

Tungsten Corporation plc (Tungsten) H1 2013-14 Interim Results

8 January 2014



Agenda

- Highlights
- Vision and strategy
- Key business dynamics
- Update on Tungsten solutions and financing
- Financial highlights

Important notice

This document contains forward-looking statements that may or may not prove accurate. For example, statements regarding expected revenue growth and trading margins, market trends and our product pipeline are forward-looking statements. Phrases such as "aim", "plan", "intend", "anticipate", "well-placed", "believe", "estimate", "expect", "target", "consider" and similar expressions are generally intended to identify forward-looking statements. Forward-looking statements involve known and unknown risks, uncertainties and other important factors that could cause actual results to differ materially from what is expressed or implied by the statements. Any forward-looking statement is based on information available to Tungsten as of the date of this statement. All written or oral forward-looking statements attributable to Tungsten are qualified by this caution. Tungsten does not undertake any obligation to update or revise any forward-looking statement to reflect any change in circumstances or in Tungsten's expectations.

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Highlights

Tactical

- OB10, the leading global e-Invoicing network, expanded
- Front-end spend analytics under development
- Good progress has been made with the search for optimal financing routes
- Bank extension agreement signed
- Appointments of Head of Major Accounts EMEA, COO, CMO and CRO, and Bank NXDs identified

Capital

- IPO completed with £160m new money raised
- Market capitalisation on admission of £225m
- Placing oversubscribed with high-calibre institutional investors
- Cash balance of £75m to fund bank acquisition and working capital investment

Finance

- Value of invoices processed in 2013 grew 12% to £109.2 billion
- Net assets of £177m, of which £75 million held in cash
- £160m of share premium planned to be reduced by £50m in H2 2013/14
- Performance of the e-Invoicing network is as expected
- Invoice Status Service plays an important role in achieving our objectives

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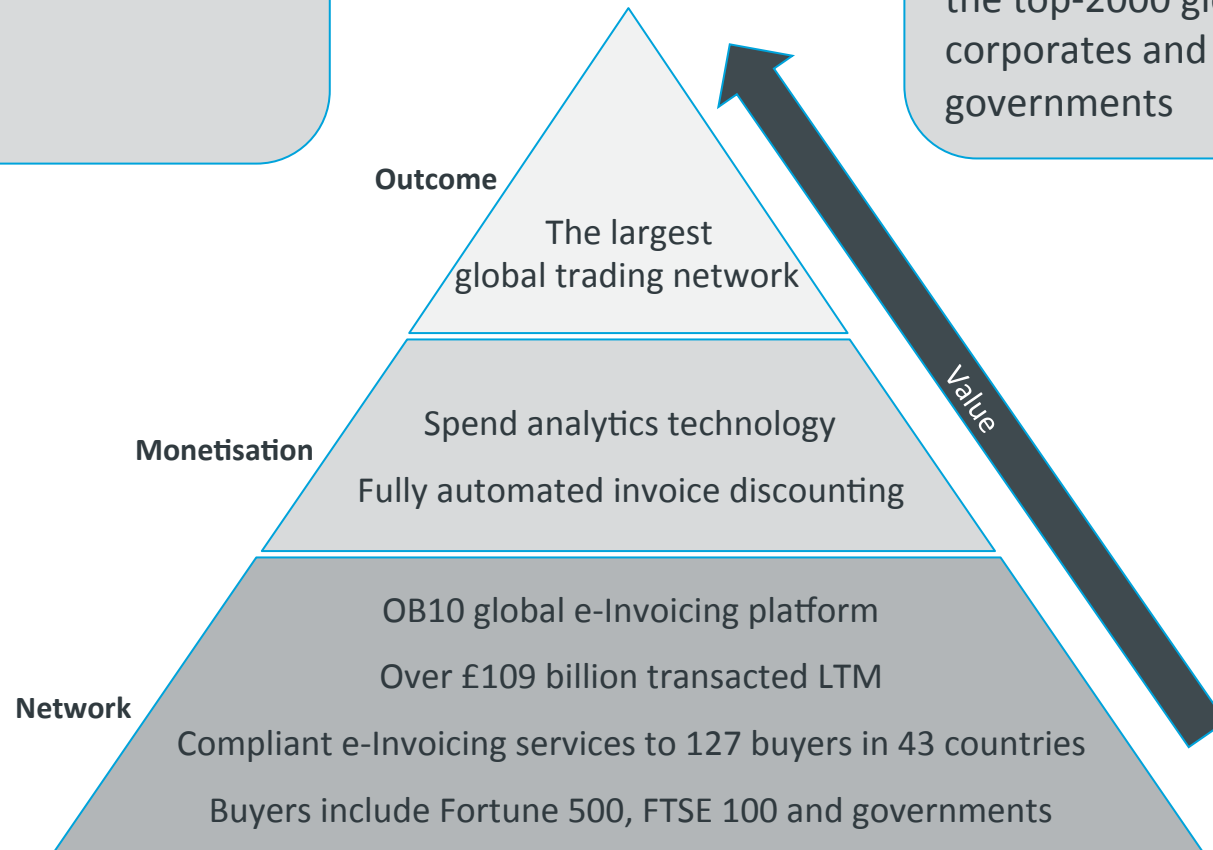
Tungsten vision

