PRESENTATION TO INVESTORS AND STAKEHOLDERS AT THE CHAMS PLC ENGAGEMENT FORUM

April 2014

Why this Forum?

History	Success/Challenges	Opportunities based on Pioneering Solutions
Current Opportunities	Identity Management	Chams Shares: Averaging & Maximising
Still, Future Opportunities	Capital Appreciation	ROI - Dividends & Bonuses

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Forward-Looking Statements

In the course of this presentation, the company may make forward-looking statements in an attempt to provide the audience with some clarity regarding future expectations of the company. All written or oral statements made by Chams Plc, at this meeting or in these presentation materials that do not directly and exclusively relate to historical facts constitute “forward-looking statements”

These statements represent Chams’ expectations and beliefs, and do not give any assurance that the expectations described in such statements will be achieved. Therefore, these statements are subject to risks, uncertainties, and other factors, some of which are outside the control of Chams Plc. In view of this, actual results may differ materially from the expectations described in such statements.

Chams reserves the right to alter any forecasts, expectations or beliefs expressed in this report without any prior written consent of this audience.

1

Highlight of Economic Developments

Highlight of Economic Developments

- Nigeria's GDP grew by 7.1% in 2013, driven by Agriculture, Telecoms and Financial Services Sectors;
- The country's GDP has been rebased – Economy is now largest in Africa with an aggregate value of $510 billion;
- Inflation rates remained in singe-digit in 2013, closing the year at 8.0%;
- External reserves dropped to $39 billion, on the back of increase in demand for US Dollar;
- Official Exchange rate was fairly stable at N157/US$, but the gap between it and the unofficial rate widened to about N15/US$ in December 2013;
- Interest rates remained high, as the CBN took a tight monetary policy stance – even yield on FGN Bonds now 14.1%;
- Privatization of the power sector received a boost with sale of some power plants; and
- The stock market recorded a strong performance, having returned 47% in 2013.

2

Some Developments in our Industry

Some Developments in our Industry

- The CBN has mandated Nigerian Banks to take Biometric information of their customers as part of the “KYC” requirements;
- Need for a more secure payment system has been on the increase;
- Efforts to unify the identity system and records in Nigeria through the NIMC project; and
- Increasing competition for on-line payment and transaction system.

3

About Chams

About Chams

- We are a leading provider of information technology solutions in Nigeria with a track record of providing a wide rang e of products and services of public and private institutions. We are reputed for our capability in identity management, payment collections and transactions systems;

- **Our vision** is to be the leading provider of innovative and beneficial technologies that improves the quality of life;

- **Our Mission** is to design and deploy innovative and beneficial technologies, while creating value for all our stakeholders; and

- **Our core values** are aimed at creating a healthy and dynamic work environment characterized by "**Z-CASE".**

