

IDEAGEN PLC

2019-2020 HALF YEAR RESULTS

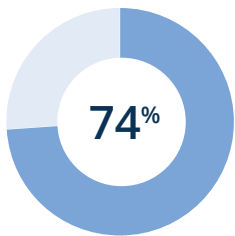
David Hornsby – Executive Chairman
Ben Dorks – CEO
Graeme Spenceley – CFO



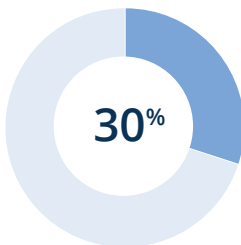
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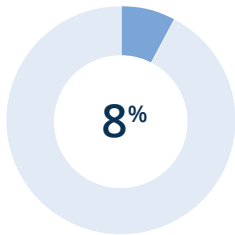
THREE YEAR OBJECTIVES



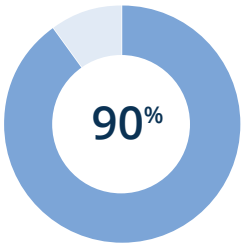
Recurring Revenue 74% by FY 2020



Operating Margins 30%



Organic Revenue Growth 8% During Transition



Cash Generation 90% of EBITDA

OVERVIEW

4,700 Companies use the Ideagen suite of products including:



250 HOSPITALS IN
THE UK & US



300+ AVIATION
ORGANISATIONS
GLOBALLY



7 OF THE TOP 10 UK
ACCOUNTING FIRMS



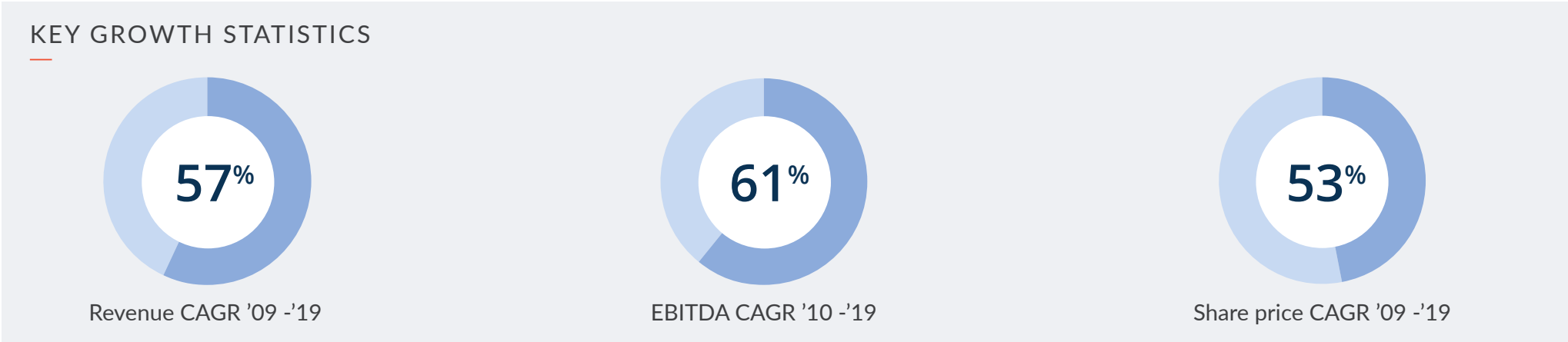
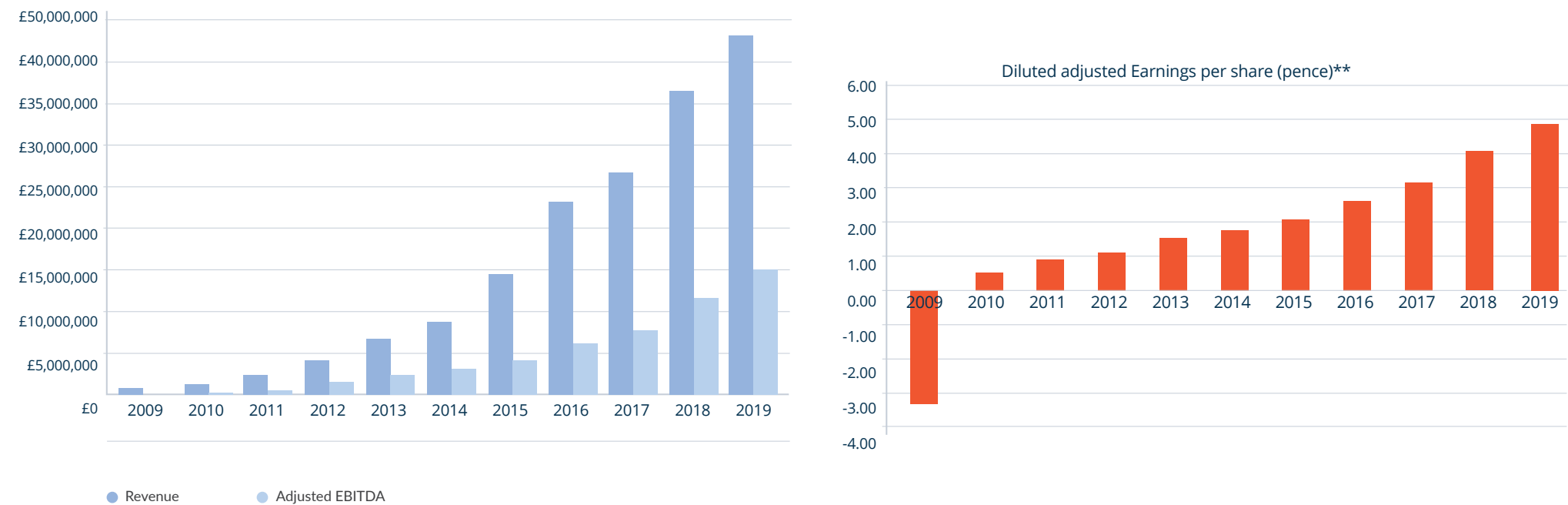
7 OF 7 TOP GLOBAL
AEROSPACE DEFENCE
COMPANIES



15 OF THE TOP 20
PHARMACEUTICAL
COMPANIES

- Integrated Risk Management
- Solving complex compliance and risk problems for highly regulated industries
- Strong vertical alignment - Manufacturing, Aerospace & Defence, Healthcare, Life Sciences, Finance and Transport
- 17 acquisitions with strong IP and recurring revenue
- Excellent customer base with long LTV
- Consistent organic growth and increase in recurring revenues
- Medium term transition to SaaS model
- Strong Ideagen team with excellent domain knowledge and thought leadership
- Large market opportunity

TRACK RECORD OF GROWTH

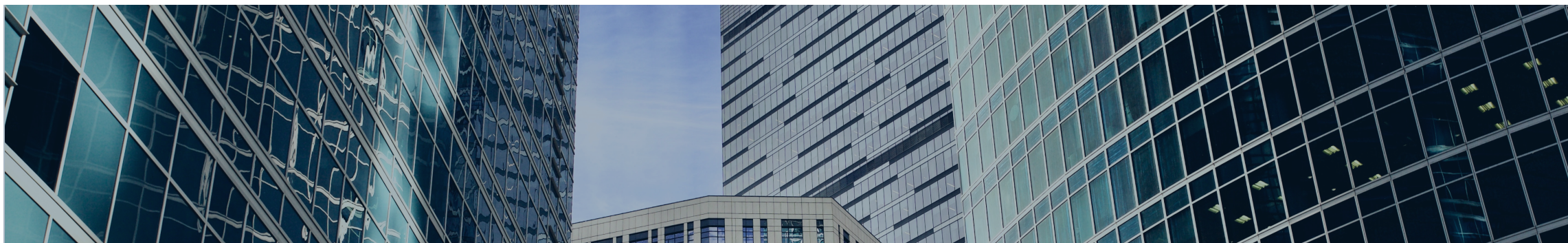


OPERATIONAL HIGHLIGHTS

- Acquisition of Redland Solutions Ltd a fast growing, profitable RegTec SaaS company supplying software to the financial services industry
- Acquisition of Optima Diagnostics Limited, a SaaS based Health and Safety compliance company
- Strong international growth with 90% (FY2018: 87.5%) of all new SaaS logo wins outside of the UK
- 206 new logo SaaS customer wins including - Emirates Group , SSE, Mallinckrodt Pharmaceuticals, Royal London, Washington Department of Transport, Vietjet Air, Natixis
- 73 new logo on-premise customer wins including Merck, Directorate General of Civil Aviation, Mater Hospitals and Health Services, Sandia National Laboratories, Electoral Commission, YASREF
- Strong account management with significant contract extensions from Execujet, Uniphar, Sanofi, Southern Water, Commerzbank, Sunclass Airlines. Oshkosh Defense, Belfast Health & Social Care Trust
- Continued high levels of customer retention with support and maintenance contract renewal rate of 95%
- Ongoing product innovation and investment across all products with strong emphasis on cloud solutions



