REDEFINING TUNGSTEN.
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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AGENDA

Introduction 1
Tony Bromovsky

FY19 Financial Review 2
David Williams

FY19 Operating Review 3
Tony Bromovsky & David Williams

Moving Forward – FY20 and Beyond 4
Tony Bromovsky & David Williams

Summary 5
Tony Bromovsky

Q&A
INTRODUCTION
TONY BROMOVSKY, EXECUTIVE CHAIRMAN
New NED appointments

New PO services offering launched

AGM and rejection of the proposed remuneration policy and >20% votes against reappointment of CEO and Chair

Research commissioned into Tungsten’s markets and product positioning

Compliance with Italian government platform achieved

Appointment of new Chairman and appointment of new SID

Resignation of CEO

Chairman becomes Executive Chairman and CFO appointed as interim CEO

PO services re-launch with additional functionality

Workflow 5.0 launched

Resolutions of Operations Review published specifically:
- Announcement of divestment of TNF
- Launch of Total AR offering
- Cost review conclusions
- Appointment of new CEO
- First EBITDA profit and business becomes cash generative

Appointment of new CEO announced

New NED appointed

Operating Review initiated
## AT A GLANCE

**FY19**

### RESULTS FOR THE YEAR ENDED 30 APRIL 2019 (FY19)

22 JULY 2019

<table>
<thead>
<tr>
<th></th>
<th>£m</th>
<th>%</th>
</tr>
</thead>
<tbody>
<tr>
<td>Revenue</td>
<td><strong>35.4</strong></td>
<td>6.1%</td>
</tr>
<tr>
<td>EBITDA</td>
<td><strong>2.5</strong></td>
<td>7.1%</td>
</tr>
<tr>
<td>Net cash</td>
<td><strong>2.6</strong></td>
<td>7.1%</td>
</tr>
</tbody>
</table>

**EXCLUDING TNF**

<table>
<thead>
<tr>
<th></th>
<th>FY18</th>
<th>FY19</th>
</tr>
</thead>
<tbody>
<tr>
<td>Revenue</td>
<td>33.3</td>
<td>35.4</td>
</tr>
<tr>
<td>Revenue growth</td>
<td>7.1%</td>
<td>6.1%</td>
</tr>
<tr>
<td>EBITDA</td>
<td>(3.3)</td>
<td>(9.9)</td>
</tr>
<tr>
<td>EBITDA margin</td>
<td>7.1%</td>
<td>7.1%</td>
</tr>
<tr>
<td>Net cash</td>
<td>5.8</td>
<td>2.6</td>
</tr>
</tbody>
</table>

**INCLUDING TNF**

<table>
<thead>
<tr>
<th></th>
<th>FY18</th>
<th>FY19</th>
</tr>
</thead>
<tbody>
<tr>
<td>Revenue</td>
<td>33.7</td>
<td>36.0</td>
</tr>
<tr>
<td>Revenue growth</td>
<td>7.7%</td>
<td>7.1%</td>
</tr>
<tr>
<td>EBITDA</td>
<td>(4.6)</td>
<td>(13.6)</td>
</tr>
<tr>
<td>EBITDA margin</td>
<td>1.7%</td>
<td>1.7%</td>
</tr>
<tr>
<td>Net cash</td>
<td>6.4</td>
<td>2.8</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th></th>
<th>%</th>
<th>FY19</th>
</tr>
</thead>
<tbody>
<tr>
<td>Recurring &amp; repeatable revenue</td>
<td>92%</td>
<td>FY19</td>
</tr>
<tr>
<td>New buyer sales (excl Workflow)</td>
<td>6</td>
<td>FY19</td>
</tr>
<tr>
<td>Av revenue per buyer</td>
<td>£k</td>
<td>FY19</td>
</tr>
<tr>
<td>Transaction volumes</td>
<td>m</td>
<td>FY19</td>
</tr>
</tbody>
</table>

**RESULTS FOR THE YEAR ENDED 30 APRIL 2019 (FY19)**

22 JULY 2019
INCOME STATEMENT

**£M.**

- Revenue increase of 6.1% due to:
  - New buyers & suppliers
  - Transaction growth
  - One-off revenues
- Decrease in cost of sales – primarily reduction in trade receivables loss allowance
- First EBITDA recorded: £2.5m Excluding TNF & £0.6m Including TNF
- First EBITDA margin recorded: 7% excluding TNF
- Statutory loss for the year of £3.4m – Reduction of £8.5m from FY18

