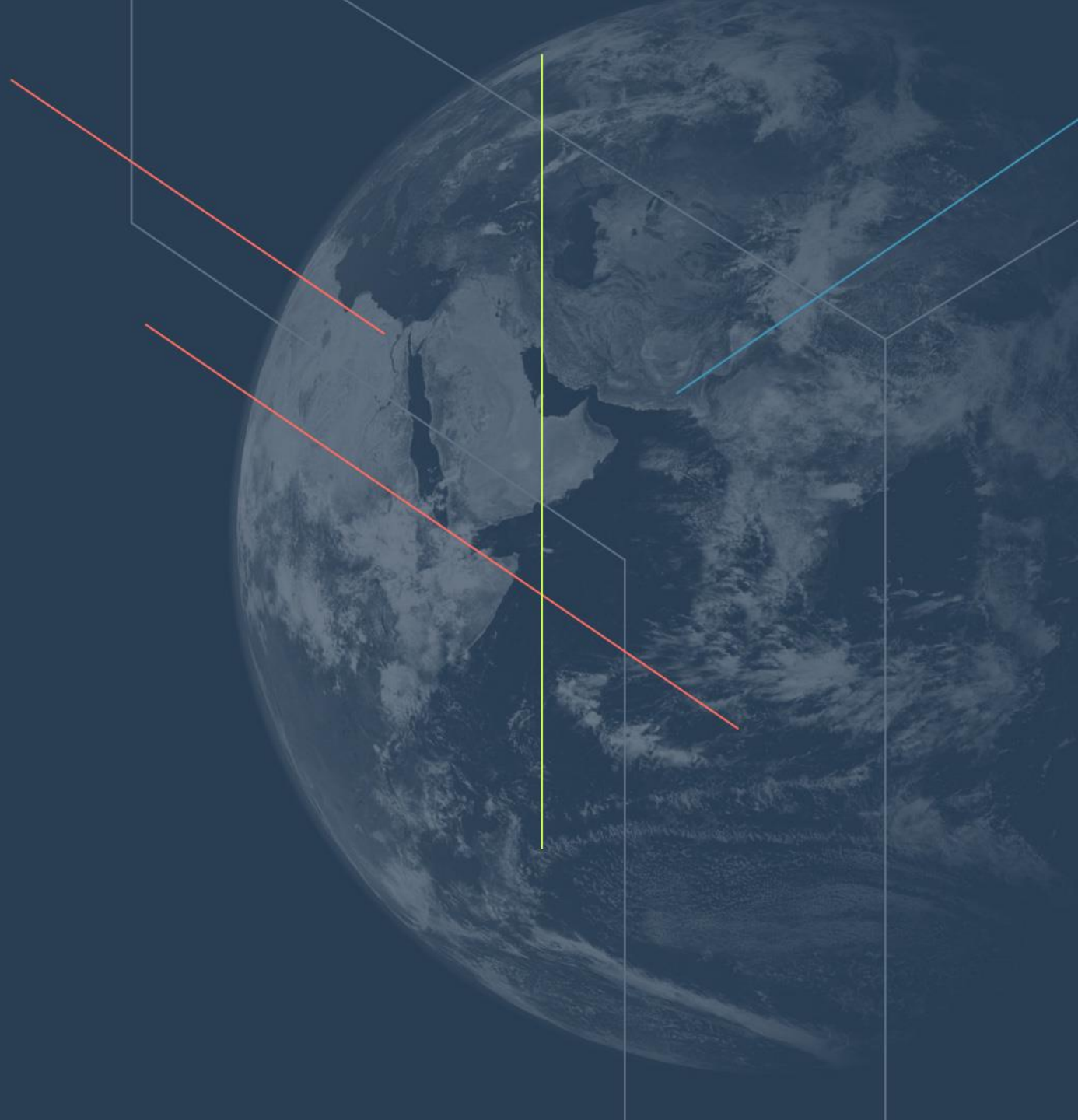


TUNGSTEN CORPORATION PLC

Investor Presentation

Interim Results

December 2021





PAUL COOPER

**Chief Executive
Officer**

Paul joined Tungsten Network in June 2021 having built his career with Dimension Data and NTT (which merged in 2019) through various Financial, Operational and General Leadership positions over 21 years. He most recently served as Regional Director at NTT Europe following his appointment in October 2019. He had ultimate strategic, operational and financial responsibility for eleven European countries generating annual revenues of \$900 million, encompassing 2,500 employees.

Paul holds a Bachelor of Commerce degree from the Australian National University and qualified with CPA Australia.



IAN KELLY

**Chief Financial
Officer**

Ian joined Tungsten in 2019 prior to which he had been Finance Director at Blackhawk Network, International Finance Director at Axiomlaw, Finance Director - Residential at TalkTalk and EMEA and Shared Services Finance Director at Discovery Communications. He has assumed the CFO role at Tungsten on two occasions prior to accepting the permanent role in May of this year.

He is a Fellow of the Institute of Chartered Accountants for England and Wales, having qualified with PWC and is an experienced finance professional with significant commercial experience in technology-based businesses operating in client-centric markets.

- One of the world's leading business transaction networks supporting digital transformation for 21 years
- Processing more than £220 billion in transactions annually
- 18.3 million invoices processed a year
- Network transaction flows in 196 countries with compliance coverage in 54 countries
- Solution of choice for major enterprises and suppliers transacting internationally