Board & Executive Management Team

Very Rev. Ayo Richards
Chairman

Ademola .B. Aladekomo
Group Managing Director

Prof. Oladapo Afolabi
Non-Executive Director

Dr. Evans Woherem FCA
Non-Executive Director

Alhaji Idi Farouk MFR
Non-Executive Director

Eng Akin Sawyer
Non-Executive Director

Prof. Shehu Abdullahi
Non-Executive Director

Femi Williams
DMD Chams Plc

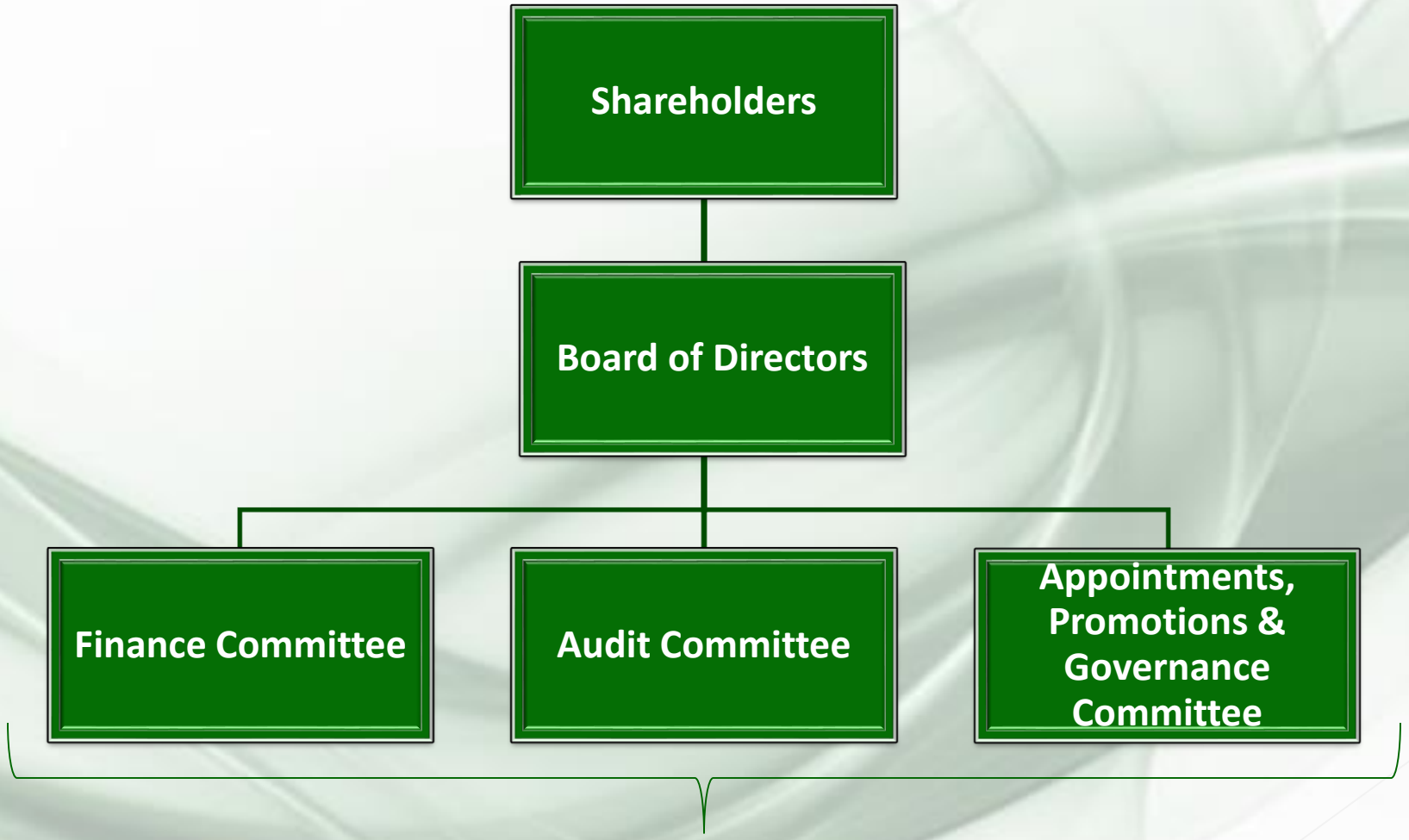
Gavin Young
MD, ChamsSwitch

Funke Alomoooluwa
MD, ChamsAccess

Luqman Balogun
MD, CardCentre

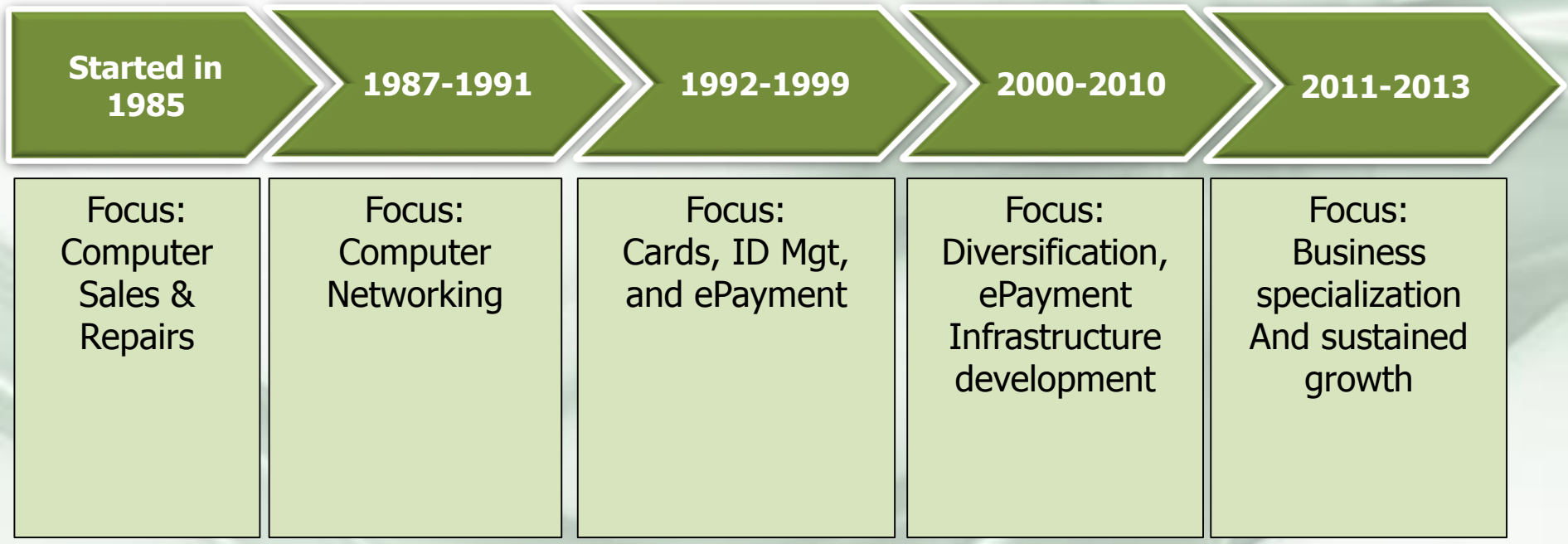
Kunbi Olorun-Rinu
MD, ChamsConsortium

Corporate Governance

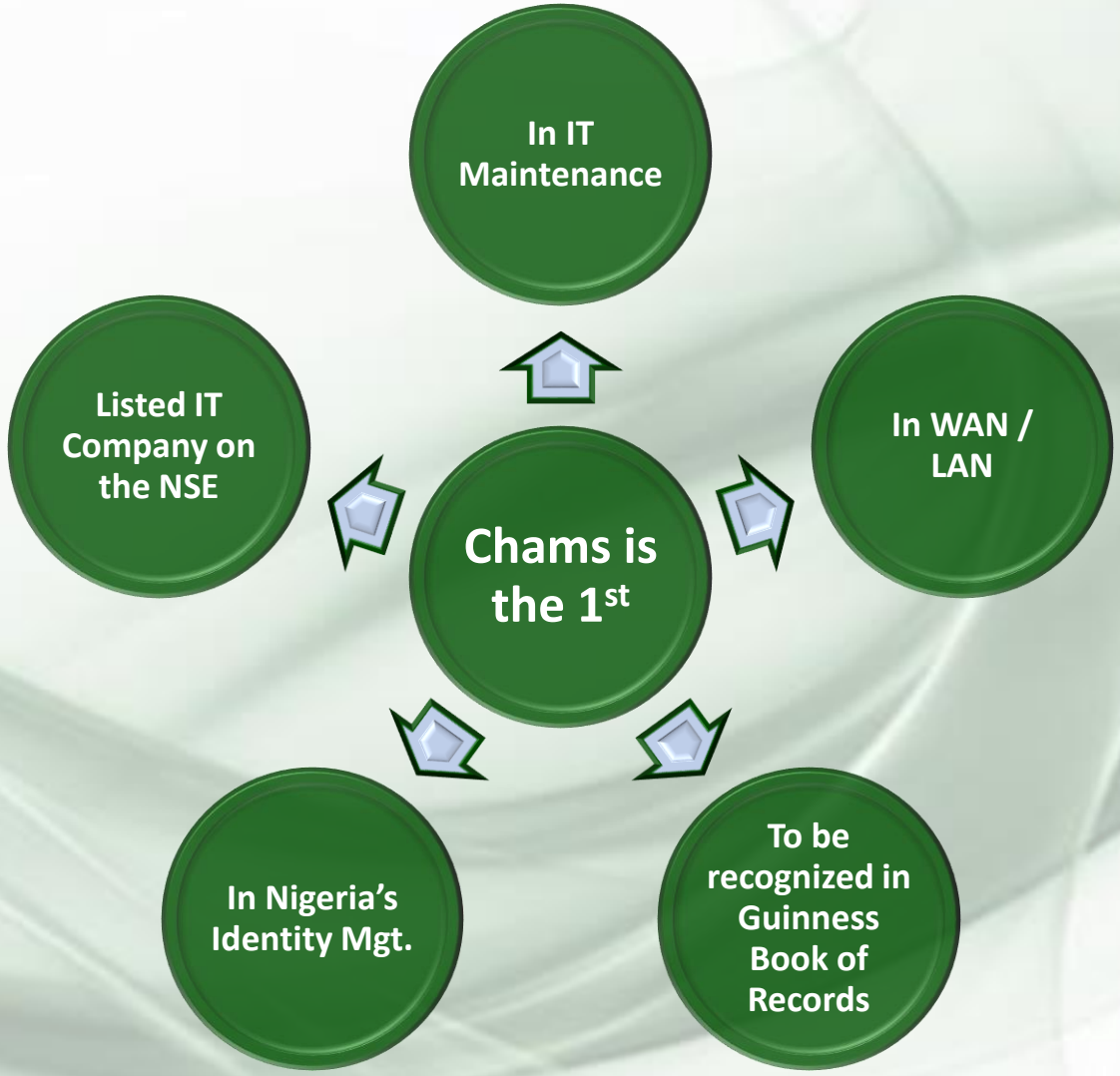


Board Committees designed to ensure Strong Corporate Governance

Our Journey


Started in 1985
1987-1991
1992-1999
2000-2010
2011-2013
Focus: Computer Sales & Repairs
Focus: Computer Networking
Focus: Cards, ID Mgt, and ePayment
Focus: Diversification, ePayment Infrastructure development
Focus: Business specialization And sustained growth

Our Achievements



Our Licenses…

- Switching License
- PTSP and Terminal Type Business License
- Independent ATM Deployment (IAD) License;
- Prepayment License; and
- Mobile Money License.

…Present unique opportunities and value proposition for our stakeholders

NIMC Project, Anambra, Osun & Kogi State Deals, as well as Naira.com and ChamsMobile opportunities

Other Corporate Credentials

- Chams delivered 52 million voting cards to the Independent National Electoral Commission (INEC);
- Partnership with National Information Technology Development Agency (NITDA) on implementation of Millennium Development Goals (MDGs)
  - Chams to deploy Service Terminals to the 774 local governments in the country;
- Working with the National Identity Management Commission (NIMC) on the implementation of the new National Identity Programme;
- Participated in the first National ID Project in 1999;