### RESULTS FOR THE YEAR ENDED 30 APRIL 2019 (FY19)
22 JULY 2019

<table>
<thead>
<tr>
<th></th>
<th>FY19 Excluding TNF</th>
<th>FY19 Including TNF</th>
<th>FY18 Excluding TNF</th>
<th>FY18 Including TNF</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Revenue</strong></td>
<td>35.4</td>
<td>36.0</td>
<td>33.3</td>
<td>33.7</td>
</tr>
<tr>
<td><strong>Cost of sales</strong></td>
<td>(1.9)</td>
<td>(1.9)</td>
<td>(2.3)</td>
<td>(2.3)</td>
</tr>
<tr>
<td><strong>Gross profit</strong></td>
<td>33.5</td>
<td>34.1</td>
<td>31.0</td>
<td>31.4</td>
</tr>
<tr>
<td><strong>Adjusted operating expenses</strong></td>
<td>(31.0)</td>
<td>(33.5)</td>
<td>(34.3)</td>
<td>(36.0)</td>
</tr>
<tr>
<td><strong>EBITDA</strong></td>
<td>2.5</td>
<td>0.6</td>
<td>(3.3)</td>
<td>(4.6)</td>
</tr>
<tr>
<td><strong>EBITDA margin</strong></td>
<td>7%</td>
<td>2%</td>
<td>(10%)</td>
<td>(14%)</td>
</tr>
<tr>
<td><strong>Other operating expenses</strong></td>
<td>(5.1)</td>
<td>(0.6)</td>
<td>(7.2)</td>
<td>(0.1)</td>
</tr>
<tr>
<td><strong>Operating loss</strong></td>
<td>(2.6)</td>
<td>(5.2)</td>
<td>(10.5)</td>
<td>(7.5)</td>
</tr>
<tr>
<td><strong>Net finance income / costs</strong></td>
<td>0.1</td>
<td>(0.1)</td>
<td>(0.4)</td>
<td>(0.6)</td>
</tr>
<tr>
<td><strong>Loss before taxation</strong></td>
<td>(2.7)</td>
<td>(5.3)</td>
<td>(10.9)</td>
<td>(12.7)</td>
</tr>
<tr>
<td><strong>Taxation</strong></td>
<td>1.9</td>
<td>1.9</td>
<td>0.8</td>
<td>0.8</td>
</tr>
<tr>
<td><strong>Loss for the year</strong></td>
<td>(0.6)</td>
<td>(3.4)</td>
<td>(10.1)</td>
<td>(11.9)</td>
</tr>
<tr>
<td></td>
<td>FY19</td>
<td>FY18</td>
<td>Change</td>
<td></td>
</tr>
<tr>
<td>----------------------</td>
<td>------</td>
<td>------</td>
<td>---------</td>
<td></td>
</tr>
<tr>
<td><strong>RECURRING REVENUE</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>- Buyer and Supplier Annual Fees</td>
<td>19.0</td>
<td>17.5</td>
<td>+8.1%</td>
<td></td>
</tr>
<tr>
<td>- Workflow Maintenance Fees</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>REPEATABLE REVENUE</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>- Buyer and Supplier Transaction &amp; Archiving Fees</td>
<td>13.5</td>
<td>12.6</td>
<td>+7.1%</td>
<td></td>
</tr>
<tr>
<td><strong>OTHER REVENUE</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>- Buyer and Supplier Implementation, Modification and Professional Services Fees</td>
<td>2.9</td>
<td>3.2</td>
<td>-8.7%</td>
<td></td>
</tr>
</tbody>
</table>

- 6 new buyer customers (exc workflow), Contributing £0.5m
  Compares to 6 in FY18
- 750 new integrated solution suppliers contributing £0.4m
  Compares to £0.6m in total in FY18
- 18.2m transactions processed
  Compares to 17.7m FY18
- 3 new workflow customers contributing £0.5m
  Compares to 2 in FY18
- Fewer major modification projects in FY19 than prior year lead to reduction

**Recurring Revenue is 54% of Tungsten Network Revenue**

**Recurring & Repeatable Revenue is 92% of Tungsten Network Revenue**
## EXPENSES

£M. EXCLUDES TNF

### RESULTS FOR THE YEAR ENDED 30 APRIL 2019 (FY19)

22 JULY 2019

<table>
<thead>
<tr>
<th></th>
<th>FY19</th>
<th>FY18</th>
<th>Change</th>
</tr>
</thead>
<tbody>
<tr>
<td>Sales &amp; marketing</td>
<td>(5.9)</td>
<td>(6.3)</td>
<td>0.4</td>
</tr>
<tr>
<td>Service delivery</td>
<td>(7.8)</td>
<td>(7.7)</td>
<td>(0.1)</td>
</tr>
<tr>
<td>Technology &amp; product</td>
<td>(10.0)</td>
<td>(9.8)</td>
<td>0.2</td>
</tr>
<tr>
<td>Finance, administration &amp; central overheads</td>
<td>(7.3)</td>
<td>(10.5)</td>
<td>3.2</td>
</tr>
<tr>
<td><strong>Adjusted operating expenses</strong></td>
<td>(31.0)</td>
<td>(34.3)</td>
<td>3.3</td>
</tr>
<tr>
<td>Capital expenditure</td>
<td>(3.3)</td>
<td>(7.6)</td>
<td>4.3</td>
</tr>
<tr>
<td><strong>Total adjusted operating and capital expenditure</strong></td>
<td>(34.3)</td>
<td>(41.9)</td>
<td>7.6</td>
</tr>
<tr>
<td>Other expenses</td>
<td>(10.4)</td>
<td>(11.7)</td>
<td>1.3</td>
</tr>
<tr>
<td><strong>Total operating and capital expenditure</strong></td>
<td>(44.7)</td>
<td>(53.6)</td>
<td>8.9</td>
</tr>
</tbody>
</table>

