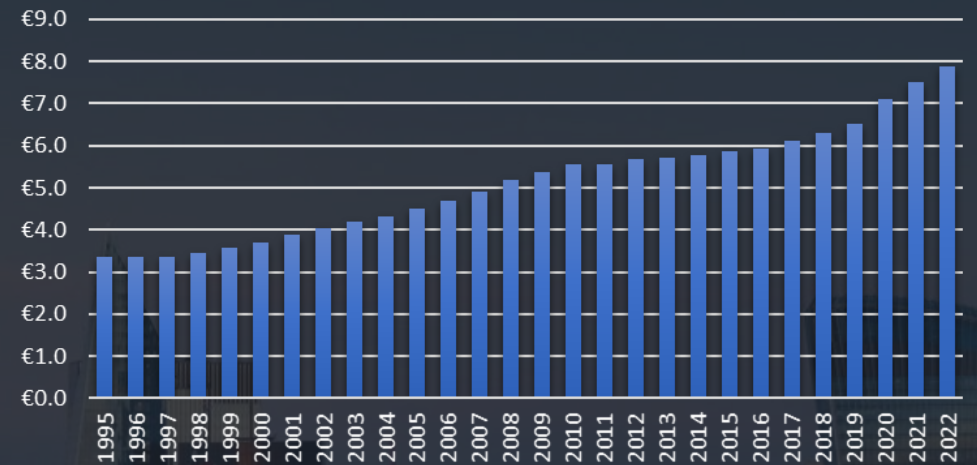
1. Public spending across Europe far exceeds the US as a % of GDP

Government Spending to GDP % (2022)



Source: Eurostat, IMF

Total EU Gov't Expenditure (in € Trillions)



Source: Eurostat

2. Digital Decade 2030 allocates nearly €1 Trillion of public funding towards digital growth and transformation (EU)

The European Digital Decade 2030 is the EU's ambitious strategy to digital transform Europe by 2030 by allocating public funding towards digital infrastructure, business transformation, public services, and cybersecurity. The strategy aims to make Europe a global leader in digital technology by increasing adoption of cloud, AI, and digital technologies.

3. Open Banking Initiative (EU & UK)

Open Banking is a pan-European initiative that aims to reduce barriers-to-entry for non-bank players, including XBP Europe, in the financial transactions space. It allows 3rd party providers to access financial data and initiate payments, encouraging innovation and competition in the financial services sector by enabling new payment solutions and services.

4. G-Cloud 14 (UK)

G-Cloud 14, the UK's government sponsored cloud framework is designed to simplify the acquisition of cloud-based services by public sector organizations and promote adoption of cloud computing. **XBP Europe was awarded a place on the G-Cloud 14 framework in November 2024.**