- Partnership with some Nigerian Banks to develop the first smart card technology;
- Provides technical assistance to the Banks for effective implementation of payment solutions; and
- Named ICT Company of the year in 2008 and 2009 by several bodies and received Guinness World Record as the World's Largest Internet Centre in Lagos and Abuja.

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Financial Highlights

Group Financial Highlights

PARAMETER (N' MILLION)	FY2013	FY2012
Revenue	3,439	2,836
Gross Profit	1,849	2,302
Operating Profit	320	399
Profit Before Tax	107	169
Profit After Tax	188	88
Earnings Per Share (kobo)	7	3
Total Assets	10,719	8,717
Net Assets	4,678	4,489
Net Cash derived /(used) in operating activities	418	(244)
Net Cash (used) / derived from investing activities	(73)	418
Net Cash (derived) from financing activities	(216)	(230)

Company Financial Highlights

PARAMETER (N' MILLION)	FY2013	FY2012
Revenue	3,142	2,604
Gross Profit	1,736	2,208
Operating Profit	864	939
Profit Before Tax	634	715
Profit After Tax	723	637
Earnings Per Share (kobo)	15	14
Total Assets	12,334	10,849
Net Assets	8,192	7,649
Net Cash derived /(used) in operating activities	515	(406)
Net Cash (used) / derived from investing activities	(68)	416
Net Cash (derived) from financing activities	(205)	(220)

Things to Note about the Results

- ✓ ***Strong revenue growth of 21.3% from N2.84 billion in 2012 to N3.44 billion in 2013;***
- ✓ ***Impressive growth in net profits; up by 115.3% to N188.5 million versus N87.5 million the previous year;***
- ✓ ***Earnings Per Share came it at N0.07, more than twice what was recorded in the corresponding period;***
- ✓ ***Total assets grew by 22.9% to N10.7 billion, compared to N8.7 billion in 2012; and***
- ✓ ***Shareholders' funds improved by 5% to N4.7 billion (N4.5 billion was recorded in 2012).***

In addition to the above notes on Group Performance, the company performed better on all fronts.