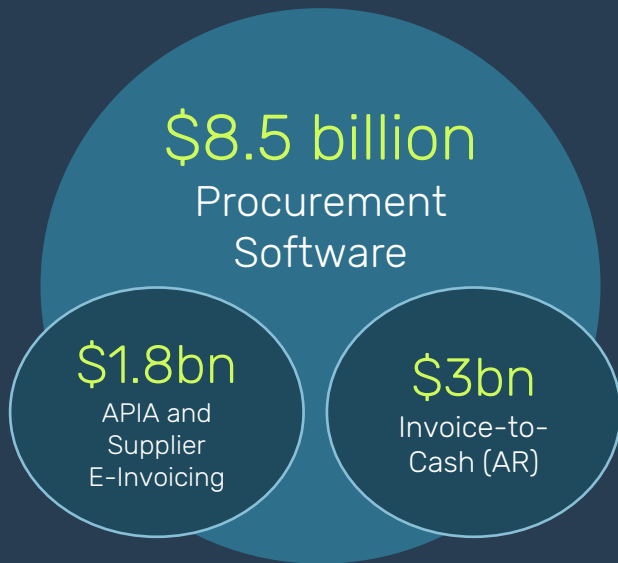


A team of 227 people spanning the world from five global locations

Market opportunity: High Growth

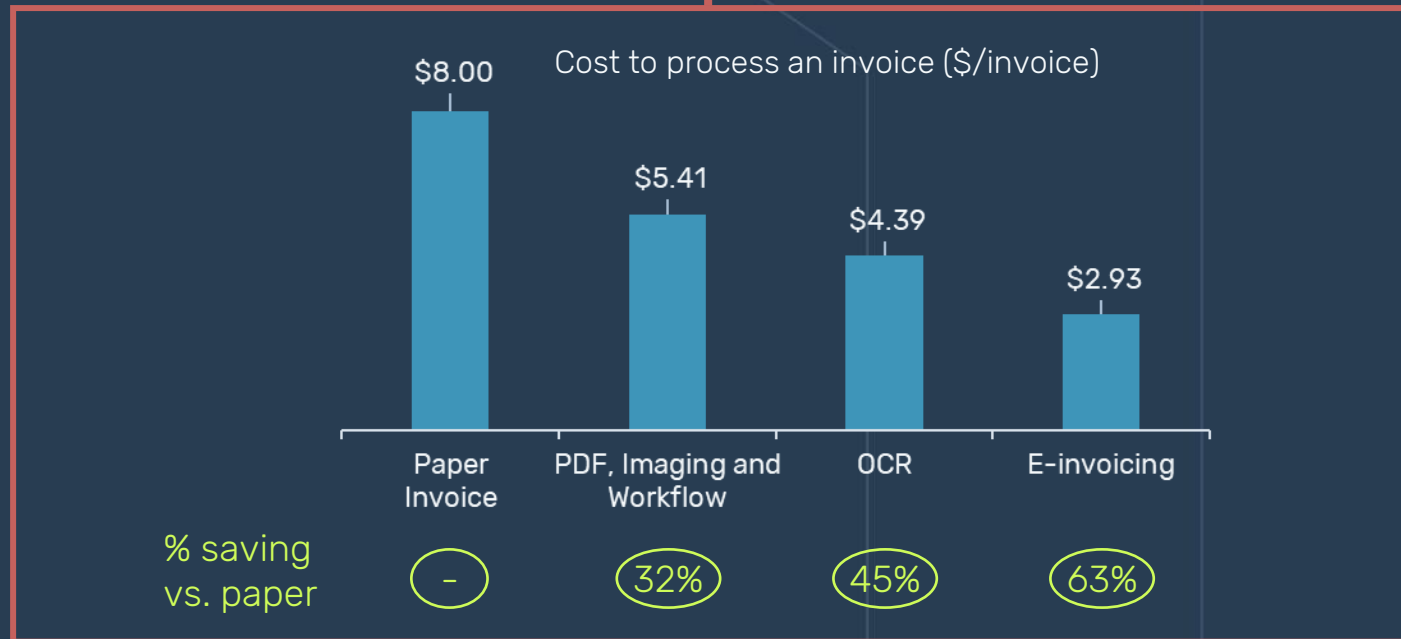
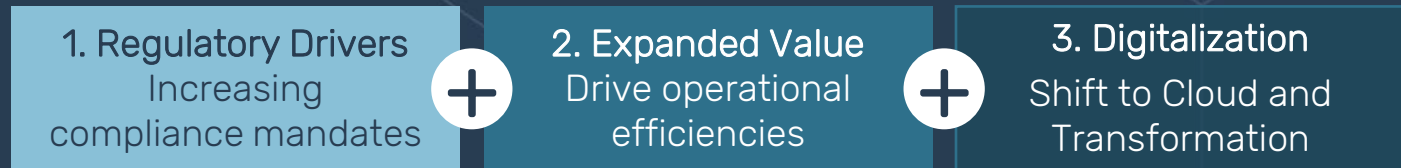
Massive addressable market opportunity across P2P and adjacent markets

Gartner forecasted market size by 2024



\$130bn B2B Payment Market Size for AP/AR Software and Services

Key Drivers – estimated growth of 10.5% from 2019-2024



Source: Purchasing Insight <http://purchasinginsight.com/resources/e-invoicing/e-invoicing-business-case-show-me-the-money/> and Hackett Group

Sources:

- Gartner Procurement Software Forecast, 3Q 20
- Gartner 2021 Market Guide for Accounts Payable Invoice Automation Solution
- Gartner 2021 Market Guide for Integrated Invoice-to-Cash Applications
- Goldman Sachs B2B Payments Report (Nov 2018)

Strong and stable customer base

Tungsten Network has a highly loyal customer base of leading large enterprise players globally

