



Wednesday's INVESTOR Q&A:

Question Topic: Company Strategy and Future Outlook

Date: 25 October 2023

1. What is the projected growth rate for both the top and bottom line that you plan to achieve over the next 3 to 5 years?

In our updated financial projections published in August 2023, we expect our top-line revenue to grow by about 40% in the next 3-5 years. The growth in revenue is driven by external (environmental) as well as internal (company) growth drivers.

Externally, in our core markets (insurance and investment) various structural drivers are at work to drive growth for the next decade and beyond. Such drivers include an ageing population (and associated needs for protection, savings, and increased healthcare spending) and increasing customer needs for more sophisticated health and wealth products and services on the demand side. Given the lack of integrated and holistic health and wealth distribution channels providing such products on the supply side, there is substantial opportunity for AGBA to capitalize on these long-term growth trends.

In addition, Hong Kong's ongoing integration into the Greater Bay Area ("GBA") will dramatically enlarge the potential customer base for many Hong Kong companies and will drive growth in the long term. The demand by Mainland China customers for Hong Kong life insurance and asset management are strong, given the wide range and high quality of products and services currently available in Hong Kong. AGBA is already one of the best positioned financial service providers to meet the demands of Mainland China customers. AGBA can leverage its experience in the life insurance to expand its service offerings in the asset and wealth management business.

Internally, AGBA has been an independent market leader in Hong Kong for decades and has had one of the largest and most productive salesforces in Hong Kong. We expect continue growth in revenue to be driven by the growth in size as well as productivity of AGBA's market leading IFA distribution channel. In the past, AGBA's IFA business has demonstrated a strong capability to grow in response to beneficial external conditions, both by driving recruitment initiatives and increasing the sales productivity of existing licensed consultants.

AGBA also expects growth to be derived from "monetizing its platform" by opening it up to external distribution partners that are incapable of comprehensively serving the customer needs, but want to continue preserving their independence. Such distribution partners can be smaller banks, other brokers or other financial institutions.

In terms of bottom-line, AGBA expects to become break-even by the fourth quarter of 2023. Thereafter, profits are expected to accelerate at a higher rate than top line growth driven by two factors. First, in response to more challenging external market conditions in 2023, AGBA has substantially reduced its expense base. The reduction in cost is expected to have an immediate as well as long-term positive



impact on AGBA's net profits. Second, due to substantial investments into the platform, AGBA now has a highly scalable distribution platform in place. As the top line grows, AGBA's operating expenses are not expected to grow proportionally. As a result AGBA expects its operating margins to improve substantially over time, contributing to a accelerating net profits.

2. Explanation on the Group's Key Investment Highlights.

The Group's key investment highlights revolve around several key factors that make it an attractive investment opportunity.

AGBA boasts unique product and service offerings that set it apart from competitors. In the B2C sector, it has a market-leading portfolio of wealth and health products, positioning it as a trusted provider in these industries. Additionally, in the B2B sector, the Group has developed a tech-enabled broker-dealer management platform, which enhances efficiency and effectiveness for advisors, giving them a competitive edge.

The Group operates in large end-markets that exhibit strong macro-economic growth drivers. This provides a favorable environment for expansion and revenue growth, as AGBA can tap into the increasing demand for its products and services. The potential for market expansion and scalability contributes to the Group's overall attractiveness as an investment.

Furthermore, the Group's business model demonstrates compelling economics. Its innovative product offerings, efficient operational processes, and cost management strategies contribute to sustainable profitability. By efficiently managing resources and optimizing its operations, the Group is able to generate value for its stakeholders, thus enhancing its investment appeal.

Another significant aspect of the Group's investment highlight lies in the significant unrealized value within its fintech and healthcare franchise. With the rapid advancement of technology and the increasing importance of healthcare, the Group is well-positioned to unlock this untapped value and capitalize on emerging opportunities within these sectors. This potential for growth and value creation adds to the investment proposition of the Group.