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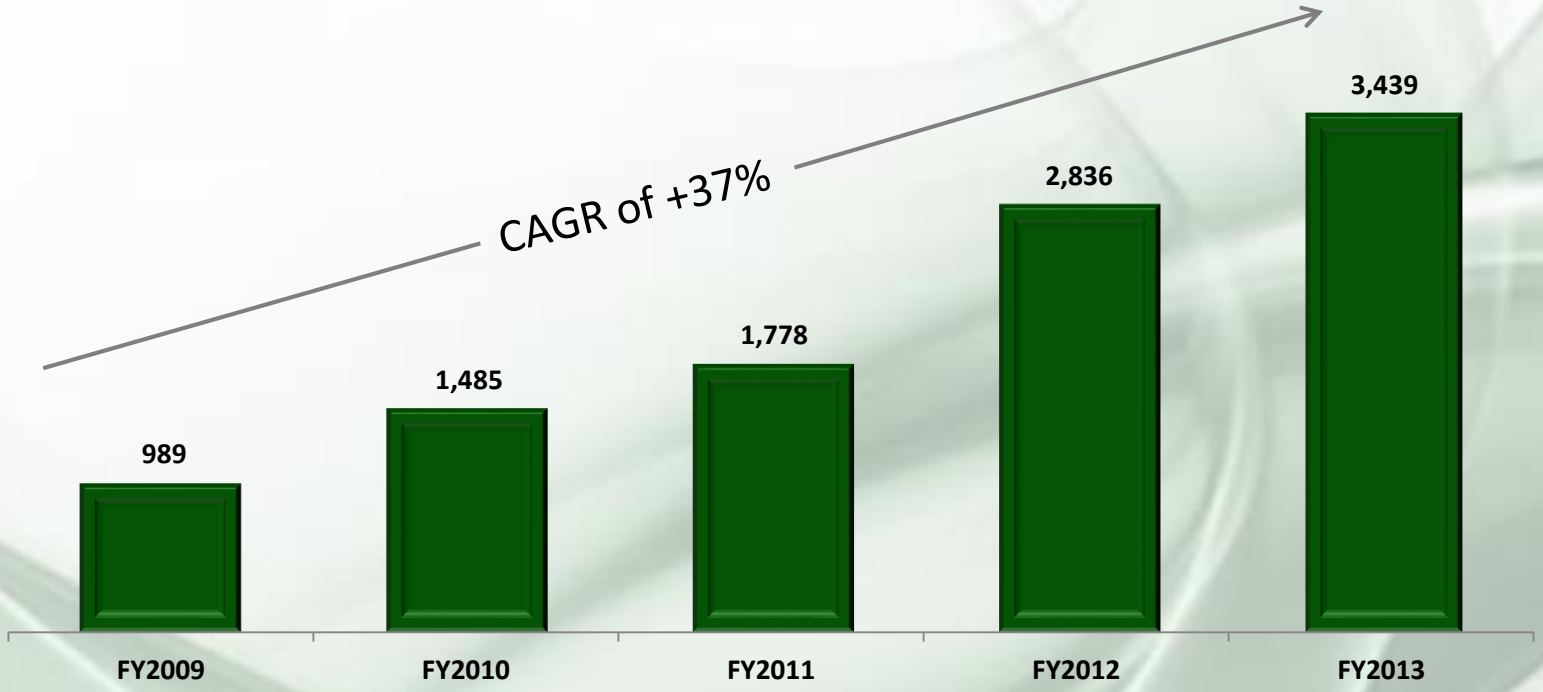
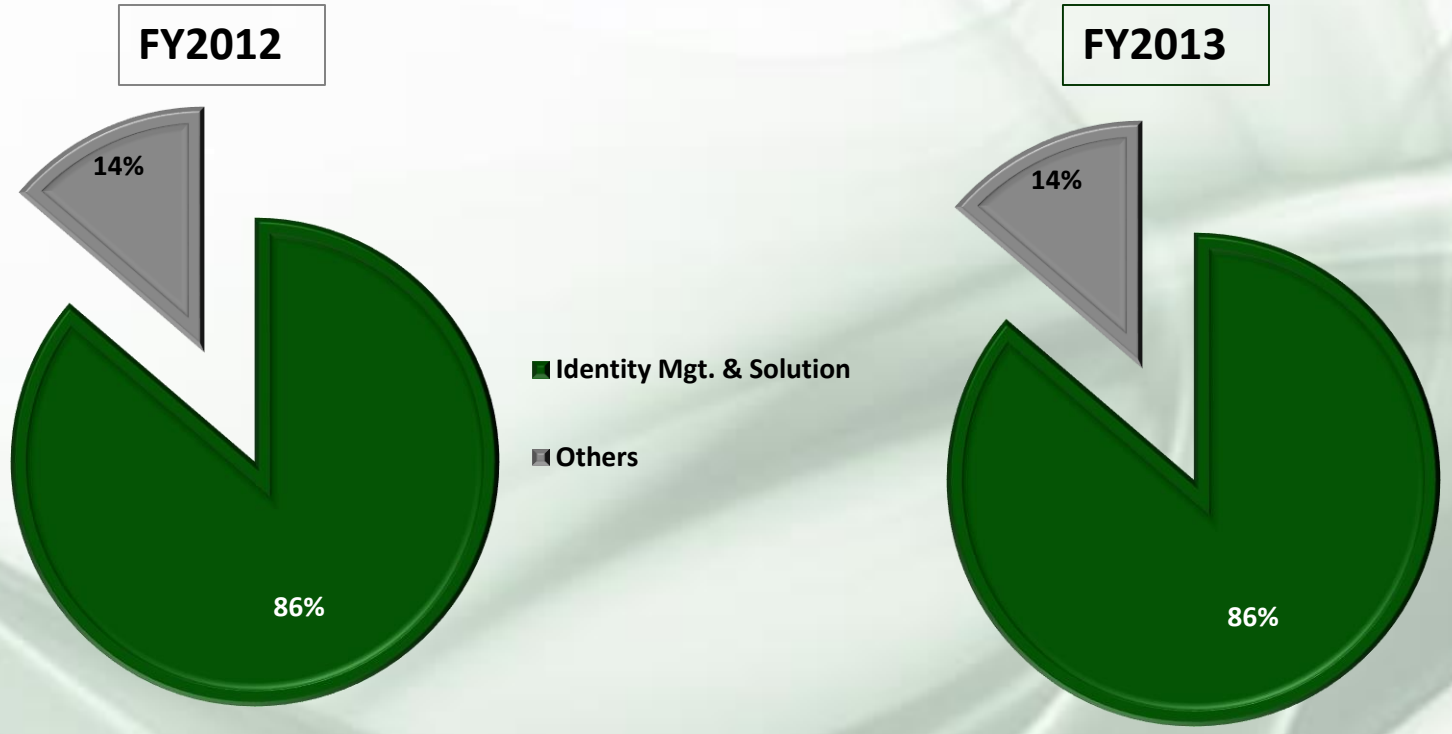
Discussion of Full Year 2013 Results