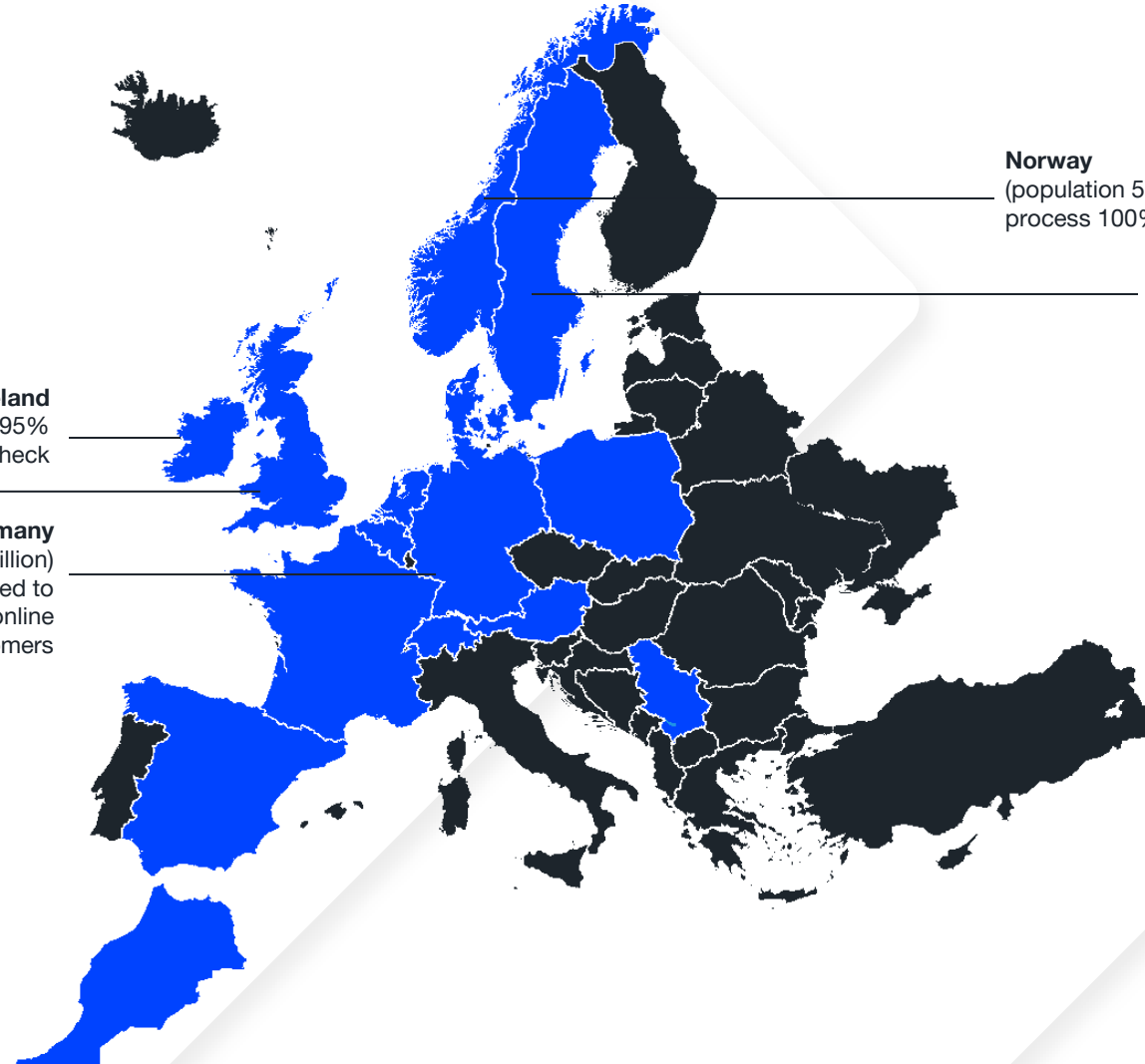
Geographic Footprint and Key Operational Metrics

XBP Europe solutions reach majority of populations in key markets. The Company processed **several hundred million payment transactions** in 2024.

Pan-European Presence

15 Countries¹

32 Locations



Norway
(population 5 million)
process 100% of bank giro

Sweden
(population 10 million) ~7 million
individuals and 500,000+
companies use bank giro
processed by XBP

Ireland
(population 5 million) process ~95%
of all payments by check

United Kingdom
(population 67 million) ~100%
of all check payments archived
or processed

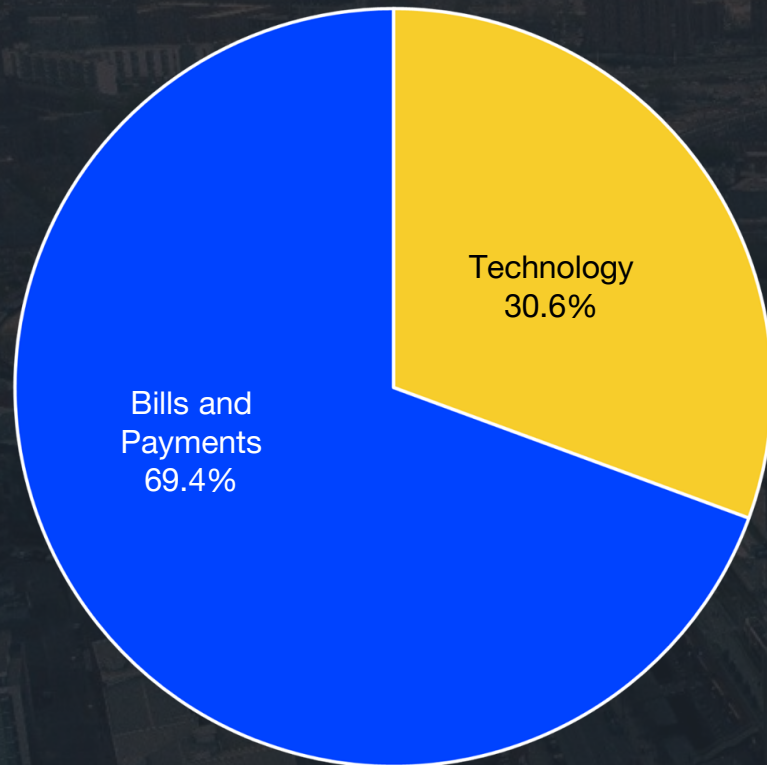
Germany
(population 83 million)
technology is used to
support 50+ million online
banking customers