FINANCIAL HIGHLIGHTS



- First half performance in line with market expectations and confident outlook for second half
 - Revenue increased 30% to £27.3 million (H1 2018: £21.0 million)
 - Continued growth of recurring revenues, representing 74% (H1 2018: 67%) of total revenues
 - SaaS revenues increased by 76% to £9.7 million (H1 2018: £5.5 million)
- Underlying organic revenue growth* of 7% (H1 2018: 8%)
- Annual Recurring Revenue book (ARR) was up 20% at approximately £43.9 million (£36.4 million at 30 April 2019)
 - Acquisition-led growth of £3.8 million
 - Organic growth of £3.7 million – 10% in period - 20% annualised - (H1: 2018 7%)
 - 48% increase in SaaS bookings (H1: 2018 79.9%)
- Adjusted EBITDA** on an IFRS16 basis grew 38% to £8.0 million (H1 2018: £5.8 million on an IAS17 basis)
 - Adjusted EBITDA** on a like for like IAS17 basis grew 30% to £7.5 million (H1 2018: £5.8 million).
- Adjusted PBT*** increased by 25% to £6.0 million (H1 2018: £4.8 million)
- Adjusted diluted EPS*** increased by 17% to 2.31 pence (H1 2018: 1.98 pence)
- Cash generated by operations of £5.9 million (H1 2018: £5.2 million) representing 74% (H1 2018: 90%) of adjusted EBITDA**
- Net bank debt at 31 October 2019 was £18.0 million (30 April 2019: £1.3 million; 31 October 2018: £1.3 million)
- Interim dividend increased by 15.6% to 0.104 pence per share (H1 2018: 0.09 pence)

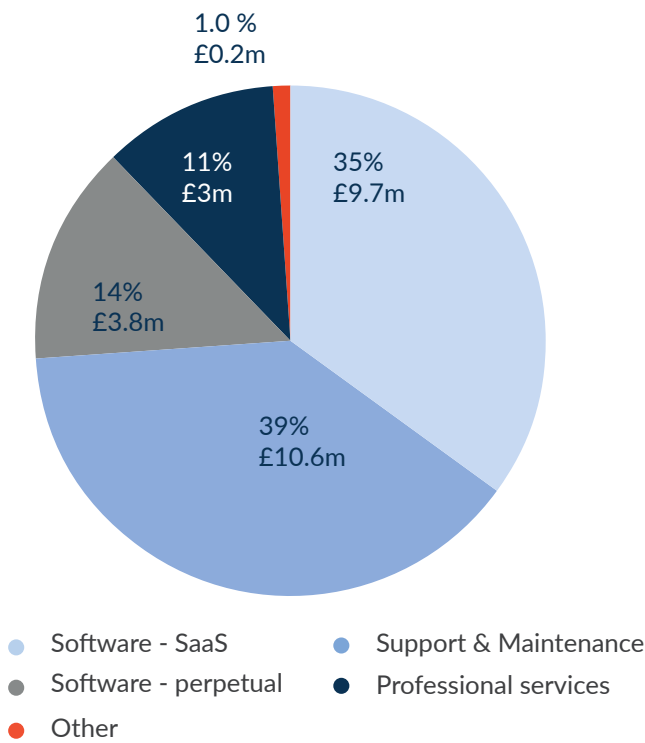
* Comparison calculated on a pro-forma basis as if acquisitions had been in the Group for the same period in the previous year

** Before share-based payments and exceptional items

*** Before share-based payments, amortisation of acquisition intangibles and exceptional items

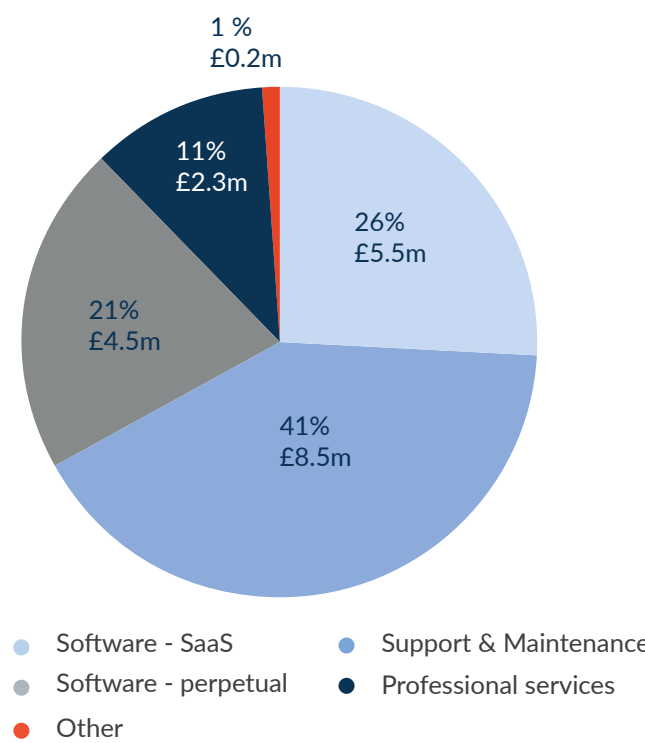
REVENUE ANALYSIS

H1 FY2019/2020



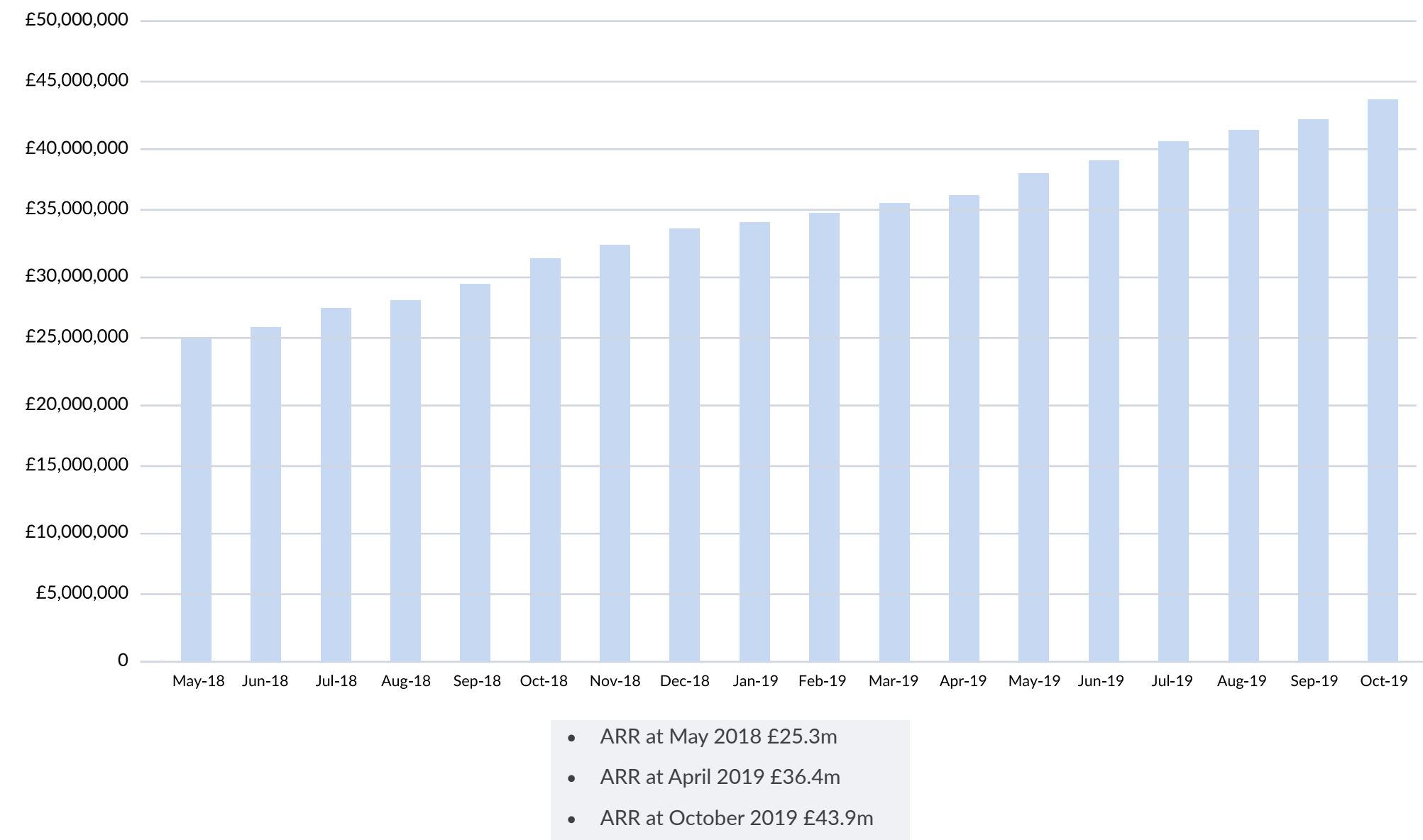
£27.3m revenue for period

H1 FY2018/2019



£21m revenue for period

ARR GROWTH



AUDIT, RISK AND CORPORATE COMPLIANCE

USE CASES



- Internal audit & SOX management
- Risk and control assessment & mitigation
- Risk modelling & prioritisation
- Cross-organisational reporting
- Intuitive data analysis
- SM&CR