Revenue Trend (N' million)



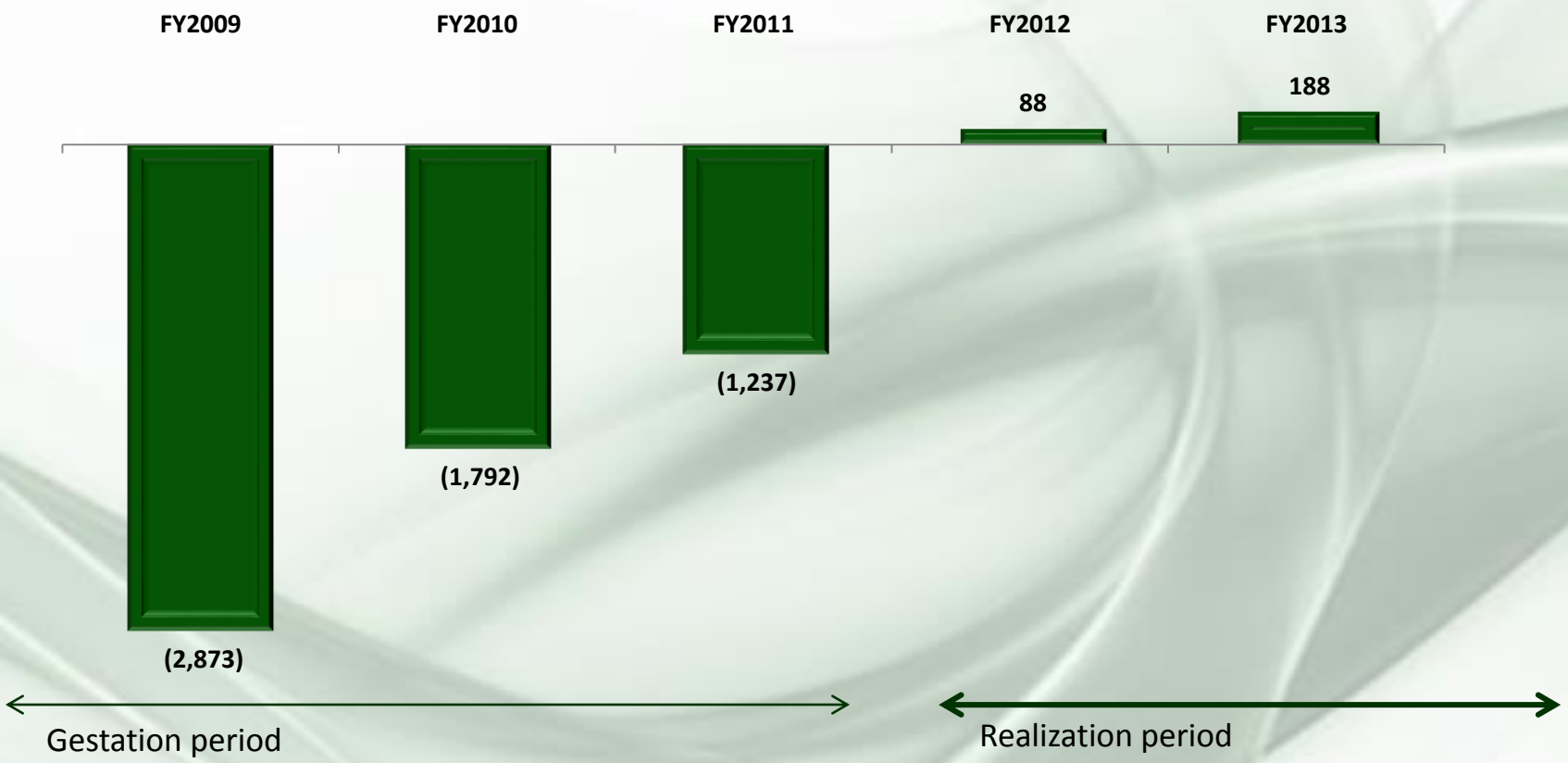
- Total revenue of N3.44 billion was achieved in 2013.
  - More than 21% above the N2.84 billion recorded in 2012.
- Our revenue growth over the last five years is 37% on a compounded annual basis.