**We are one of the largest non-
bank processors of payments in
Europe**

1. Physical locations with XBP Europe employee presence



Segment Breakdown (as of 3Q 2024)



Bills & Payments Segment (69.4%):

- Focuses on optimizing how bills and payments are processed by businesses of all sizes and industries
- Platform that integrates payment processes between buyers and suppliers across Europe
- Includes digital transformation revenues
- Revenue earned mostly from transactions processed

Technology Segment (30.6%):

- Recurring and perpetual software licenses and maintenance
- Hardware solutions and related maintenance
- Professional services to implement the above



Financial Highlights

	3Q 2024	TTM
Revenue ¹	\$35.4 M	\$145.8 M
Adjusted EBITDA ¹	\$4.8 M	\$13.7 M
Gross Margin	32.6%	25.6%
Net Debt-to-Adjusted EBITDA ²	1.78x	

~\$25 million of ACV (Annual Contract Value) in ramp as of 9/30/2024

- Completed \$48 million financing with HSBC in June 2024:
 - Refinanced existing indebtedness with no debt maturities until June 2028³
 - Provided with up to \$33 million of incremental liquidity to fund growth
 - \$18M accordion feature under revolving credit facility⁴
- Other sources of liquidity include €15M non-recourse factoring facility

1. From Continuing Operations

2. Bank definition

3. Excludes quarterly loan amortizations

4. The availability of the accordion is subject to HSBC's discretion



Product Focus: IDP – Supercharging Document-Based Workflows with the Power of AI

Enhanced Efficiency, Cost Savings and Improved Security

Automate document capture, classification, data extraction, summarization, and validation



IDP (Intelligent Document Processing) is a powerful managed software service that **automates the manual processing of documents**, optimizing document driven workflows to **save time and money while improving accuracy**.



Our **language and format agnostic approach** automatically detects and extracts information across any number of forms, images, or document types, including typed, handwritten or mixed. By intelligently classifying, extracting, and validating information, we streamline data extraction, reduce costs, and eliminate the bottlenecks caused by time-consuming, error-prone manual driven workflows.



This **AI driven platform automates processes, delivers real-time insights, helping organizations in a range of industries to reduce the workload, stay on schedule, and reduce costs**. Enhance customer experiences, and make smarter decisions with AI that adapts as your business evolves.

Per Gartner Research: "Intelligent document processing (IDP) solutions extract data to support automation of high-volume, repetitive document processing tasks and for analysis and insight. IDP uses natural language technologies and computer vision to extract data from structured and unstructured content, especially from documents, to support automation and augmentation.

Recently ranked by Forrester as a “Strong Performer” alongside IBM, Microsoft, and Blue Prism





His Majesty's Passport Office (HMPO) - Key Deal Points

Challenge:

The General Records Office (GRO) holds birth, marriage and death records dating back to 1837. Digitally transforming these records is complex due to the variety of record types, evolving formats, diverse text styles (including cursive) and the deteriorating condition of physical media.

records dating back to year: **1837**

Non-digital records hinder certificate production and data sharing. The GRO aims to automate certificate production, digitize records, and modernize public services as part of a broader transformation.

Solution:

AI-Driven Automation: Scalable, cloud-based solution powered by advanced AI algorithms automated ~70% of HMPO's workflows with zero-touch processing, eliminating tedious manual tasks.