VERTICALS



- Financial
- Government
- Telecommunications
- Banking
- Energy/Utilities
- Insurance

GEOGRAPHIES



- North America
- Europe
- Middle East
- Asia

MARKET SIZES



- Audit management = ~\$700m
- Risk & Corporate Compliance management = ~\$950m
- Certifications = ~ \$250m

QUALITY, HEALTH, SAFETY AND ENVIRONMENT

USE CASES



- Attain operational excellence
- Manage risk
- QMS:
 - End-to-end quality throughout the organisation
 - Support the shift from digitisation to digitalisation
- HSE:
 - Incident reporting
 - Assure regulatory compliance
 - Surface, consolidate, analyse and report HSE data

VERTICALS



- Healthcare
- Life Sciences
- Manufacturing
- Aviation
- Consumer packaged goods (food and drink)

GEOGRAPHIES



- North America
- Europe
- Asia-Pacific
- South America
- Middle East and Africa

MARKET SIZES



- Health, Safety and Environment = ~\$1bn
- Quality Management System = ~\$750m

OUR PILLARS

Our business is built around 3 pillars:



PEOPLE

Our people remain our greatest arsenal. They represent Ideagen across a variety of sectors in a growing number of markets. They carry with them intricate knowledge of our products and sub-brands they represent. This allows for an informed discussion with customers and prospects alike as to how Ideagens' growing suite of products can best assist them. In turn, we as Ideagen work hard to invest in our people both from a knowledge and cultural perspective, so they can get the best out of being a part of the Ideagen family.



CUSTOMERS

Our purpose is to make the customer experience as simple, efficient and effective as possible, helping customers reduce time to value and achieve their desired outcomes using our solutions. Our customers views are equally as important to us. Working closely with them, their opinions go some way in determining how our products evolve and equally how they continue to remain relevant in an ever changing global market dynamic.



PRODUCTS

Our products are designed with our customers in mind. Through our products we aim to save you time, money, encourage safety and ensure you remain compliant. We take the time to listen and understand our customers' requirements and then look to see how best we can service these through existing and future releases. In turn, ensuring our products remain competitive and cutting edge, whilst continuing to deliver value to our customer base.

Our focus is always on investing in our people so we can provide the best solution to our customers. The better job we do for customers, the more we will improve sales; the more our sales improve, the more we can reinvest into our people and products to further improve our customers' success.

PRODUCT SUITES



Quality, Health, Safety and Environmental software

- Q-Pulse QHSE
- Q-Pulse Law
- Q-Pulse PM



Internal Audit & Enterprise Risk Management software

- Pentana Audit
- Pentana Risk
- Pentana Disclose



Enterprise Transportation Safety Management software



Document Collaboration and Compliance software

SECTORS

 AEROSPACE AND DEFENCE	 ACCOUNTING, FINANCE AND BANKING
 AVIATION	 ENERGY
 FOOD AND DRINK	 HEALTHCARE
 LIFE SCIENCE	 MANUFACTURING

SUMMARY

- Continued organic growth
- Strong platform for future growth
- Diverse and blue chip customer base
- Strong product development with integrated solution set
- Fragmented market with acquisition opportunity
- 10 years of strong performance
- Successful transition to SaaS
- High Quality of Earnings with 74% recurring revenue
- Team of Domain Experts and Thought Leaders
- International growth and development
- Large £2.5bn market opportunity
- Confident of continuing success