Our vision

To monetise the global supply chain by building out the largest global trading network

Our goal

To be the #1 network by cross-border and intra-country invoice flows for the top-2000 global corporates and G-20 governments



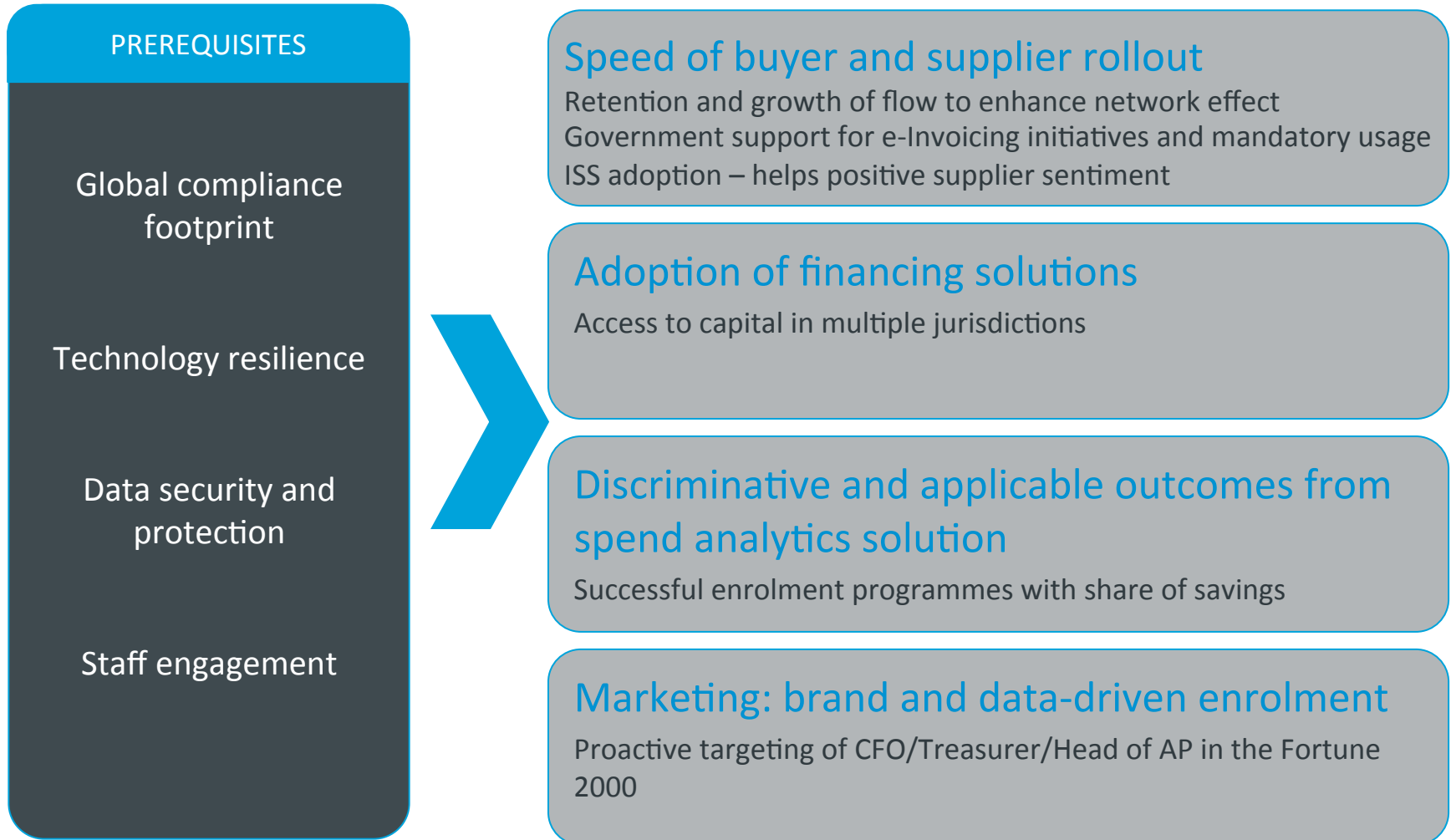
Strategy delivery



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Critical success factors



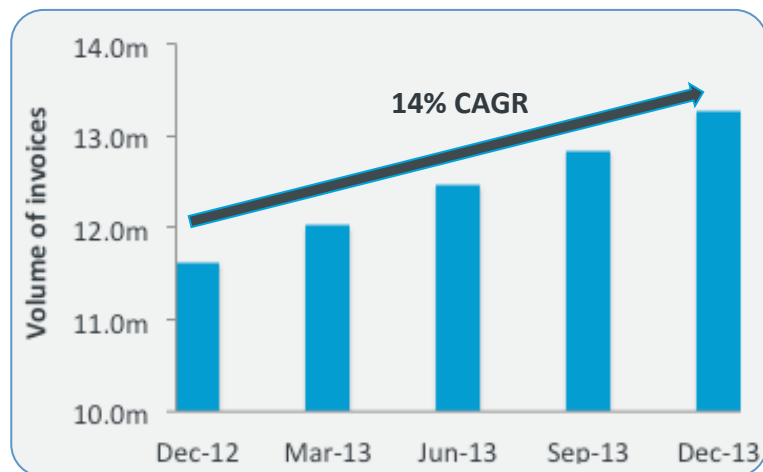
Tungsten Networks: leading e-Invoicing network with significant presence of Fortune 500 and FTSE 100 clients

- 100% cloud based global B2B network processing £109bn+ transactions and more than 13 million invoices