Revenue Mix



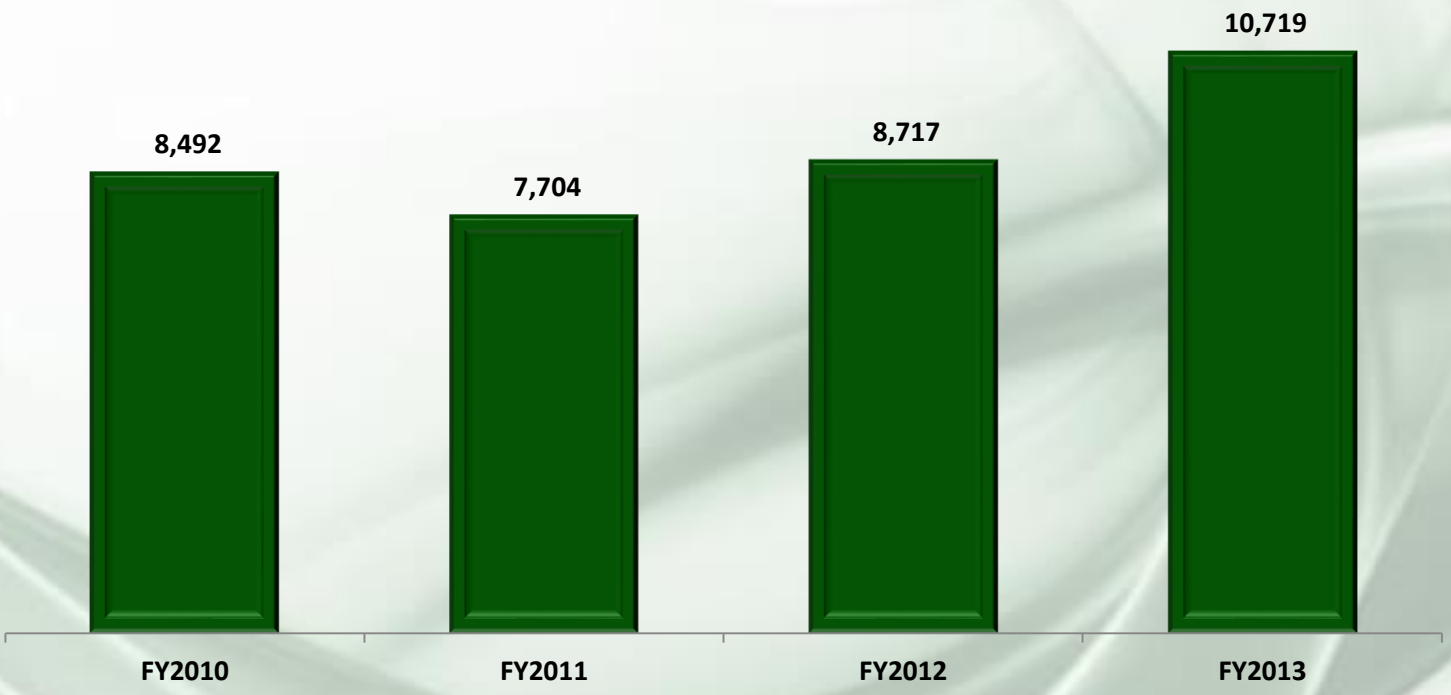
- Our core business, identity management and payment solutions account for 86% of revenue
  - Contribution from this segment was stable in both 2013 and 2012
- Others include our card, switch and consulting/training businesses.

Profit Trend (N' million)



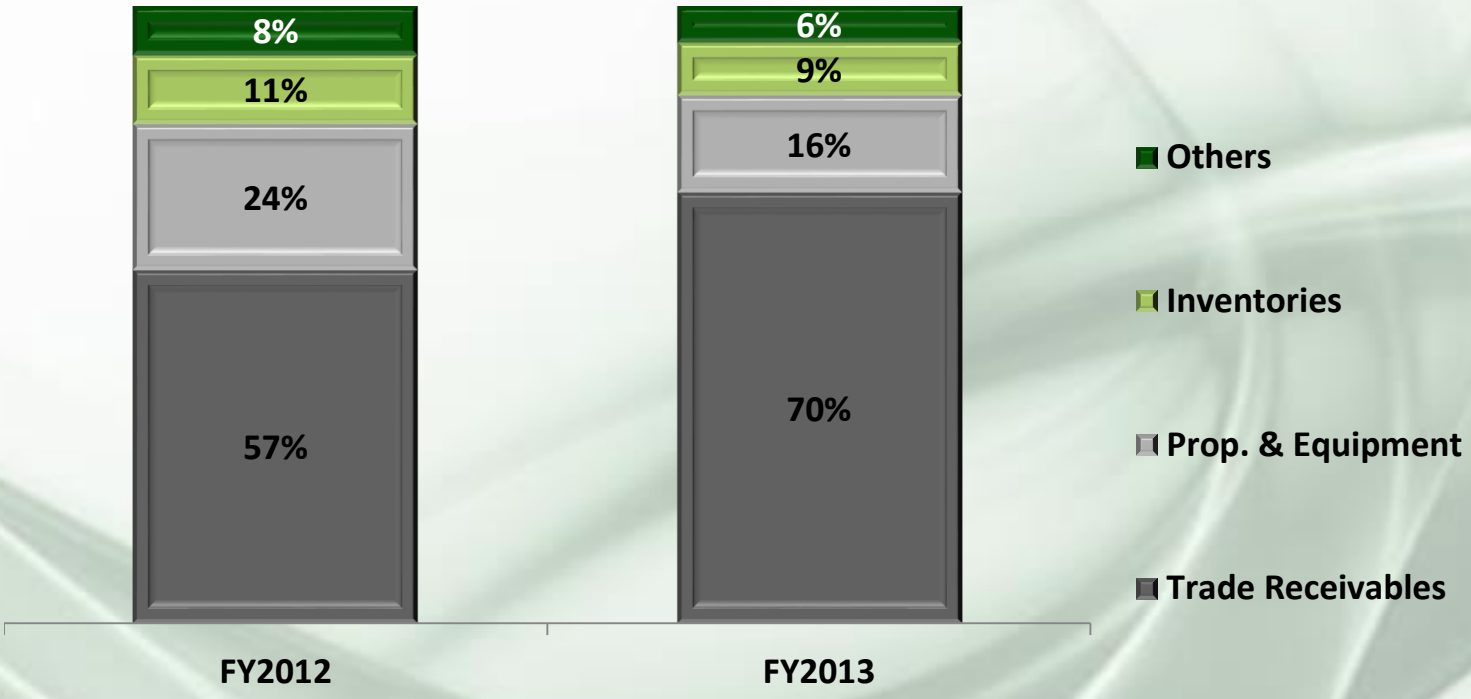
- Sustained profitability – since the recovery in 2012
- Profits rose by more than 115% in 2013. That is commendable, in our view