APPENDIX

WHO'S WHO



David Hornsby
Executive Chairman



Ben Dorks
Chief Executive Officer



Graeme Spenceley
Chief Financial Officer



Barnaby Kent
Chief Operating Officer



Alex Hewitt
Chief Legal Officer



Ian Hepworth
Chief Technology Officer

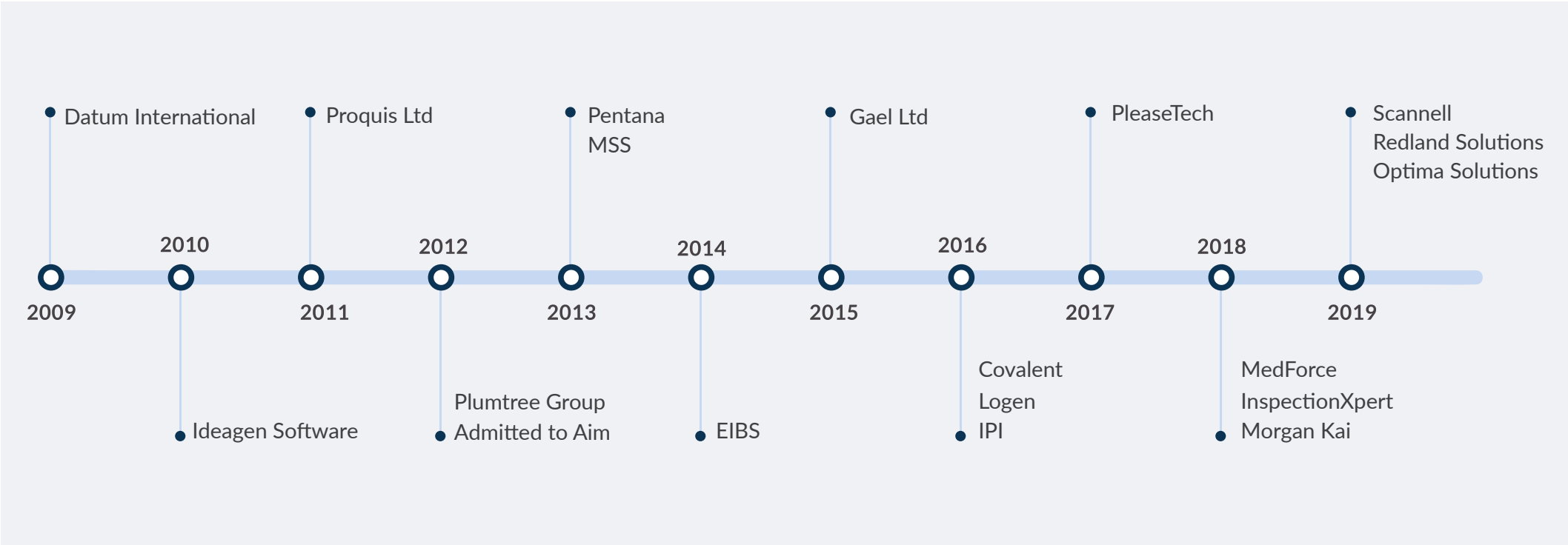


Arun Varma
Chief Marketing Officer



Paul Marshall
Chief Customer Officer

ACQUISITION TIMELINE

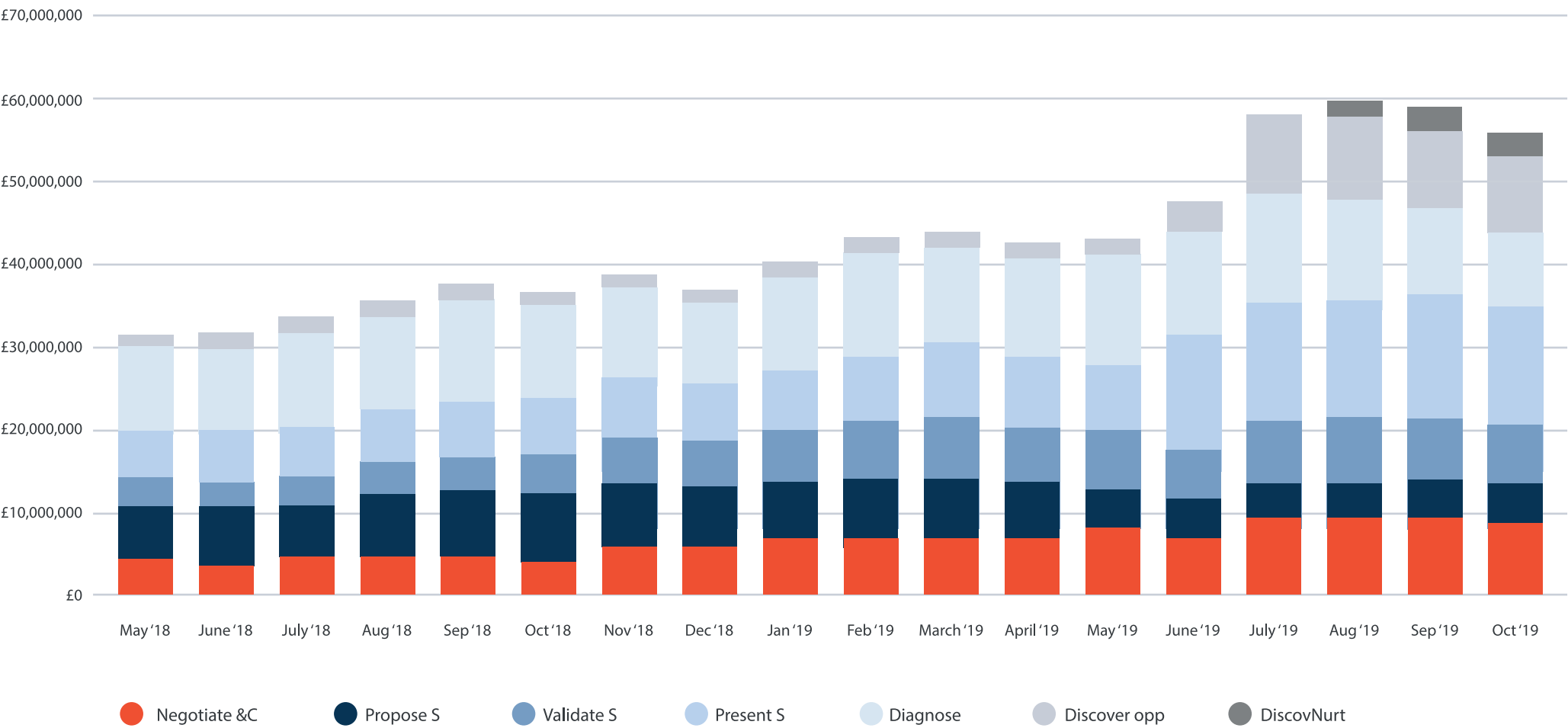


MARKETING APPENDIX

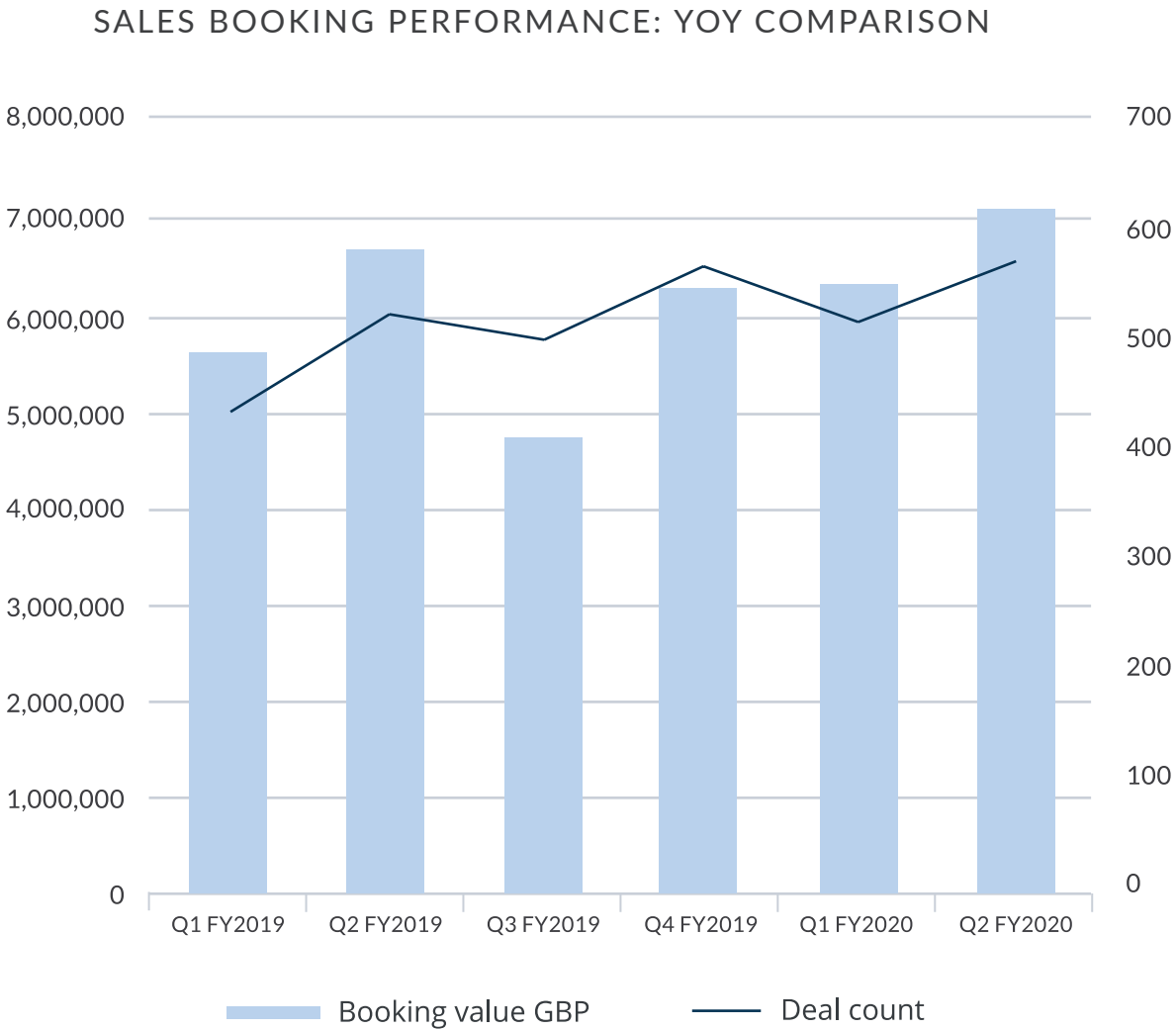
H1