The experienced management team is a crucial aspect at AGBA's investment highlights. The team possesses a wealth of industry knowledge, strategic vision, and a proven track record of driving business success. Their leadership and expertise enable the Group to effectively navigate market complexities, seize growth opportunities, and create long-term value for investors.

These factors collectively contribute to the Group's attractiveness as an investment opportunity, highlighting its potential for growth and value creation in the long term.



3. What is the Plan to make Strategic investments/ Acquisitions in FinTech.

AGBA takes a proactive approach to strategic investments and acquisitions, aiming to enhance its capabilities, expand its product offerings, and drive further growth in the corporate FinTech investment sector. With a focus on targeted investments in FinTech and distribution channels, the company seeks to strengthen its competitive position and capitalize on emerging trends in the financial services industry. By identifying strategic opportunities and forming key partnerships, AGBA aims to foster the development and growth of new business models while achieving both financial gains and knowledge transfers.

The success of AGBA's monetization efforts is evident through the highly profitable realization of Nutmeg in 2021, showcasing the company's ability to generate significant financial gains. This success, coupled with substantial capital contributions from its largest shareholders towards other FinTech investments, demonstrates strong confidence in the potential of these ventures.

AGBA's investment portfolio comprises companies operating in large addressable markets, driven by ambitious strategic plans and led by capable management teams. With a focus on profitability or establishing clear paths to near-term profitability, these companies showcase their potential for sustained success. AGBA's track record of investing in promising FinTech enterprises positions the company as a key player in driving innovation and generating substantial value in the corporate FinTech landscape.

The company's track record and commitment to investing in promising FinTech enterprises position it as a key player in driving innovation and generating significant value in the corporate FinTech landscape.

4. Could you provide an overview of the strategic divisions within AGBA's four principal business areas and what profit projections are expected by 2025?

AGBA is organized into four strategic businesses: Platform, Distribution, Healthcare, and FinTech. Each division plays a crucial role in AGBA's overall business strategy and contributes to the company's goal of empowering individuals to achieve their wealth and health goals.

The Platform Business

The Platform Business is AGBA's 'financial supermarket', offering over 2,000 financial products to a large universe of retail and corporate customers. Operating under the "OnePlatform" brand, it offers a wide range of financial products and services to captive distribution channels, as well as external partners, such as banks, other financial institutions, brokers, or individual independent financial advisors.

The Platform Business was set up to take advantage of the experience built up in supporting the largest IFA sales force in Hong Kong, servicing a large pool of customers, building up a wide library of world class financial products and constructing a state-of-the-art technological and operational infrastructure.



The key services provided by the Platform Business include:

Service	Description	Examples
Products	A comprehensive range of financial products and services with multiple asset classes, exclusive products at competitive rates.	Life insurance (savings, protection, etc.), general insurance (personal and commercial line), pensions, investment funds, properties, immigration and education services.
Solutions	A suite of digital-enabled solutions to empower holistic wealth management along the customer journey.	Application submission (on- and off-line), express underwriting services, operations support service centre, after-sales control, management and financial reporting, provider support.
Business Operation	Omnichannel support to offload operational burden across business fronts.	Online CRM tools, product libraries, product mapping tools, comparison tools, benchmarking tools, online forms and guidelines, product hotlines and helpdesk support, product roadshows, advisor performance tracking tools.
Customer Services	24/7 end-to-end support to attend to advisor's questions and requests.	On demand outbound call services, customer enquiries (service counter, hotlines, etc.)
Training	On-demand and tailored training to empower intermediaries to become generalist professionals or specialists in chosen fields.	Offline training (recruits, seasoned intermediaries), eLearning platform.

Based on our latest published financial projections, we expect about HKD 200 million in profits to be contributed by this business in 2025.