168

Enterprise customers across Total AP, Total AR and Workflow

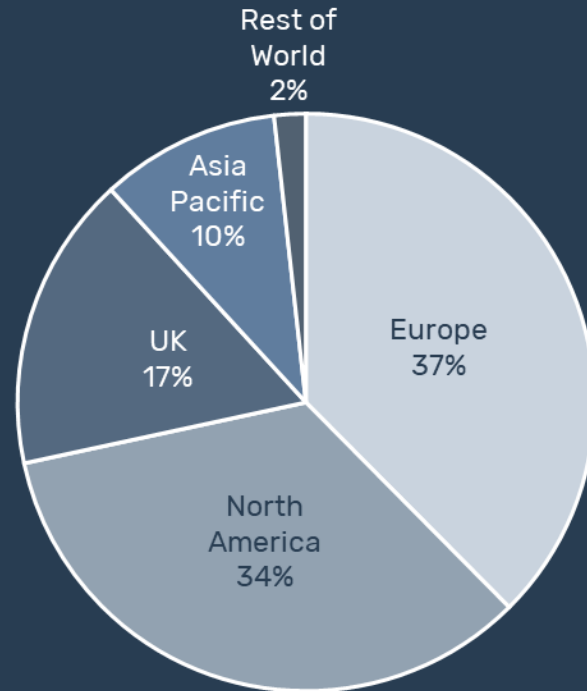
288,000

Registered AP suppliers

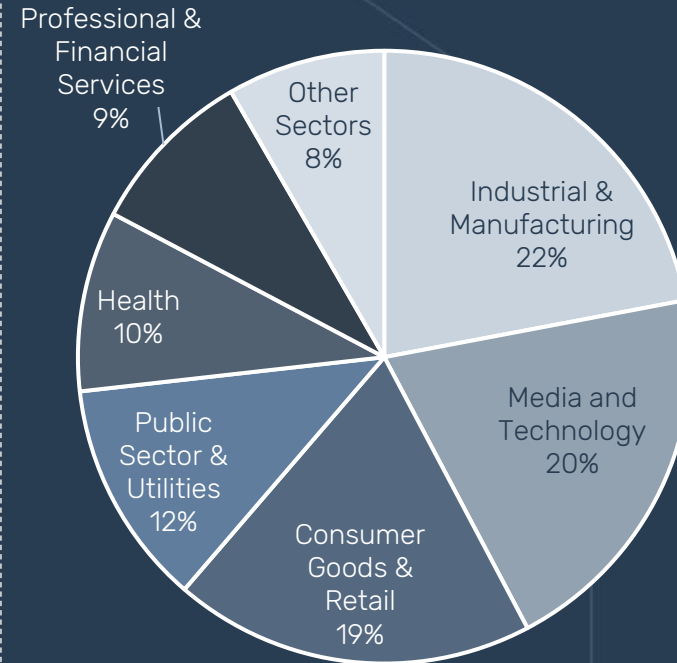
10+ years

Average AP buyer longevity

Geographically Diverse
FY21 Transactions by Region



Broad Sector Coverage
Customers by Industry Sector



Unilever



Core Product Offering

Tungsten offers compelling solutions across Accounts Payable, Workflow and Accounts Receivable

BUYERS

BUYERS

TOTAL AP



CONVERT DATA FORMAT TO BUYER NEEDS



GLOBAL BUYER REGULATION RULES VALIDATION

PURCHASE ORDERS

INVOICE

REJECTIONS

INVOICE STATUS

PAYMENT

SUPPLY CHAIN FINANCE

SUPPLY CHAIN FINANCE

WORKFLOW

PAYMENTS



- 1 Invoice structure
- 2 Country compliance
- 3 Customer rules

Invoice / Invoice Data

OUTBOUND ELECTRONIC INVOICE

100% INVOICE DISTRIBUTION

DISPUTE & BILLING



SUPPLIERS

SUPPLIERS



INTEGRATED SOLUTION



TUNGSTEN PORTAL (WEBFORM)



INVOICE DATA CAPTURE



EMAILIN



GOVERNMENT CLEARANCE



OTHER NETWORKS

(Invoice submission options)

TOTAL AR (including AR Digital)

Invoice Compliance

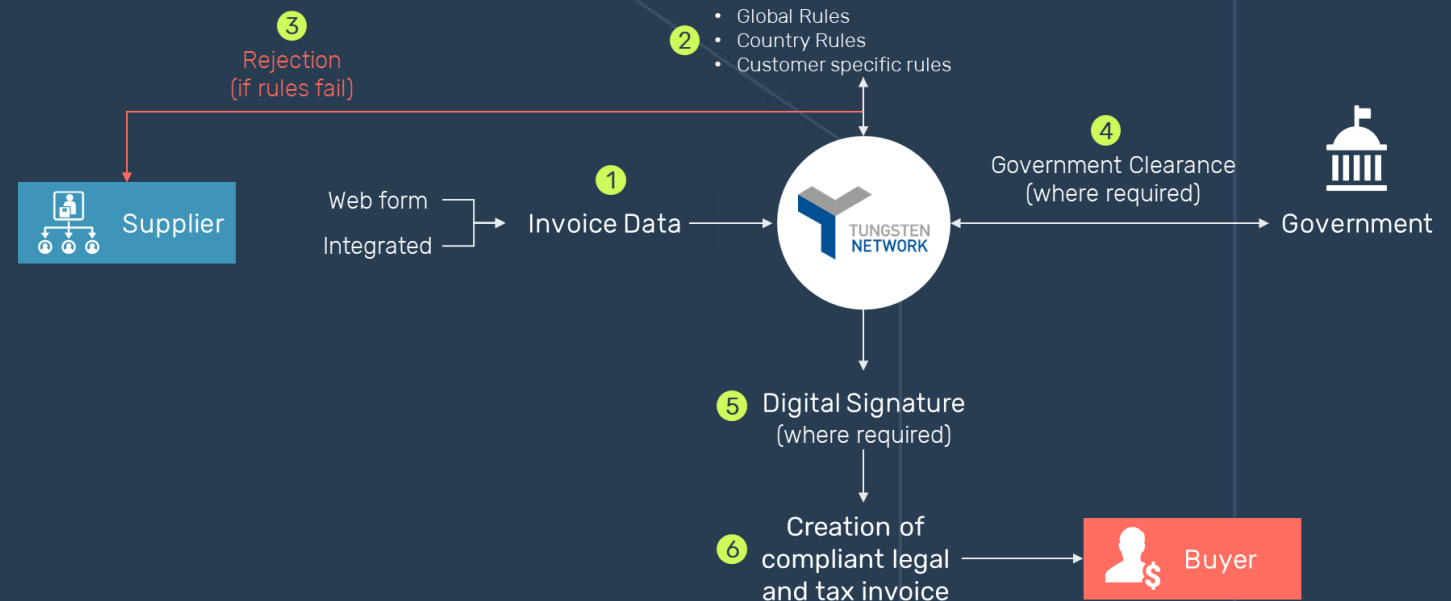
Compliance is a key differentiator for Tungsten

Differentiated by Compliance

- Tungsten provides invoice compliance in 54 countries and is amongst the top five market leaders in global coverage
- Delivering a solution that provides confidence and efficiencies to customers:
 - Powerful validation and rules engine enabling fiscal and legal checks on invoices
 - Compliance with legislation beyond VAT or EU Directives including Income/Corporate Tax
 - Network enables suppliers to connect once to access all their buyers in compliant countries
 - Legal archiving and creation of legal invoice
- £1m+ annual compliance services investment*

* includes all compliance costs including headcount, partnerships and technology development