MARKETING APPENDIX - SALES PIPELINE GROWTH

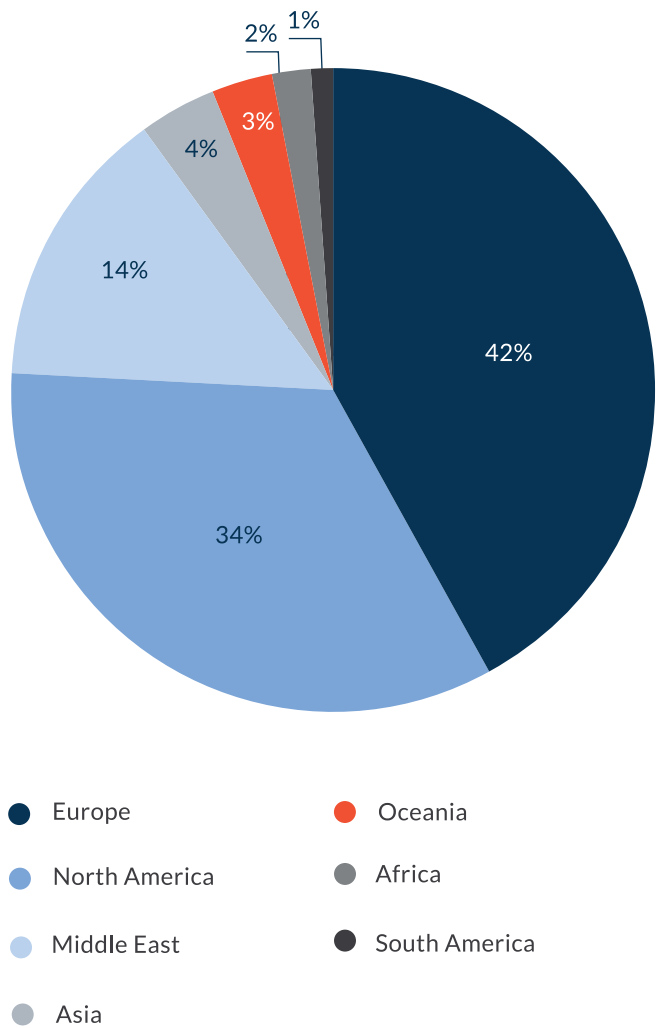


SALES BOOKING PERFORMANCE

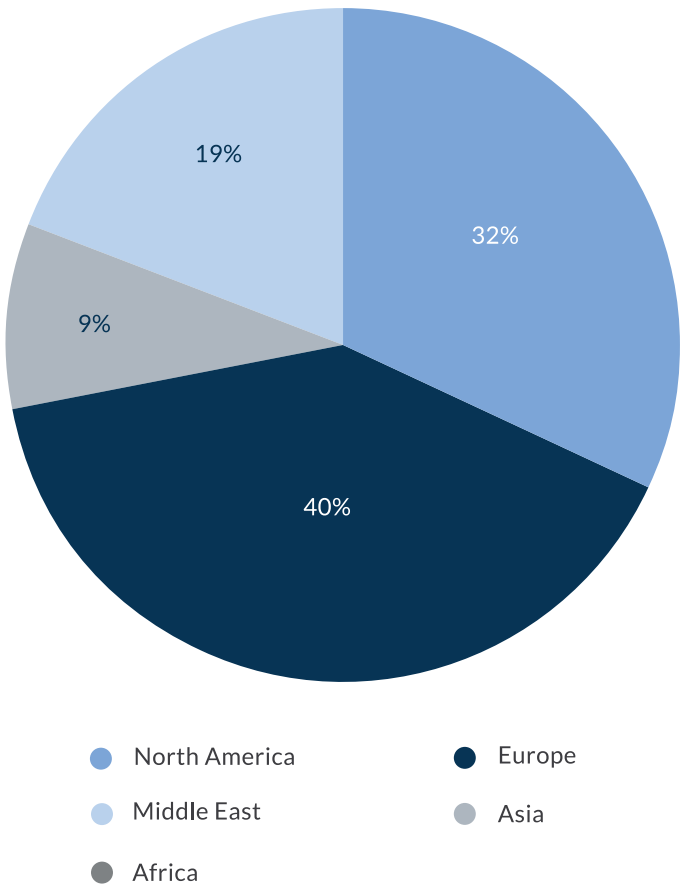


BOOKING BY REGION: FY19/20

TOTAL BOOKINGS BY REGION

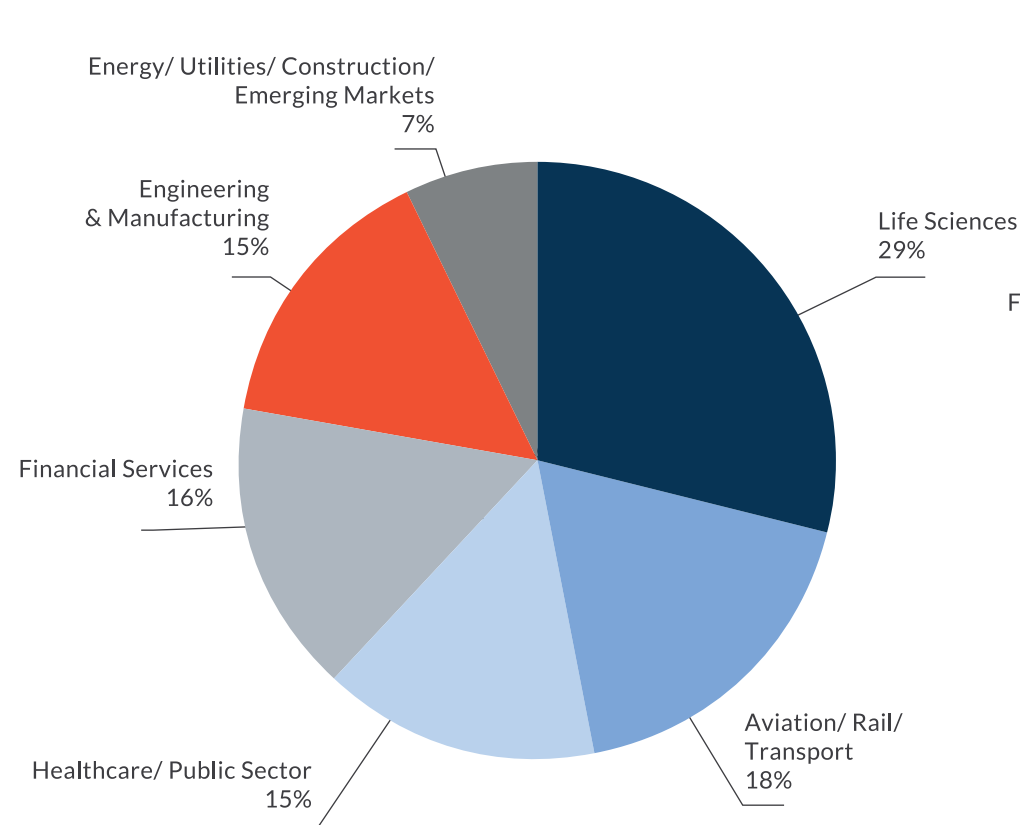


SAAS NEW BUSINESS BOOKINGS BY REGION

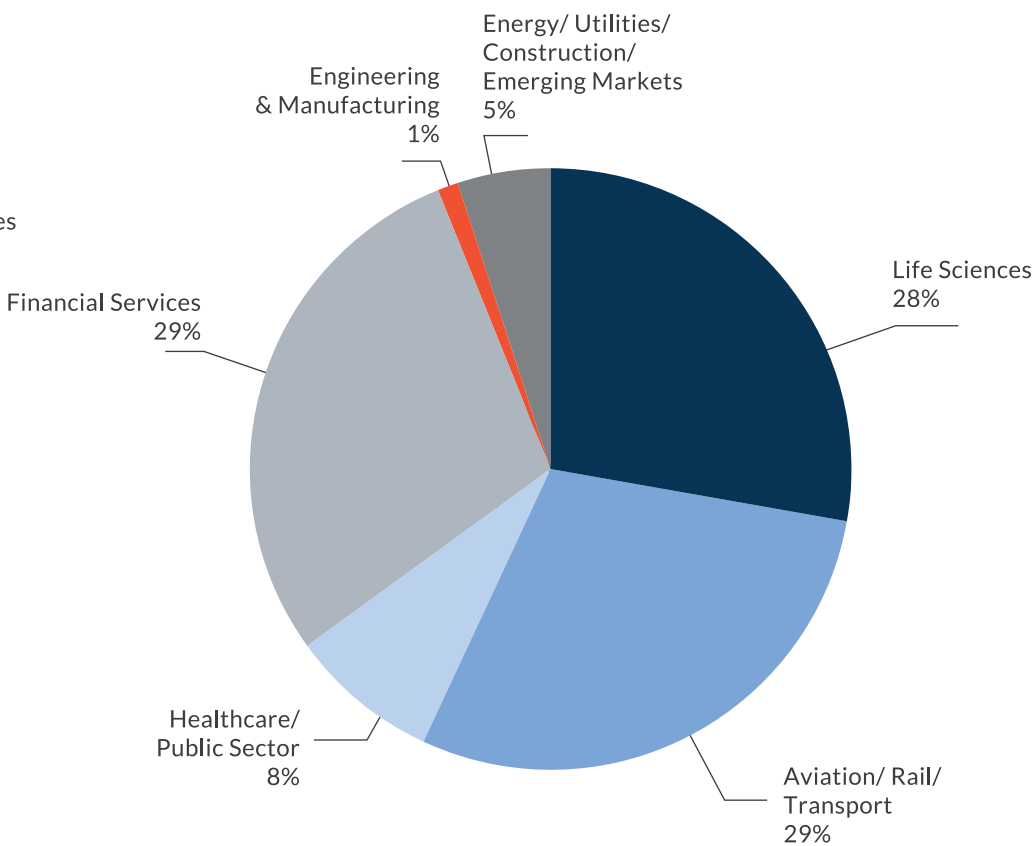


BOOKINGS BY VERTICAL SECTOR FY2019/20

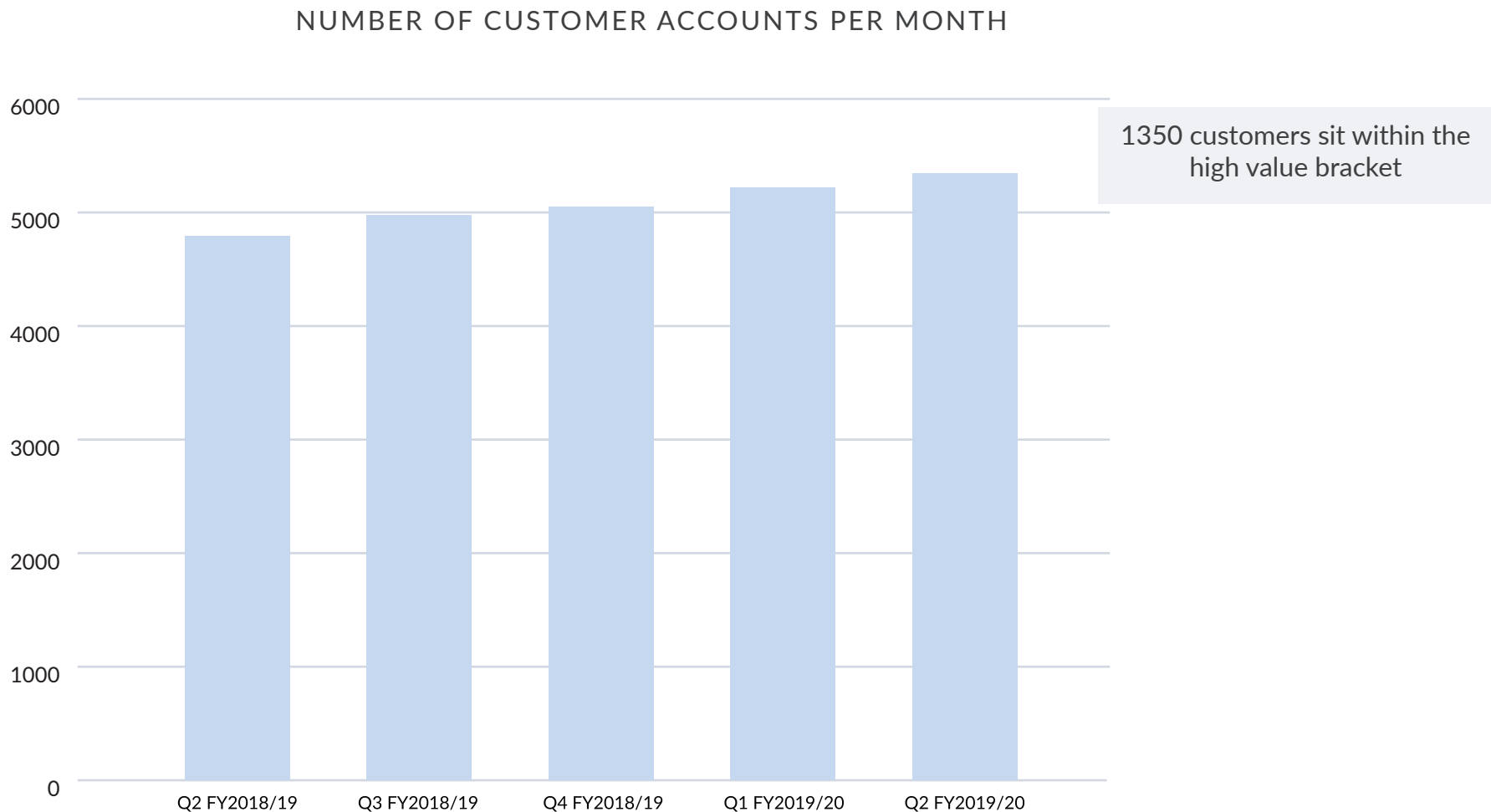
ALL BOOKINGS BY SECTOR



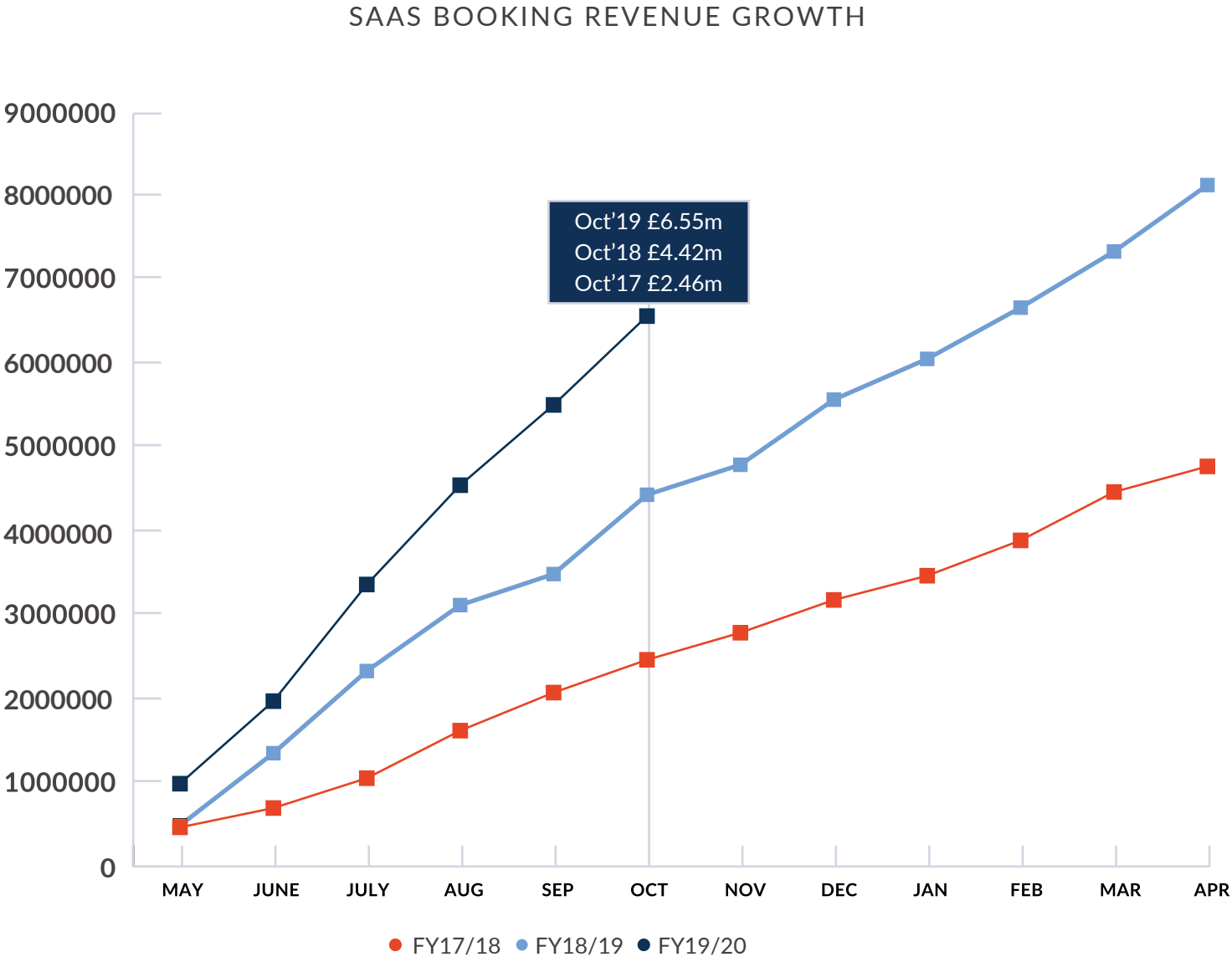
SAAS NEW BUSINESS BOOKINGS