- 127 buyers and a network of over 140,000 suppliers connected to their customers
- Partnered with 7 of top 10 Finance and Accounting Business Process Outsourcing (F&A BPO) leaders*
- Scalable business model – double digit growth in key metrics
- Exceptional customer retention, >80% repeat revenues and high barriers to entry

* Gartner May 2013 F&A BPO Magic Quadrant

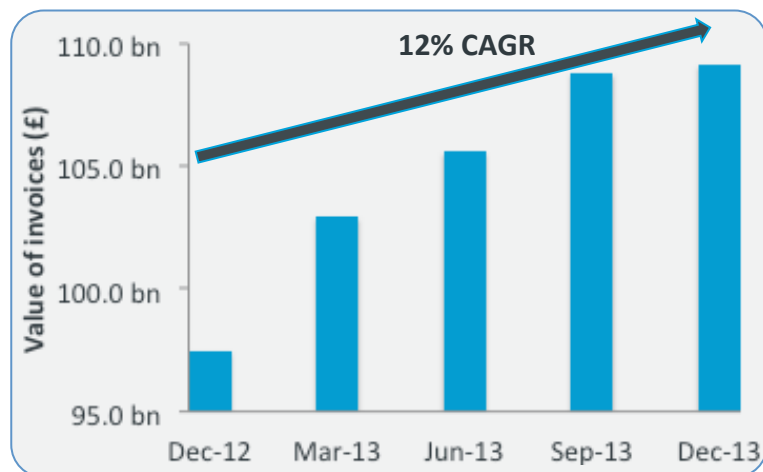
Network growth metrics

LTM volume of invoices processed



Growth in the volume and value of invoices processed through the network continues to be a priority