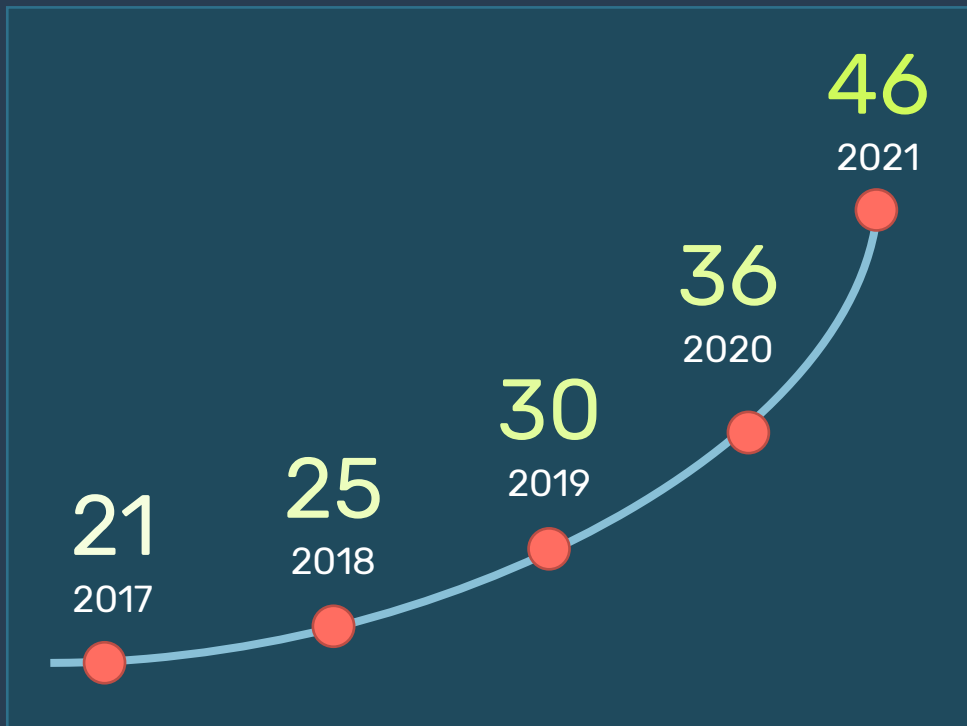
Tungsten's Compliance Process



Government Gateways

Tungsten is well positioned to deal with emerging regulatory developments

Countries with mandatory government continuous transaction controls



Source: PwC Compliance Report and Tungsten internal analysis

Riding the wave of compliance

- Governments are increasingly adopting e-invoicing driven by its underlying fiscal benefits – including a **\$multi-trillion economic stimulus impact** due to Covid response
- Major global economies have been moving to Gateways to centralise this process – in Italy, **2 billion invoices** were submitted and €4 billion in additional tax was collected in 2019
- Tungsten has connections to **20 countries** who have B2B or B2G mandates with continued planned expansion
- Once launched, Gateways and mandates remain dynamic and open to change – in the past two years, Tungsten added 3 new territories and 14 major changes in response

Strategic Partnerships

Extending Tungsten across the full procure to pay spectrum

Procurement

Core

Financing and Payments

Requisitioning,
Vendor & Contract
Management

Order Approval,
Dispatch and Receipt

Invoicing

Supply Chain Finance

Payment

*Ongoing discussions with e-procurement vendors for partnership
Significant volume of Purchase Orders (POs) as part of offering*

Orbian Partnership

FIS Partnership



- Orbian is a leading global SCF provider
- Leading global retailer live with £475 million of invoices financed in last 16 months
- Second customer signed and in process of being onboarded
- Ongoing Prod/Tech conversations to drive scalability through the client base

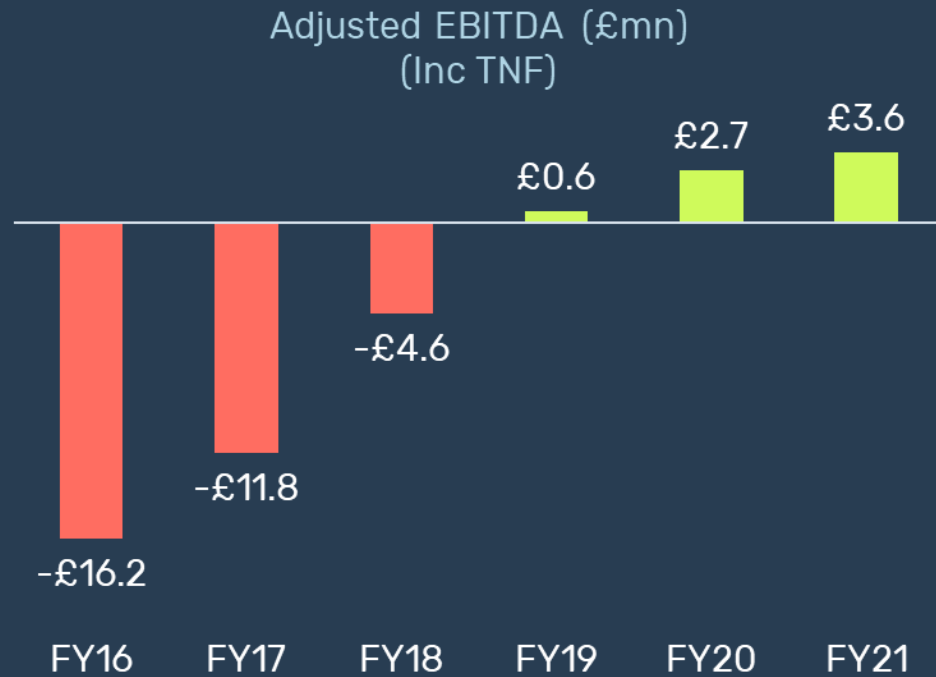


- One of the leading global payments players
- Referral agreement signed for AP buyers / Integrated payables
- Product conversations in progress to create integrated proposition to clients (esp. suppliers)
- Multiple extension opportunities