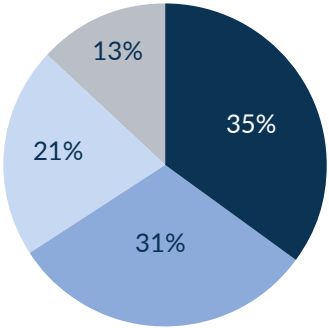
CUSTOMER GROWTH



HISTORY OF SAAS BOOKING REVENUE

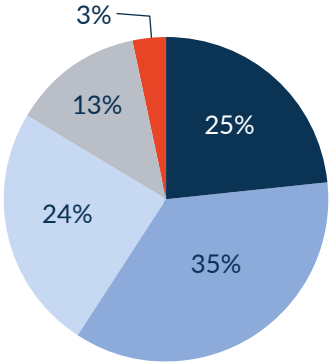


IDEAGEN PEOPLE



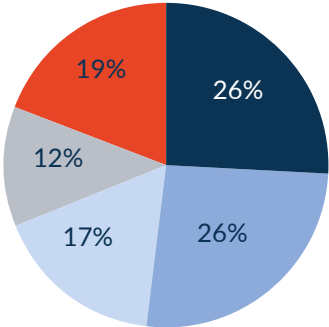
ROLE

- Development
- Customer Success
- Marketing & Sales
- Other



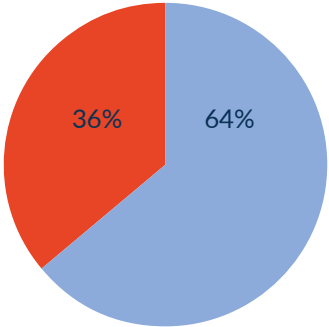
AGE

- <30
- 30-40
- 40-50
- 50-60
- 60+



LENGTH OF SERVICE

- 12 months
- 1-3 years
- 3-6 years
- 6-10 years
- 10+ years



GENDER

- Male
- Female

ACTIVE INTEGRATION - WHY BOTHER?