Distribution Business

The Distribution Business comprises a variety of financial services distribution channels. These captive channels enable the Group to directly access one of the largest pools of customers accessible to independent financial services providers in Hong Kong. The Distribution Business includes the Group's powerful financial advisor business, which is the largest by far in the market. Operating under the "Focus" brand name, it engages in the independent financial advisory ("IFA") business (including advising and sales of a full range of financial services products from long-term life insurance, savings to mortgages)

Additional distribution channels include the Group's premier financial planning team under the "perform" brand, as well as the Partnership Development Business team, that was set up to attract and manage external distribution partners. The primary targets for distribution partnerships are banks, family offices and other financial institutions.

Based on our latest published financial projections, we expect about HKD 40 million in profits to be contributed by this business in 2025.

The Healthcare Business.



The Healthcare Business is the second largest healthcare management organization in the Hong Kong and Macau region with over 1,000 doctors in its network.

Founded in 1979 and currently operating under the Dr. Jones Fok & Associates Medical Scheme Management Limited (“JFA”) brand, JFA is one of the most reputed healthcare brands in Hong Kong.

It has three self-operated medical centres and a network of over 700 healthcare service providers – providing healthcare schemes for more than 500 corporate clients with over 300,000 scheme members. JFA’s clients include blue chip companies from various industry and leading insurers. Apart from Hong Kong, JFA is the largest operator in Macau with around 70 clinics in its network.

As AGBA holds a minority shareholding in the Healthcare Business, no separate financial projections are published for this business.

The FinTech Business.

The Fintech Business is an ensemble of leading FinTech assets and businesses in Europe and Hong Kong.

By focuses on investing in and partnering with disruptive financial technology companies. By identifying strategic opportunities in the rapidly evolving FinTech landscape, AGBA seeks to enhance its capabilities, broaden its product offerings, and leverage emerging trends in the financial services industry. This division plays a critical role in driving innovation and ensuring AGBA remains at the forefront of technological advancements.

Based on our latest published financial projections, we expect about HKD 50 million in profits to be contributed by this business in 2025.

5. The quarter results from 2022-2023 indicates positive growth, what is the expected outlook and strategy for 2024?

AGBA has achieved significant milestones from Q1 to Q3 of 2023, setting a strong foundation for future growth. In Q2, notable achievements include the partnership with HSBC Life Insurance, expanding AGBA’s reach and product offerings. The acquisition of Sony Life Financial Advisers in Singapore further strengthened the company’s presence in the insurance sector. AGBA also launched OneGI, a comprehensive digital sales platform for general insurance products, enhancing customer accessibility and convenience. The introduction of new insurance and investment products drove revenue growth during this period. Additionally, cost control initiatives led to a significant reduction in recurring operating expenses, narrowing losses by over 30%.

In Q3, AGBA achieved further recognition by being selected as a Stock Constituent to the MSCI Global Micro-cap Index, highlighting its growing prominence in the market. Moreover, the S-1 filing going effective on August 29, 2023, signifies an important regulatory milestone for the company.



The strategic partnerships, expansion into new markets, digital platform innovation, revenue growth, and cost control initiatives position the company for continued success. With these achievements, AGBA looks forward to an exciting 2024 and beyond.

In terms of financial outlook, we expect accelerated revenue for 2024, reduced costs and as highlighted above, we expect to break-even in the fourth quarter of 2024.

6. Could you provide an explanation of the projections for the period of 2023-2026?

AGBA's projections for 2023-2026 demonstrate the impact of funding on the company's growth and financial performance. To view the updated projects of AGBA Group 2023-2026, please visit the presentation on our website: <https://www.agba.com/media/2023/08/AGBA-Investor-Presentation-August-Update-1.pdf>

The infusion of funding is expected to drive revenue growth, efficiency improvements, and capacity building, leading to improved margins and an accelerated break-even point. Apart from economies of scale, revenue growth allows AGBA to negotiate higher commissions received while reducing commissions paid out, positively impacting gross margin. The core platform is expected to be fully built out, enabling selected cost efficiencies in corporate overhead and non-core projects during 2023 and 2024.