FY21 Financial Highlights

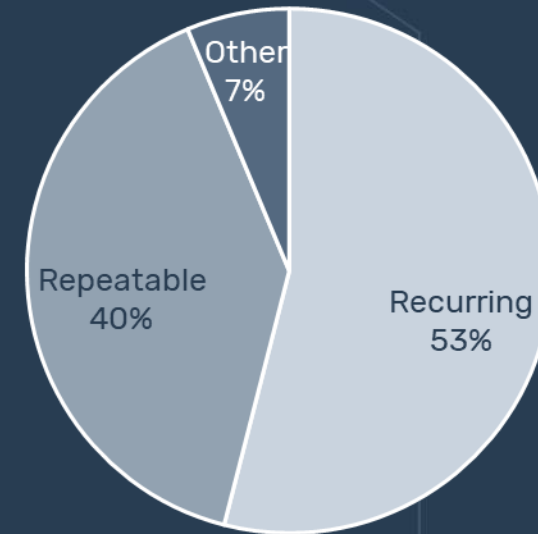
Over £20 million turnaround in profitability over the last 6 years

EBITDA turnaround from (£16.2m) in FY16 to £3.6m in FY21



93% revenues are recurring and repeatable

FY21 Revenue Split (£m)



* Adjusted EBITDA is calculated as earnings before net finance cost, tax, depreciation and amortisation, impairment of goodwill, impairment of intangibles assets, impairment of right-of-use assets, impairment of leasehold improvements, loss on disposal of assets, foreign exchange gain or loss, share based payment expense and exceptional items, and is adjusted to include lease payments.

HY22 Operational Highlights

New Deals & Upsells:
1 new AR Customer
13 Upsells (12 AP and 1 AR)

Second customer contract signed through Orbian partnership

Partnership with Amazon signed to support its global e-invoicing program in Europe and the US

Transaction volumes Increase of 5% to 9.4 million

Reduction of AP supplier churn from 12% to 8%

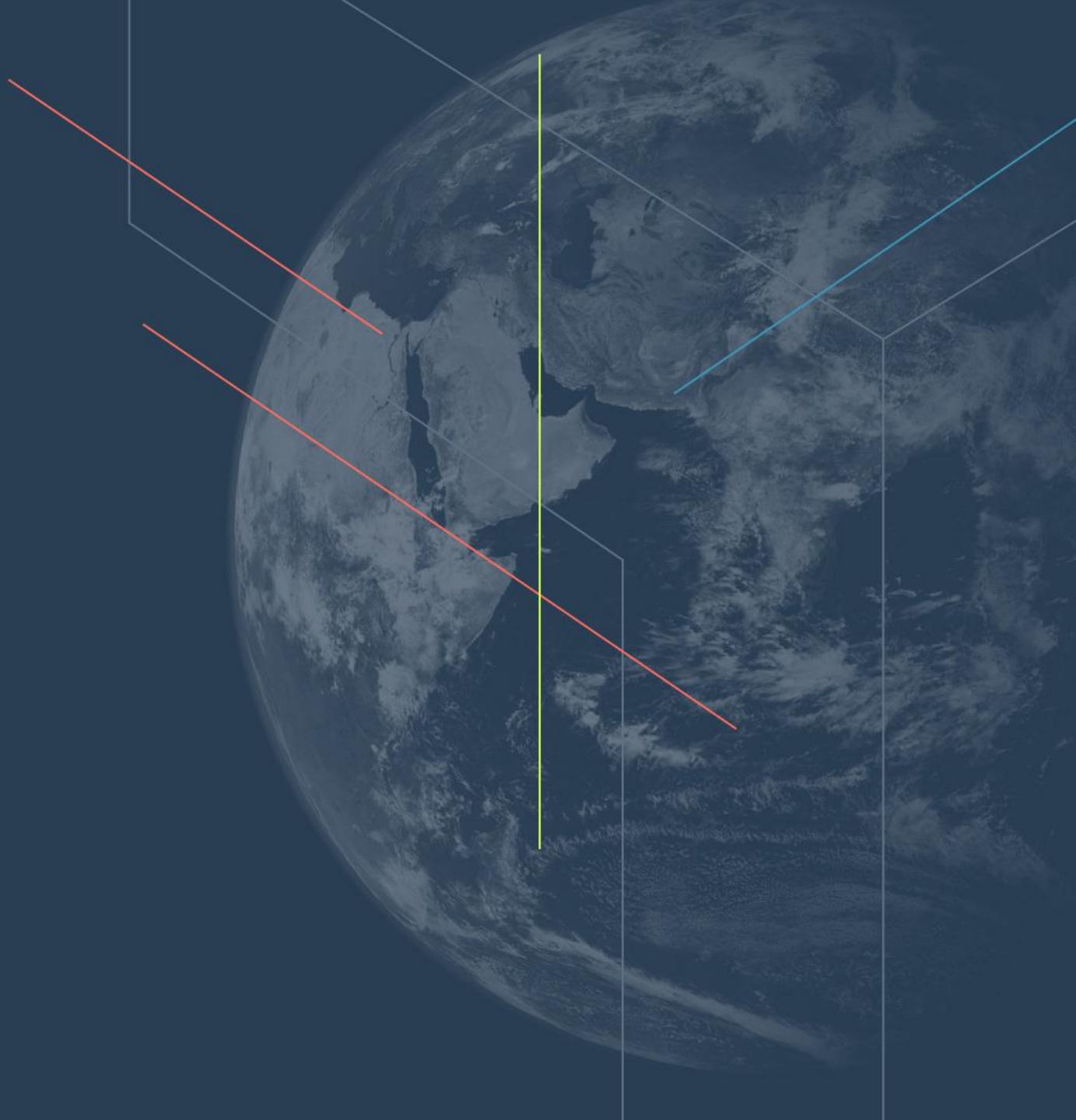
2 buyers live with our partnership with a leading US bank

Implementation of new Support telecoms platform and deployment of first Robotic Process Automations (RPA's) in partnership with UiPath

Total support ticket volumes reduced from 74,064 to 61,128 (May-Oct) (17%)

Financial Review

Ian Kelly



HY22 Financial Highlights

Revenue £18.3m
H1-FY21: £18.0m

Recurring and repeatable
revenue 94%
H1-FY21: 93%

Like-for-like constant FX
sales growth: 5%

Adjusted EBITDA* £3.0m
H1-FY21: £0.8m

Net cash £1.9m
H1-FY21: £1.0m

Revolving credit facility
£4.0m to Dec 2023

New customer deals and
upsells with Total
Contract Value of £0.9
million

Reduction in buyer churn
with annual recurring
revenue (ARR) of £207K
in H1-FY21 to £54K in H1-
FY22.