Trend in Total Assets (N' million)



- Strong growth in asset base
  - CAGR of 8.1% since 2010

Asset Mix



- Bulk of assets are represented in trades and other receivables
  - Constituting more than half of asset portfolio
  - These leap in receivables to 70% of assets in 2013 was a one-off situation…
  - …and we have received payments from our clients in the new year.

6 Historical Financial Summary

Historical Financial Summary

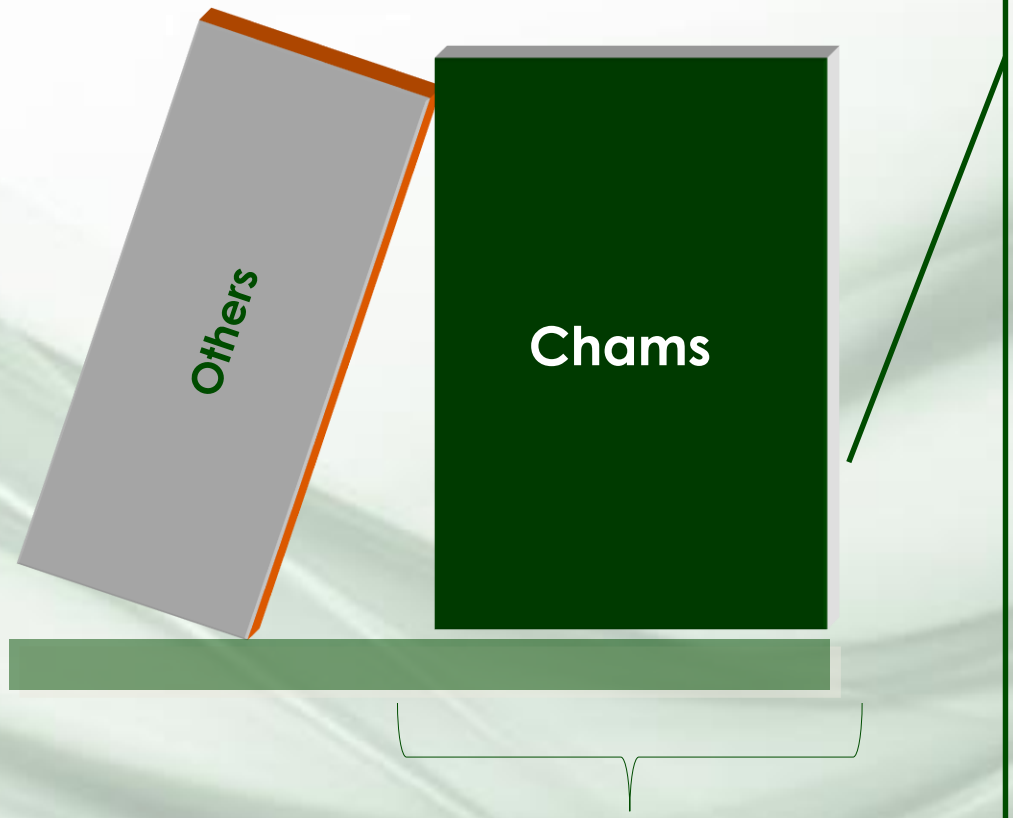
Revenue & Profits (y/y)	FY2011	FY2012	FY2013
Revenue growth (%)	19.7%	59.5%	21.3%
Gross Profit growth (%)	32.0%	235.2%	-19.6%
EBIT growth (%)	36.3%	141.1%	-19.9%
Pre-tax growth (%)	33.5%	114.2%	-36.9%
Net Income growth (%)	10.5%	107.1%	115.3%

Costs (y/y)	FY2011	FY2012	FY2013
Cost of Sales	13.1%	-51.1%	197.7%
Admin expense	-7.3%	14.4%	-36.5%
Finance expense	-17.9%	1.7%	-7.3%