AGBA strives to utilize funding to further enhance the core platform, increasing revenue stickiness and margins. The break-even revenue target is set at around HKD 1.6 billion, indicating the company's focus on achieving profitability. These projections highlight AGBA's strategic approach to leverage funding for sustainable growth, operational efficiencies, and financial success in the coming years.

The expectations for revenue growth and profit growth are provided in question 1.

7. What are the key cost control initiatives undertaken by AGBA to reduce expenses and improve its financial performance?

AGBA has taken proactive measures to control costs and enhance its financial performance. Through these initiatives, the company has successfully achieved a significant reduction of over 40% in operational costs, positively impacting its bottom line.

To achieve these cost reductions, AGBA has implemented a multi-faceted approach. Firstly, the company has focused on optimizing internal processes and operations, aiming to eliminate inefficiencies and streamline workflows. By



identifying areas where costs can be minimized without compromising quality, AGBA has been able to generate substantial savings.

AGBA has effectively leveraged AI and technology to drive cost savings and improve financial performance. Through process automation and the use of advanced analytics, the company has achieved greater operational efficiencies and optimized resource allocation. Automation through intelligent software solutions and robotic process automation (RPA) has reduced manual tasks and minimized errors, resulting in cost savings and improved productivity. AI-powered analytics have provided valuable insights, enabling data-driven decision-making and identifying cost-saving opportunities. Additionally, AGBA explores cloud computing and data virtualization to reduce IT infrastructure costs and streamline data management. By leveraging AI and technology, AGBA remains at the forefront of innovation in cost management, leading to significant cost savings and enhanced financial performance.

Additionally, AGBA has implemented strategic cost management practices, including rigorous vendor evaluation and negotiation. By leveraging its purchasing power and building strong relationships with suppliers, the company has been able to secure more favorable terms and pricing, resulting in cost savings across its supply chain.

Looking ahead, AGBA remains dedicated to further enhancing its cost control efforts and the group's only focus of the year is execution, growth and to enhance our financial performance. The company will continue to explore opportunities for process optimization, leverage technology to drive efficiencies, and seek innovative solutions to reduce expenses.

8. What is the dividend policy of AGBA, and does the company have any plans for dividend growth or share buybacks in order to enhance shareholder returns?

AGBA capital allocation strategy is aimed at providing consistent and attractive returns to shareholders. While the company considers various strategies to enhance shareholder returns, including dividends pay-outs and share buybacks, the current focus is on investment initiatives that can drive value creation. At the same time, approvals for share-buybacks are in place, allowing the Group to opportunistically explore relevant opportunities.

The company has prioritized initiatives aimed at moving the stock price upwards and maximizing shareholder value through alternative means. These initiatives may include strategic investments, expansion into new markets, product innovation, or optimizing operational performance. By directing resources towards these endeavors, AGBA aims to generate sustainable long-term growth and ultimately increase the value of its shares.

AGBA remains committed to regularly evaluating its capital allocation strategies and determining the appropriate timing for potential share buybacks. The decision



to exercise its share buyback program will be based on a thorough assessment of market conditions, the company's financial position, and the potential impact on shareholder value. Shareholders and investors are encouraged to stay updated on AGBA's corporate communications to gain insights into the company's evolving plans and strategies for enhancing shareholder returns.

About AGBA Group:

Established in 1993, AGBA Group Holding Limited (NASDAQ: "AGBA") is a leading one-stop financial supermarket based in Hong Kong offering the broadest set of financial services and healthcare products in the Guangdong-Hong Kong-Macao Greater Bay Area (GBA) through a tech-led ecosystem, enabling clients to unlock the choices that best suit their needs. Trusted by over 400,000 individual and corporate customers, the Group is organized into four market-leading businesses: Platform Business, Distribution Business, Healthcare Business, and Fintech Business.

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