* Adjusted EBITDA is calculated as earnings before net finance cost, tax, depreciation and amortisation, impairment of goodwill, impairment of intangibles assets, impairment of right-of-use assets, impairment of leasehold improvements, loss on disposal of assets, foreign exchange gain or loss, share based payment expense and exceptional items, and is adjusted to include lease payments.

£ m	H1- FY22	H1- FY21	Variance	% increase
Subscription	8.5	8.9	(0.4)	
Maintenance	0.8	0.9	(0.1)	
Recurring	9.3	9.8	(0.5)	(4)%
Transaction	6.4	5.5	0.9	
Archiving	1.5	1.4	0.1	
Repeatable	7.9	6.9	1.0	14 %
Recurring and repeatable	17.2	16.7	0.5	4 %
Implementation	0.2	0.5	(0.3)	
Professional services and partnership	0.9	0.8	0.1	
Other	1.1	1.3	(0.2)	(21)%
Total revenue	18.3	18.0	0.3	2 %
Cost of sales	(1.4)	(1.3)	(0.1)	
Gross profit	16.9	16.7	0.2	1 %
Adjusted operating expenses	(13.9)	(15.9)	2.0	
Adjusted EBITDA	3.0	0.8	2.2	269 %

	H1- FY22	H1- FY21
Recurring revenue %	51%	54%
Recurring & repeatable revenue %	94%	93%

RECURRING

- Decrease driven by adverse FX of £0.4 million, churn of £0.5 million (including £0.2m buyer churn impact of FY-21 leavers) and partially offset by £0.4 million of revenue from new customer wins

REPEATABLE

- Increase due by price increases implemented in H2-FY21 and increased transaction volumes which increased by 0.4 million to 9.4 million