LTM value of invoices processed

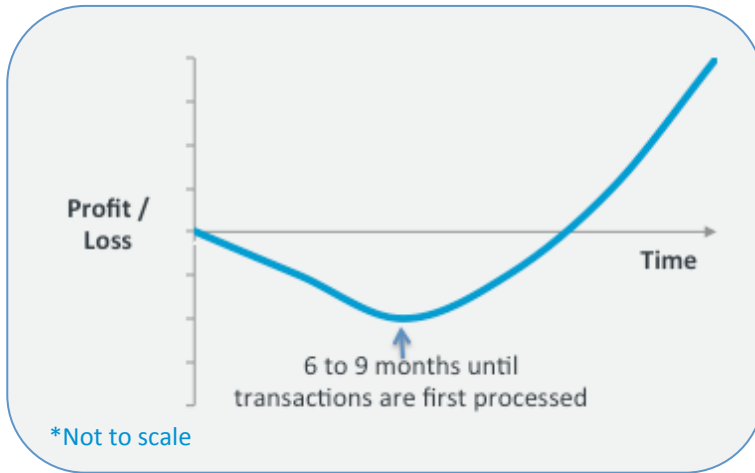


Tungsten Networks: leading global e-Invoicing network

- Drive penetration into existing customers – mandatory usage; territorial rollout
- Exploit network effect within verticals for Global 2000 new customers with high numbers/value
 - For example, in FMCG, technology and pharmaceutical sectors
- Use BPOs and other partners to sell into their existing customers

New buyer rollout

Typical new buyer contract profitability

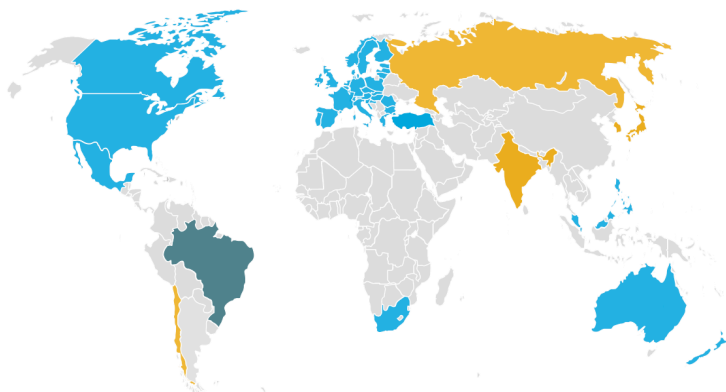


- Increasing the number of buyers using the network remains an important focus
- New buyers will initially have a negative impact on results due to set-up costs
- Buyers are typically profitable within one to two years

Invoice financing dynamics

OB10 geographic coverage

- Compliant countries
- Country compliance due FY14
- Countries in process of becoming compliant



Accelerated plans to secure compliance in:

Russia	Japan	India
South Korea	Chile	

We currently operate and are fully compliant in 43 countries.

- Turkey added December 2013
- Brazil due by end of FY14

Current focus is on providing invoice discounting in key ISS-enabled countries

As ISS uptake grows we will need to secure access to capital in multiple jurisdictions

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e-Invoicing network

Buyers

Now 127 corporate and governmental buyers. Added:

Estafeta, leading Mexican logistics company

Caterpillar, the world's leading manufacturer of construction and mining equipment

Country compliance

Turkey: compliant e-Invoicing services available through partnership with Digital Planet

Brazil: country compliance due FY14

UK: evidence presented to the Parliamentary Inquiry on the slow adoption of e-Invoicing in the UK public sector