Ratios & Margins	FY2011	FY2012	FY2013
Cost of Sales / Sales	61.4%	18.8%	46.2%
Opex to Sales	120.2%	86.2%	45.1%
Gross margin	38.6%	81.2%	53.8%
EBIT margin (%)	-54.7%	14.1%	9.3%
Pre-tax margin (%)	67.4%	-5.9%	-3.1%
Net margin (%)	-69.6%	3.1%	5.5%

7 Outlook

Strategy



Our intent is to dominate the identity management business in Nigeria

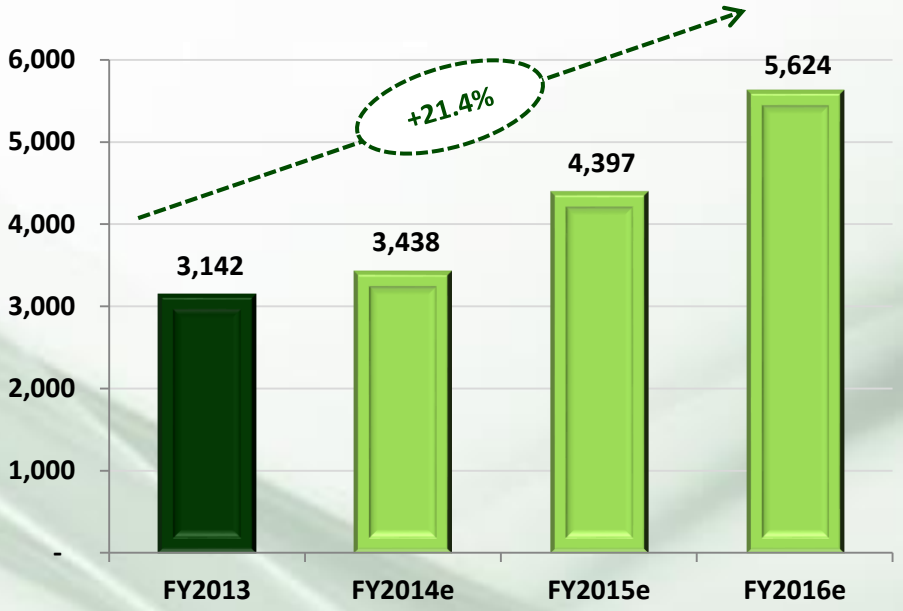
- **Increase our market share to at least 60% by 2015;**
- **Grow revenue to N10 billion in 5-7 years;**
- **Develop new product lines – introduce a unified Badge System in our card business;**
- **Exploit the biometric payment and transaction space;**
- **Form strategic partnerships and alliances; and**
- **Engage in Public-Private Partnerships.**

Road to our Strategy – Ongoing Projects

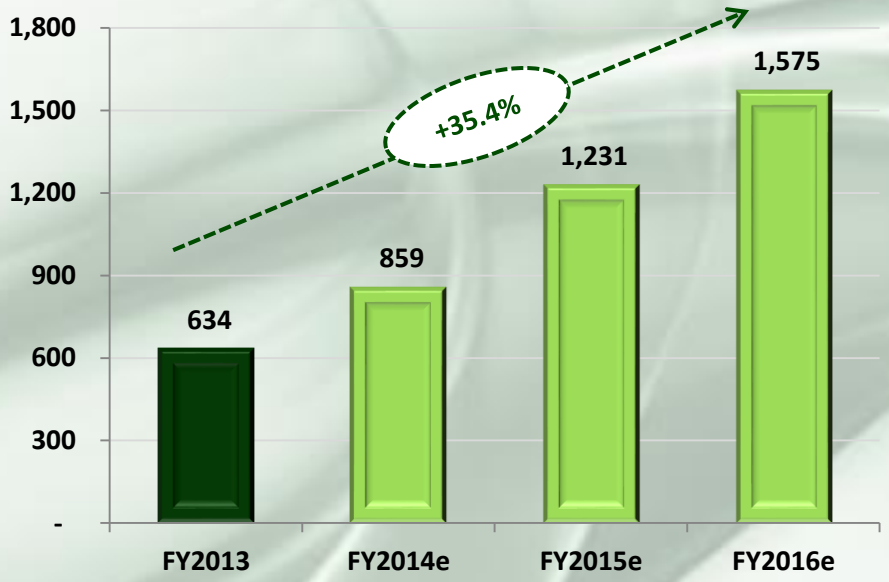
- Biometric Matching Solution Project (CBN KYC initiative)
- Osun State Partnership (Resident's ID Project, Staff Audit and Payroll)
- Anambra State Partnership (Identity Management and IGR Project)
- National Identity Management Commission (NIMC) Project
- Kogi State Staff Audit, Payroll and HR Application Deployment Project
- Data Revalidation Project

Company Three-Year Financial Projections

Revenue



Profit Before Tax



Outlook for the rest of the year…

…We will:

- Complete the ongoing restructuring across the group and dedicate our energy towards delivering value to all stakeholders;
- Upgrade our Card Personalization Bureau to EMV Certified Standard;
- Foster strategic alliance with our partners based in South Africa and Israel;
- Launch new card products and solutions into the market;
- Sustain our growth in market share – complete the ;
- Achieve a profit growth of 300%; and
- Continue to engage the investment community and keep you abreast of developments in our company.

Summary

Chams PLC	Refocussed Restructured Re-energised	Assured CAGR Balance Sheet
Our Prayers	NationalID, Bankers KYC/BVN & Other Projects	Chams Shares: Time to buy!
Commitment	Business & Consumer focus Relevance to Nation & Humanity	Capital Appreciation ROI - Dividends & Bonuses

Always Remember that…

…We remain “the Authority in Identity Management”

Thank you.