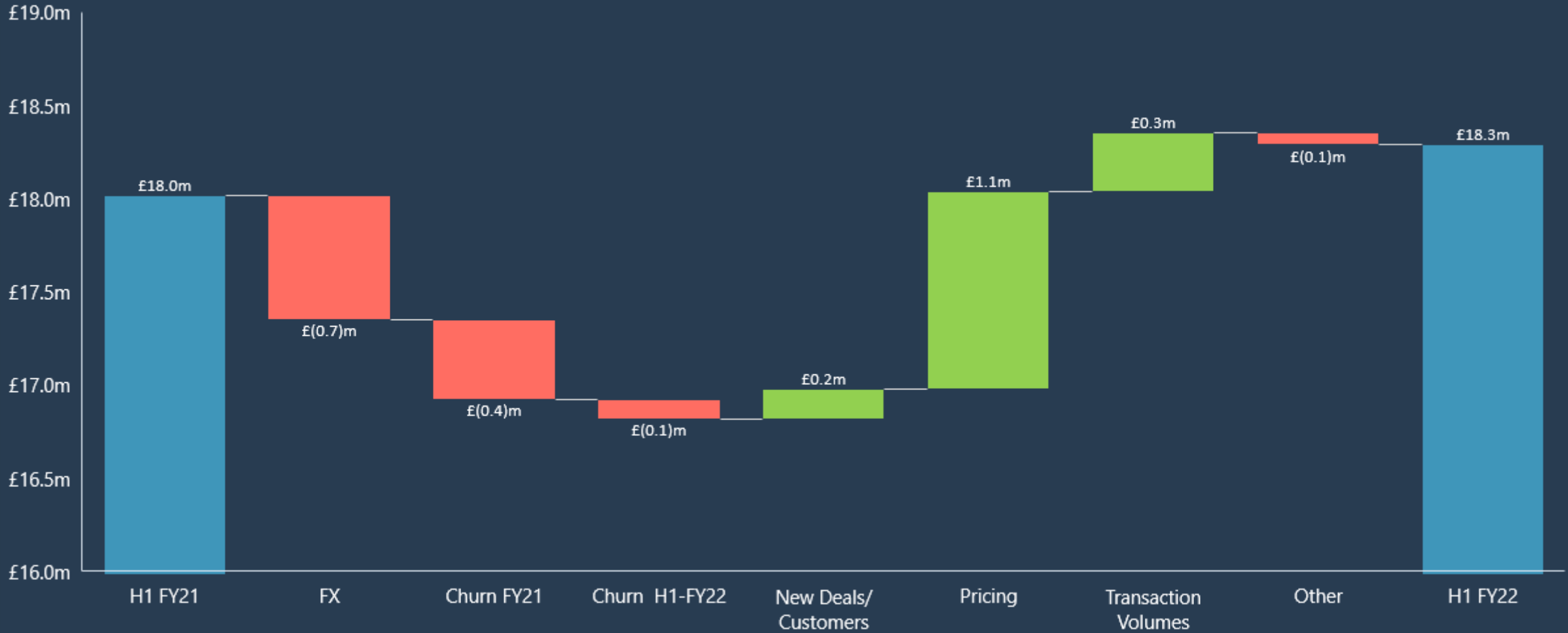
OTHER REVENUE

- Decrease due to lower revenues from new wins

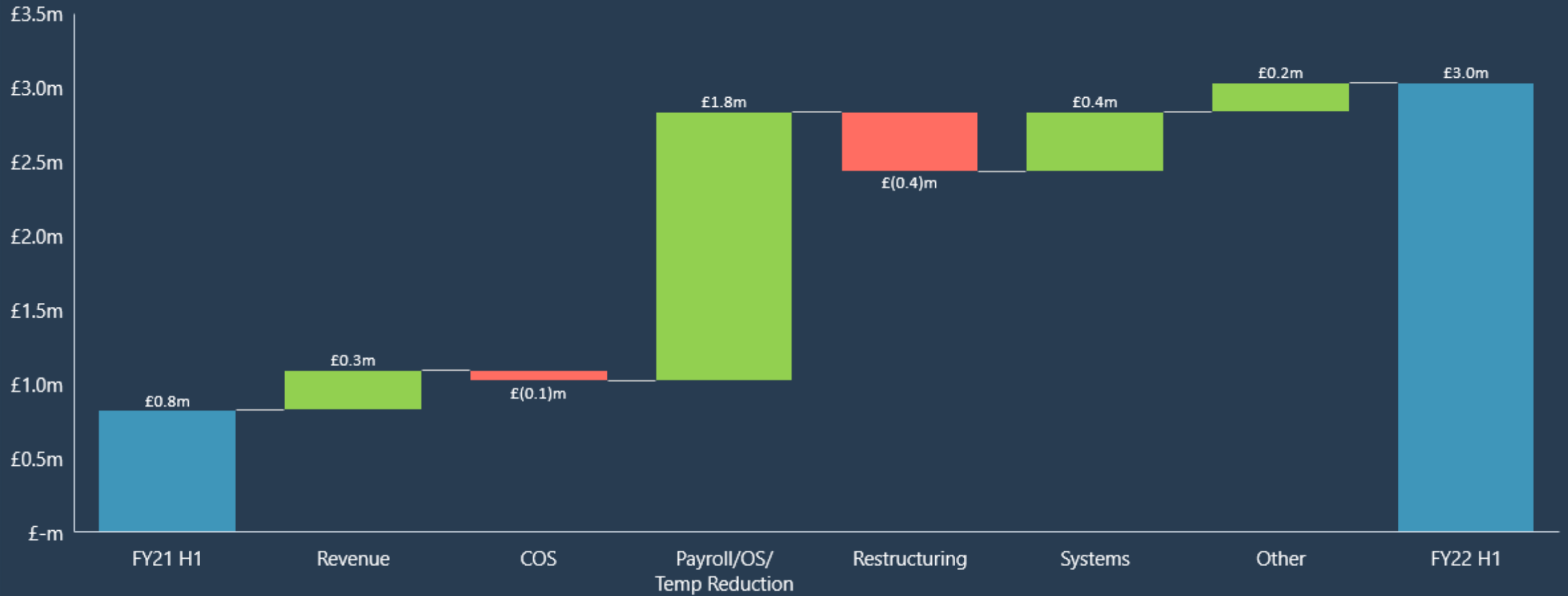
ADJUSTED OPERATING EXPENSES

- Driven by staff cost savings of £1.8 million arising from FY-21 restructuring activities

Revenue Bridge



Adjusted EBITDA Bridge



£ m	H1- FY22	H1- FY21	Variance
Adjusted EBITDA	3.0	0.8	2.2
IFRS 16 adjustment	0.5	0.5	-
EBITDA net of exceptionals and impairments	3.5	1.3	2.2
Depreciation & amortisation and loss on disposal of fixed assets	(2.1)	(2.3)	0.2
Impairments	-	(26.2)	26.2
Foreign exchange gain/ (loss)	0.6	(0.8)	1.4
Share- based payment expense	-	(0.1)	0.1
Exceptional items	(1.2)	(1.8)	0.6
Operating Loss	0.8	(29.9)	30.7
Net finance costs	(0.2)	(0.6)	0.4
Loss before tax	0.6	(30.5)	31.1

IMPAIRMENTS

- H1-FY21 included a £26.2 million goodwill impairment on OB10 carrying value

FOREIGN EXCHANGE GAIN/(LOSS)

- Non-cash income of £0.6 million on retranslation of UK/USA working capital position. Improvement of £1.4 million over H1-FY21 (£0.8 million expense)

EXCEPTIONAL ITEMS

- £0.6 million reduction as settlement of an employment claim replaces the predominantly restructuring activities in H1-FY21

NET FINANCE COSTS

- £0.4 million non-cash improvement due to retranslation of Intercompany loan positions. Actual finance costs relating to bank charges/interest/lease liabilities remain flat at £0.3 million

£ m	H1- FY22	H1- FY21	Variance
Cash generated from operations	1.8	0.1	1.7
Capital expenditure	(1.2)	(1.7)	0.5
Lease payments	(0.5)	(0.6)	0.1
Interest	(0.3)	(0.2)	(0.1)
FX	-	0.2	(0.2)
Tax refund	-	-	-
Net cash outflow	(0.2)	(2.2)	2.0
Net cash bfwd	2.1	3.2	(1.1)
Net cash cfwd	1.9	1.0	0.9
Drawn under RCF	2.0	2.0	-
Remaining RCF undrawn	2.0	2.0	-
Total available liquidity	5.9	5.0	0.9

CASH GENERATED FROM OPERATIONS

- £1.7 million increase primarily due to reduction in operating expenses

CAPITAL EXPENDITURE

- £0.5 million improvement driven by timing of investment spend which will commence towards the end of FY22

GENERAL

- RCF in place until December 2023

£ m	H1- FY22	FY21	Variance
Goodwill	49.6	49.6	-
Other non-current assets	21.1	21.9	(0.8)
Total non-current assets	70.7	71.5	(0.8)
Current assets	8.9	8.8	0.1
Total assets	79.6	80.3	(0.7)
Non-current liabilities	5.5	5.9	(0.4)
Current liabilities	17.9	18.2	(0.3)
Accumulated losses	(163.2)	(164.1)	0.9
Equity	219.4	220.3	(0.9)
Total equity and liabilities	79.6	80.3	(0.7)