Partnerships

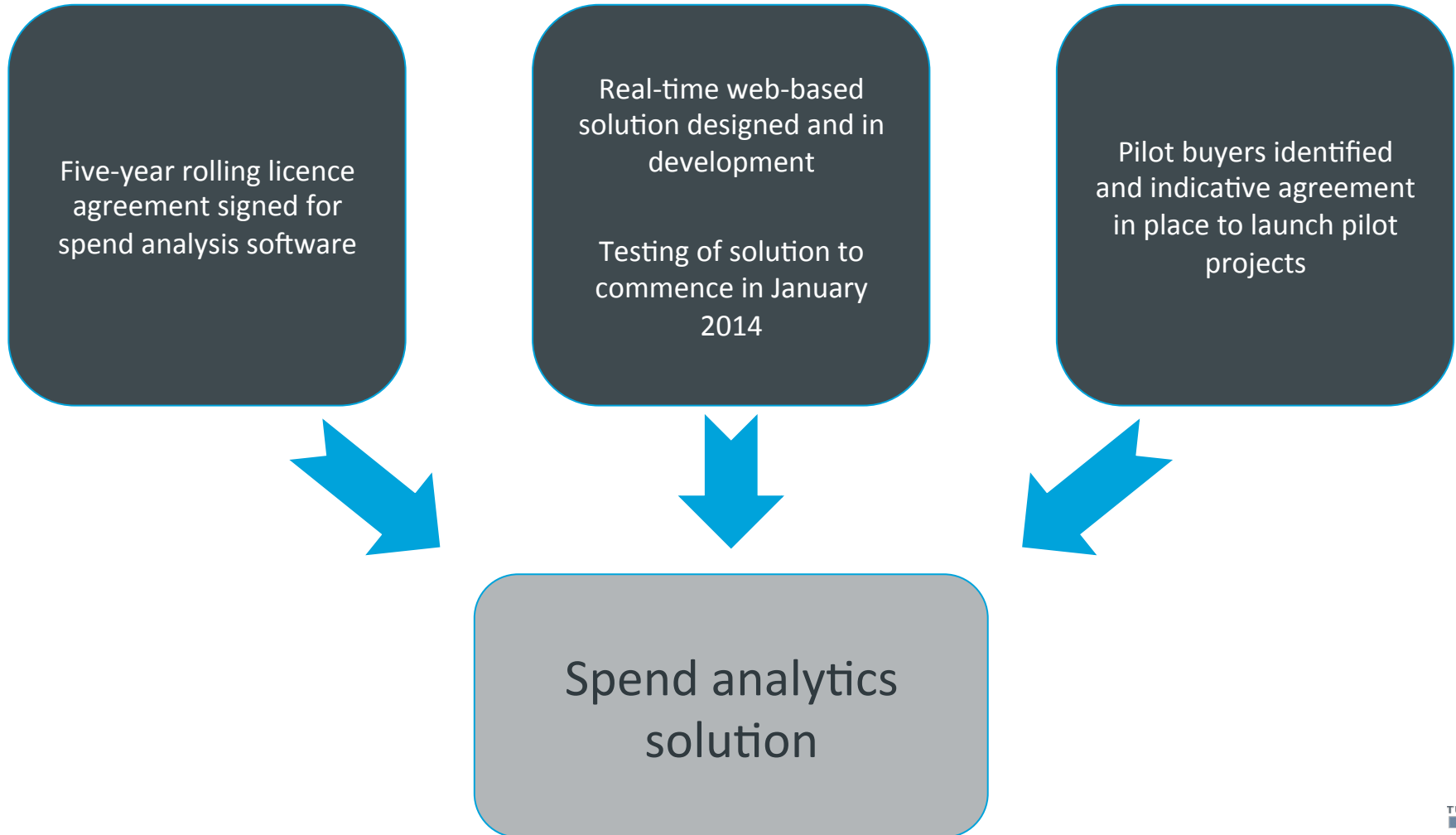
Buzón E: reseller agreement in Mexico

Top-10, US-based bank: integration of our e-Invoicing network into its AP platform for distribution to customers

New appointments

- **Head of Major Accounts EMEA:**
John Hall
- **Chief Operating Officer:**
Lincoln Jopp
- **Chief Marketing Officer:**
David Newberry

Tungsten spend analytics



Tungsten supply chain financing

Supply Chain Financing

Strong progress made to establish supply chain financing capability through:

- Capacity in North America
- Overflow capacity in the UK and EU
- Extended agreement to purchase UK Bank subject to PRA approval
- Bespoke dynamic discounting capabilities to empower cash-rich corporates
- Supply chain finance against the credit of mid-market buyers

Systems / Back Office

- Network and banking system integration project on-track for end Q1
- Bank NXDs and CRO
- Policies and risk guidelines drafted

Tungsten supply chain financing

UK Bank

- Agreement to purchase Bank is subject to PRA and FCA approval
- Discussions continue on the change of control process
- Extended approval timetable with vendor agreement

Parallel financing vehicle

- Heads of terms signed with BTO to provide \$200m equity for Tungsten supply chain financing vehicle
- Up to \$2bn balance sheet
- Annual financing capacity \$10bn-\$12bn

International markets

North America financing

- A top-10 US-based bank will integrate Tungsten's e-Invoicing services with its own AP platform
- Plans to market Tungsten's Express Payments in North America via AP to wider reach of buyers

Dynamic Discounting

- Enable cash rich buyers to offer supply chain financing to their suppliers
- Alliance Data first customer:
 - \$1bn program

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Financial highlights

Highlights (£'000)		
	H1 2013/14	H1 2012/13
Revenue	829	-
Operating loss	(5,545)	(8,966)
Loss before tax	(5,538)	(8,954)
EBITDA	(5,487)	(8,966)
Cash flow from operations	(4,249)	(3,787)
Net cash inflow	71,974	5,733
Cash balance	75,371	5,823