Precision-Enhanced Corrections: Leveraged Field-Level and Page-Level Corrections to address nuanced data adjustments, improve efficiency without compromising security or quality, and ensure faster processing with minimal manual review..

AI-Powered Field Prediction Model: Deployed a state-of-the-art predictive AI model capable of identifying field coordinates with unparalleled precision, even in blank or partially written sections, enabling efficient processing of historically handwritten records, reducing complexity and enhancing data extraction accuracy.

Continuous AI Learning and Quality Enhancement: Integrated feedback-driven validation mechanisms to refine field accuracy over time and deliver progressively better results.

Client Outcome:

XBP Europe's AI-powered IDP solution for HMPO improves efficiency by **automating data extraction and validating information against set rules**. It flags issues, suggests corrections, and optimizes workflows and scales to handle increasing records and users, ensuring seamless operations.

\$40 million

Total Contract Value

99% accuracy

SLA standard



Unparalleled Security - adheres to strict privacy regulations, streamlines record processing, boosts efficiency and eliminates reliance on legacy equipment.



Preserving History for Generations - The risk of physical record deterioration is eliminated, and digital archives ensure the safekeeping of historical data for future generations.



Modernization and Efficiency - The IDP solution streamlines record processing, boosting efficiency and freeing resources for other vital tasks. Legacy equipment reliance is also eliminated.



Streamlined Certificate Production - Manual certificate processing will be obsolete. The IDP solution will enable efficient certificate generation, significantly reducing turnaround times and improving service delivery.



Scalability and Flexibility - The cloud-based platform offers exceptional scalability to accommodate future growth and changing demands. Additionally, a highly-vetted, flexible workforce ensures the service adapts to HMPO's evolving needs.



Q&A



Solutions Glossary

- **Request to Pay (RtP/R2P)** – Enables billers to make payment requests, and allows payers to act on such requests through a secure, unified messaging service that provides end-to-end audit trails for billers and facilitates two-way communication throughout the payment process.
- **Intelligent Document Processing (IDP)** – This managed software service transforms document processing. Whether automating workflows or extracting data from unstructured content, this platform enhances information management across the board.
- **Exchange for Bills & Payments (XBP)** – Provides a secured network, allowing billers, consumers, and businesses to communicate and transact utilizing a modern technology stack that can connect to any client system without significant capital investments by new clients.
- **OmniDirect** – An integrated marketing platform designed for multi-location and personalized omni channel campaigns, brand consistency, and AI-driven reporting, including real-time inventory management, strategic vendor management etc.
- **Procure to Pay (P2P)** – An integrated platform for easy collaboration between procurement, suppliers, service providers, and financial institutions.
- **Plexus** – Collaborative workplace automation platform for seamless task flows and optimal case management
- **Confirmation of Payee (CoP)** – Service that verifies a payee's bank account name and details before transmitting payments, a standard mandated by Pay.UK, and acts as an additional layer of payment protection and warns against sending payments to any non-verified payee account.
- **Digital Mailroom (DMR)** – End-to-end platform AI-powered platform that accommodates any file format and input channel to digitize incoming information on a fully secured and encrypted basis and extract, classify and route such mail to intended recipients.
- **Order to Cash (O2C)** – Solutions that enable automation by blending payment systems, analytics, and communication channels to streamline receivables management.
- **Cross Border Payments** – Fast, efficient payments – beyond borders and without delay
- **Check Clearing/Digitization** – Automated check processing
- **Know Your Customer (KYC)** – Reduces processing time, errors, and operating costs through strategic deployment of automated data processing and systems for diligence and compliance.
- **Reaktr.ai** - A business unit aimed at addressing the evolving needs of our clients in the cybersecurity, data modernization and cloud management, and generative AI spaces. Reaktr.ai is designed to advise on the right solution and to undertake the transition and subsequent management of digital data, complemented by AI-powered platforms which supplement operations to provide a competitive edge.
- **Beats** - Fully configurable workflow management suite
- **Peri** - All-in-one enterprise expense management software, streamlining expense tracking and optimizing workflows for businesses of all sizes.
- **WFA** - Work from Anywhere





Thank You

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