OTHER NON CURRENT ASSETS

- Normal amortisation/depreciation over capex

NON CURRENT LIABILITIES

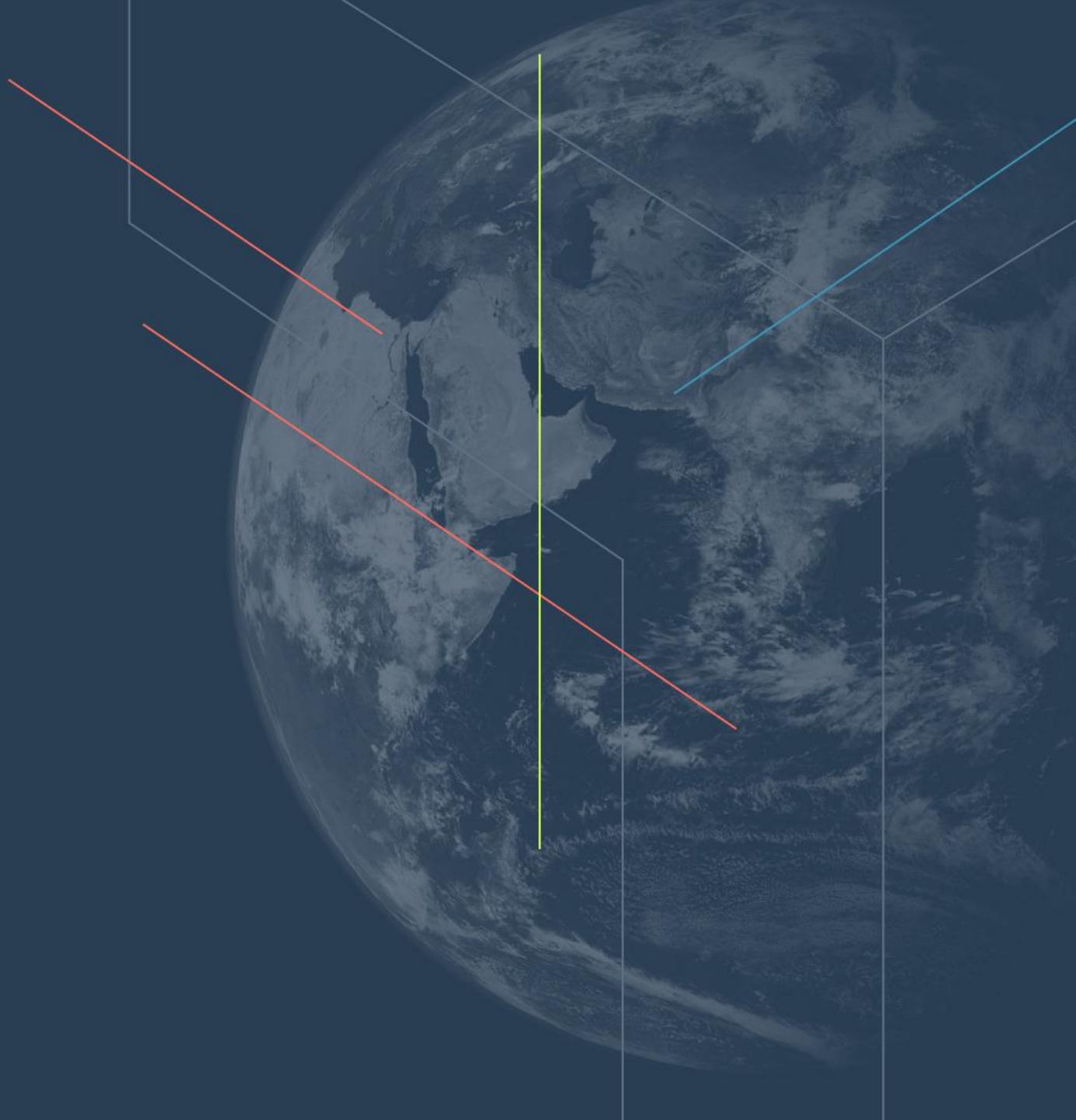
- £0.4 million reduction on lease liabilities (IFRS 16)

CURRENT LIABILITIES

- Driven by a £1 million reduction in trade and other payables, a £0.5m reduction in deferred revenue and an increase in provisions of £1.3 million

Looking Forward

Paul Cooper



- Customer wins in H1 were behind our expectation as a result of some prolonged customer decisions and sales team changes, however we are confident of securing further new customer wins for the remainder of the year
- Whilst upsells and new customer wins to 31 October 2021 will contribute revenue of £512k for FY22, the continued weakening of the US\$ in FY22 versus FY21 is expected to have an impact on our underlying year on year growth rates. (H1-FY21 average rate was 1.28 with H1-FY22 average rate at 1.38)
- Continued to exert tight control on the cost base which combined with the delayed planned £1 million investment in our tech development and compliance functions will lead to cost savings in FY22, we expect to commence this investment in Q4-FY22
- Whilst we will be incurring additional cash spend of £1.5 million in December 2021 and January 2022 relating to settlement of an employment claim against the Company, through cost control and temporary head count savings referred to above we expect to mitigate the cash impact in H2-FY22



Tungsten Network Overall Strategy

Summary of key pillars to drive growth

Our mission is to help customers maximise invoice value across the Supply Chain

Enterprise customers across Total AP, Workflow and Total AR

- 168 global customers
- Major, long-standing relationships



Suppliers

288,000 suppliers on the network (Global)

1 Drive Core AP e-invoicing growth

- Drive penetration of existing AP buyers ('white space')
- Drive supplier adoption and engagement

2 Grow core network proposition through addition of compliant countries, government gateways and Interops networks

3 Drive full-suite capabilities through partnerships across e-Procurement, Supply-chain financing and payments

- Orbian/Supply-Chain financing
- FIS/Payments
- E-Procurement partnership

4 Build Total AR as growth engine

- Strengthen the Total AR e-invoicing proposition
- Over time, extend proposition into payments and downstream modules

Core elements of TN investment case

1 High Growth Market

- Market growth of **10.5% CAGR** fuelled by regulation, operational efficiency and digitalisation

2 Customer base

- **168 enterprise customers** with AP, AR or Workflow solutions and **288,000 suppliers** on the Tungsten Network

3 Product & Tech platform

- Strategic **product development and integration** to provide extended services across P2P

4 Regulatory / Compliance

- Compliant electronic invoicing in **54 countries** and growing government gateway connections

5 Strategic Partnerships

- Expansion into **full-suite P2P** with partnerships: supply chain finance, payments, e-procurement

6 Financial profile & earnings visibility

- Robust business model with **93% recurring and repeatable revenue**

Q&A



This document contains statements about Tungsten Corporation plc that are or may be forward-looking statements. Forward-looking statements include statements relating to (i) future capital expenditures, expenses, revenues, earnings, synergies, economic performance, indebtedness, financial condition, dividend policy, losses and future prospects; (ii) business and management strategies and the expansion and growth of Tungsten Corporation plc's operations; and (iii) the effects of government regulation on business.

These forward-looking statements are not guarantees of future performance. They have not been reviewed by the auditors or advisers of Tungsten Corporation plc. They involve known and unknown risks, uncertainties and other factors which may cause the actual results, performance or achievements to be materially different from any results, performance or achievements expressed or implied by such statements. They are based on numerous assumptions regarding the present and future business strategies and the future operating environment. All subsequent oral or written forward-looking statements attributable to Tungsten Corporation plc or any of its shareholders or any persons acting on its behalf are expressly qualified in their entirety by this cautionary statement. All forward-looking statements included in this document speak only as of the date they were made and are based on information then available to Tungsten Corporation plc. Investors should not place undue reliance on such forward-looking statements, and Tungsten Corporation plc does not undertake any obligation to update publicly or revise any forward-looking statements.

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