OBJECTIVE:



REDUCE RISK



INCREASE SCALABILITY



DRIVE EFFICIENCY
& PRODUCTIVITY

Integration at all cost – optimize and balance ‘Risk & Reward’

- Replicate best practice and spread skills
- Domain expertise
- Integrated functions: IT, Support, Finance, Administration
- Centralised systems & Infrastructure
- Quality Management Information (MI)
- Organisational Debt



INTEGRATION SNAPSHOT

Acquisition Completion Status - 30 Sept 19

	Redland Solutions		Scannell Solutions		Inspection Xpert (Autominous BU)		Morgan Kai		Medforce		Pleasetech		IPI	Covalent
Current status reporting date vs previous date	30-Sep	12-Aug	30-Sep	12-Aug	30-Sep	12-Aug	30-Sep	12-Aug	30-Sep	12-Aug	Complete	12-Aug	Complete	Complete
Total number of the 72 tasks complete or n/a, on hold	7 (-2)	9	53 (+2)	51	57 (+0)	57	65 (+7)	59	69 (+4)	65	72 (+2)	70	72	72
% of total tasks completed	13 (-2)	15	74 (+3)	71	78 (+0)	78	90 (+8)	82	96 (+6)	90	100 (+3)	97	100	100
Salesforce: Customers/ Contacts/ Contracts migrated	On Hold	Complete	On Hold	Complete	On Hold	On Hold	Complete	Complete	Complete	Complete	Complete	Complete	Complete	Complete
Ability to run the New Acquisition's accounts in IFRS	On Hold	On Hold	Complete	Complete	On Hold	On Hold	Complete	Complete	Complete	Complete	Complete	Complete	Complete	Complete
Clarity on New Acquisition's Product Roadmap within Ideagen	On Hold	On Hold	Complete	Complete	On Hold	On Hold	Complete	Complete	Complete	Complete	Complete	Complete	Complete	Complete
Assessment complete on Network and Cyber Security	On Hold	On Hold	Complete	Complete	On Hold	On Hold	Complete	Complete	Complete	Complete	Complete	Complete	Complete	Complete
Roll out of MSSA	Complete	On Hold	Complete	Complete	On Hold	On Hold	Complete	Complete	Complete	Complete	Complete	Complete	Complete	Complete
Recurring Revenue secured in Ideagen process	On Hold	On Hold	Complete	Complete	On Hold	On Hold	Complete	Complete	Complete	Complete	Complete	Complete	Complete	Complete
New Sales opportunities run through Salesforce	On Hold	On Hold	Complete	Complete	On Hold	On Hold	Complete	Complete	Complete	Complete	Complete	Complete	Complete	Complete
Marketing integrated into Ideagen Process	On Hold	On Hold	Complete	Complete	On Hold	On Hold	Complete	Complete	On Hold	On Hold	Complete	Complete	Complete	Complete
Transfer of employment complete	On Hold	On Hold	Complete	On Hold	On Hold	On Hold	Complete	Complete	Complete	Complete	Complete	Complete	Complete	Complete

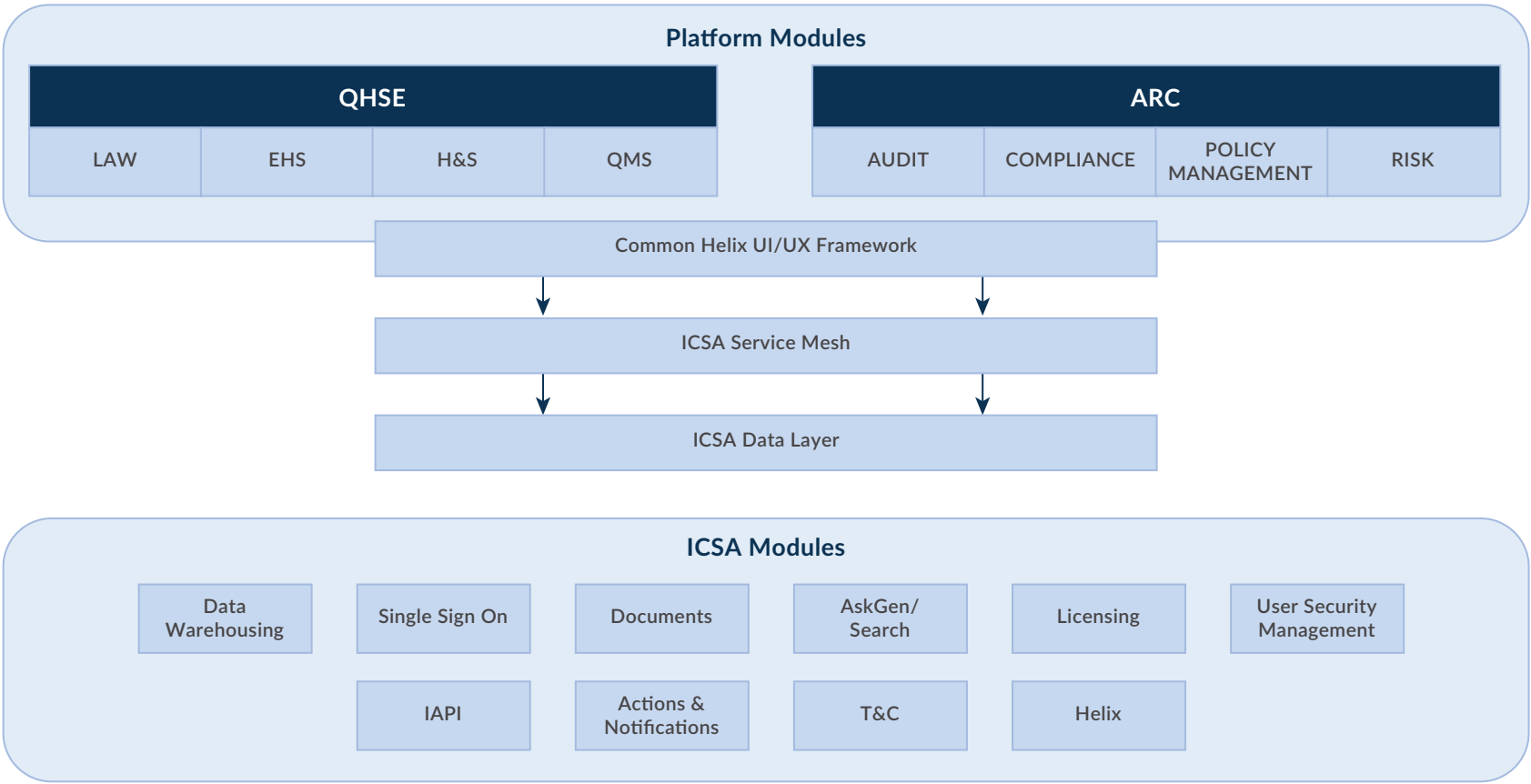
Key:

On Hold or N/A:

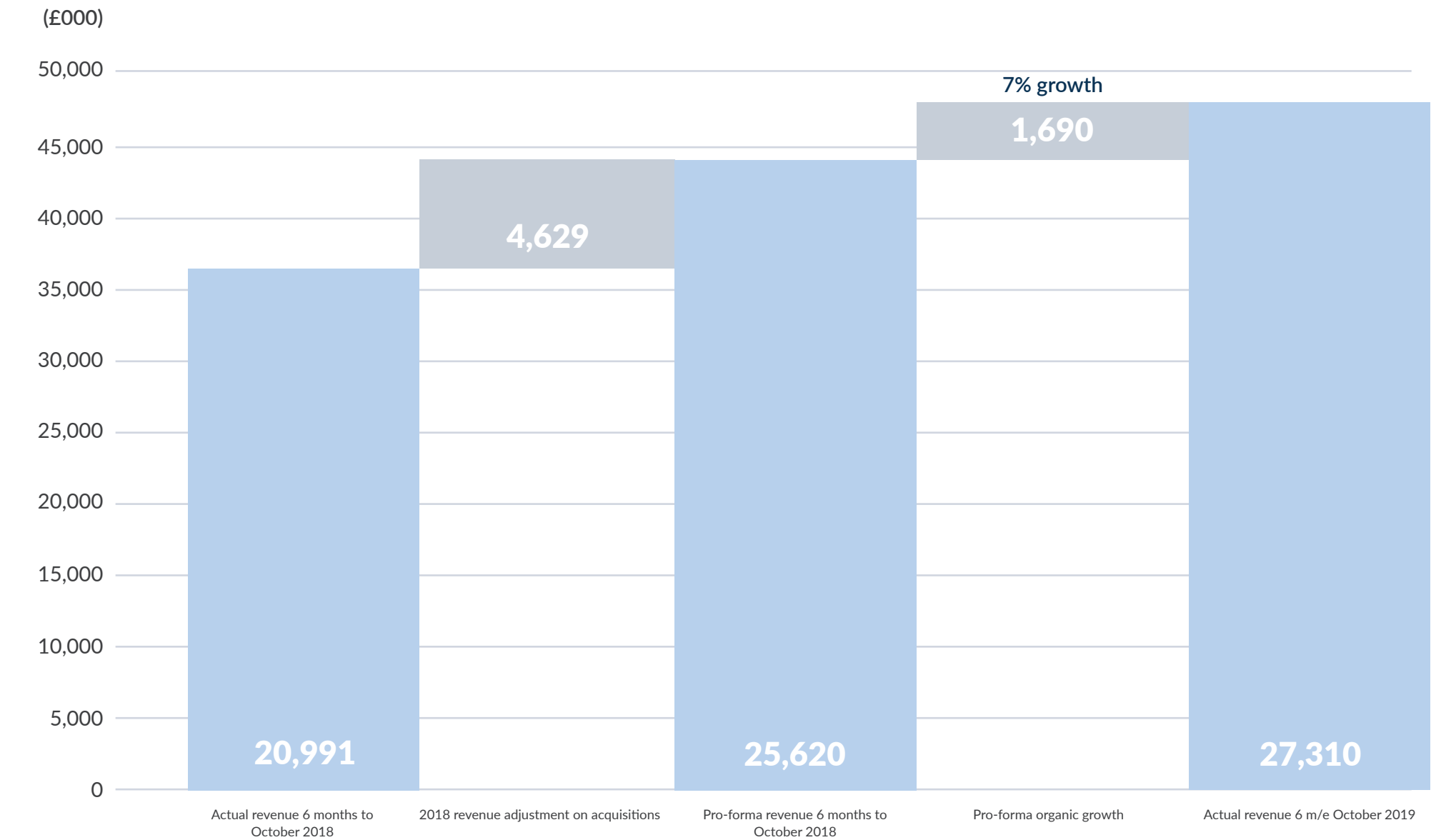
Outstanding:

Complete:

PLATFORMS



PRO-FORMA ORGANIC REVENUE GROWTH



STATEMENT OF COMPREHENSIVE INCOME

FOR THE SIX MONTHS ENDED 31ST OCTOBER

	2019 (IFRS 16 basis) £'000	2018 (IAS17 basis) £'000
Revenue	27,310	20,991
Cost of sales	(2,346)	(1,853)
Gross profit	24,964	19,138
Operating costs	(16,946)	(13,375)
Profit from operating activities before depreciation, amortisation, share-based payment charges and exceptional items	8,018	5,763
Depreciation and amortisation	(6,464)	(4,292)
Cost of acquiring businesses	(236)	(793)
Restructing costs	(34)	(267)
Share-based payment charges	(796)	(948)
Profit from operating activities	488	(537)
Finance costs	(395)	(98)
Profit before taxation	93	(635)
Taxation	242	78
Profit for the period	335	(557)
Other comprehensive income		
Items that may be subsequently reclassified to profit or loss:		
Exchange differences on translating foreign operations	(20)	978
Corporation tax on exercise of options	388	233
Total comprehensive income for the period attributable to the owners of the parent company:	703	654
Earnings per share	Pence	Pence
Basic	0.15	-0.27
Diluted	0.15	-0.42

STATEMENT OF FINANCIAL POSITION

	31st October 2019 (IFRS16 basis) £'000	30th April 2019 (IAS17 basis) £'000	31st October 2018 (IAS17 basis) £'000
Assets and liabilities			
Non-current assets			
Intangible Assets	109,000	90,749	91,122
Property, plant and equipment	1,487	1,069	1,219
Right of use assets	3,295	-	-
	<u>113,782</u>	<u>91,818</u>	<u>92,341</u>
Current Assets			
Trade and other receivables	20,327	17,547	15,495
Cash and cash equivalents	5,769	6,199	5,947
	<u>26,096</u>	<u>23,746</u>	<u>21,442</u>
Current liabilities			
Trade and other payables	6,008	6,043	6,872
Current income tax liabilities	532	387	308
Bank borrowings	23,750	7,500	7,250
Finance lease liabilities	1,034	-	-
Deferred revenue	20,842	18,570	16,846
Contingent consideration on business combinations	500	769	-
Deferred consideration on business combinations	500	1,269	2,030
	<u>53,166</u>	<u>34,538</u>	<u>33,306</u>
Non-current liabilities			
Finance lease liabilities	2,202	-	-
Deferred income tax liabilities	9,265	7,344	8,820
	<u>11,467</u>	<u>7,344</u>	<u>8,820</u>
Net assets	<u>75,245</u>	<u>73,682</u>	<u>71,657</u>

STATEMENT OF FINANCIAL POSITION (CONTINUED)

	31st October 2019 (IFRS16 basis) £'000	30th April 2019 (IAS17 basis) £'000	31st October 2018 (IAS17 basis) £'000
Equity			
Issued share capital	2,236	2,198	2,192
Share premium	54,639	53,948	53,661
Merger reserve	1,658	1,658	1,658
Share-based payments reserve	1,881	1,440	1,050
Retained earnings	14,010	13,597	11,918
Foreign currency translation reserve	821	841	1,178
Equity attributable to owners of the parent	75,245	73,682	71,657

STATEMENT OF CASH FLOWS

FOR THE SIX MONTHS ENDED 31ST OCTOBER

	2019 (IFRS16 basis) £'000	2018 (IAS17 basis) £'000
Cash flows from operating activities		
Profit / (loss) for the period	335	(557)
Depreciation of property, plant and equipment	262	210
Depreciation of right of use assets	466	-
Amortisation of intangible non-current assets	5,736	4,082
Business acquisition costs in profit or loss	236	793
Share-based payment charges in profit or loss	796	948
Restructuring costs in profit or loss	34	-
Finance costs recognised in profit or loss	395	98
Taxation credit recognised in profit or loss	(242)	(78)
Increase in trade and other receivables	(2,157)	(1,715)
Decrease in trade and other payables	(365)	232
Increase in deferred revenue liability	415	1,194
Cash generated by operations	5,911	5,207
Finance costs paid	(484)	(88)
Income tax paid	(26)	(57)
Restructuring costs paid	(34)	-
Employer's national insurance paid on share-based payments	-	(320)
Business acquisition costs paid	(615)	(327)
Net cash generated by operating activities	4,752	4,415
Cash flows from investing activities		
Net cash outflow on acquisition of businesses net of cash acquired	(17,596)	(24,330)
Payments of deferred consideration on business combinations	(769)	-
Payments of contingent consideration on business combination	(769)	-
Payments for development costs	(1,944)	(1,294)
Payments for property, plant and equipment	(624)	(490)
Net cash used in investing activities	(21,702)	(26,114)

STATEMENT OF CASH FLOWS CNTD

FOR THE SIX MONTHS ENDED 31ST OCTOBER

	2019 (IFRS16 basis) £'000	2018 (IAS17 basis) £'000
Cash flows from financing activities		
Proceeds from placing of equity shares	-	20,000
Payments for share issue costs	-	(626)
Proceeds from issue of shares under the share option schemes	685	155
Proceeds from issue of shares under the share incentive scheme	44	40
Cost of free shares purchased under the share incentive scheme	(3)	(3)
New short-term borrowings	16,250	2,500
Finance lease payments	(441)	-
Net cash generated by financing activities	16,535	22,066
Net decrease in cash and cash equivalents during the year	(415)	367
Cash and cash equivalents at the beginning of the period	6,199	5,532
Effect of exchange rate changes on cash balances held in foreign currencies	(15)	48
Cash and cash equivalents at the end of the year	5,769	5,947