- Adjusted operating expense reduced by 10% to £31.0m (FY18: £34.3m)
- Sales and marketing expenses reduced by £0.4m to £5.9m - reflects reductions to ineffective marketing spend in H2-FY19
- Service delivery and technology and products costs remained broadly flat
- Other overheads reduced significantly, by a total of £3.2m (30%) to £7.3m - reduced non-exec and exec remuneration, fewer senior management positions and reduced professional adviser fees
- Capex reduced by £4.3m – completion of technology transformation projects
- Other expenses down by £1.3m – FX gain of £1.8m, asset write off of £2.2m, TNF expenses of £3.2m, exceptionals reduced by £1.3m to £1.0m
## CASH & LIQUIDITY

### £M

<table>
<thead>
<tr>
<th></th>
<th>FY19</th>
<th>FY18</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cash from operating activities</td>
<td>(0.3)</td>
<td>(8.0)</td>
</tr>
<tr>
<td>Cash from investing activities</td>
<td>(3.3)</td>
<td>(7.6)</td>
</tr>
<tr>
<td>Cash from financing activities</td>
<td>1.0</td>
<td>4.3</td>
</tr>
<tr>
<td><strong>Net movement in cash</strong></td>
<td>(2.6)</td>
<td>(11.3)</td>
</tr>
<tr>
<td>Exchange adjustments</td>
<td>-</td>
<td>0.2</td>
</tr>
<tr>
<td>Cash at the start of the period</td>
<td>6.4</td>
<td>17.5</td>
</tr>
<tr>
<td><strong>Cash at the end of the period</strong></td>
<td>3.8</td>
<td>6.4</td>
</tr>
</tbody>
</table>

- £2.6m cash outflow for the year; £3.6m excluding RCF drawdown
- Compares to £11.3m outflow in FY18
- Significant improvement in cash performance in 2nd half vs 1st half of FY19:
  - £4.5m outflow in H1
  - £1.9m inflow in H2: £0.9m excluding RCF drawing & after FX movements
- 2nd half improvement includes benefit of seasonal collections of Workflow maintenance (£1.0m)
- Total liquidity at end of FY19 of £6.8m (including £3m undrawn on RCF)
REDEFINING TUNGSTEN.

FY19 OPERATING REVIEW

TONY BROMOVSKY, EXECUTIVE CHAIRMAN AND
DAVID WILLIAMS, CHIEF FINANCIAL OFFICER & INTERIM CEO
OUTPUTS OF THE FY19 OPERATING REVIEW

STRATEGIC

- LAUNCH OF TOTAL AR SOLUTION
- E-PROCUREMENT PARTNERSHIPS
- CONNECTIVITY WITH OTHER PLATFORMS

OPERATIONAL

- PRODUCT ROAD MAP (CLOUD, ADJACENT OFFERINGS)
- COMPLIANCE FOOTPRINT EXPANSION
- COST REDUCTIONS

ORGANISATIONAL

- SALES & MARKETING RESTRUCTURE
- RESTRUCTURED EXEC TEAM
- REMUNERATION

RESULTS FOR THE YEAR ENDED 30 APRIL 2019 (FY19)
22 JULY 2019
FY19 OPERATING REVIEW

STRATEGIC OUTPUTS

LAUNCH OF TOTAL AR SOLUTION

- New partnership with Data Interconnect to deliver enhanced service
- Significantly increases transaction volumes

E-PROCUREMENT PARTNERSHIPS

- Additional channel to market
- Complementary offering
- Progressed discussions underway

CONNECTIVITY WITH OTHER PLATFORMS

- Interconnection & interoperation
- Supports global compliance expansion
- Supports Total AR & Total AP solutions
**Product Road Map**

- Focusing on enhanced offering and customer experience
- Cloud migration
- Total AP through IDC enhancements
- New PO services launch

**Compliance Footprint Expansion**

- Ever changing regulatory landscapes
- Investment in Italian compliance for future global roll out
- 5 additional country compliance programme

**Cost Efficiencies**

- London HQ
- Professional advisor fees
- Marketing refocus
ORGANISATIONAL OUTPUTS

RESTRUCTURED SALES
• Chief Revenue Officer appointment
• Redefinition of the value proposition
• Rebuilding the pipeline
• New AR sales team

RESTRUCTURED EXEC TEAM
• Increased accountability and functionality
• Aligned with business objectives

REMUNERATION
• Alignment with customer and shareholder value
• Benchmarking and external advice
• Performance metrics
MOVING FORWARD
FY20 KEY FOCUS

GROW PARTNERSHIPS
• E-procurement
• Interoperating & interconnection
• New countries
• Post TNF trade finance
• Other ecosystem participants

BUILD & CLOSE SALES PIPELINES
• New total AR sales
• Total AP, including invoice data capture, to new & current buyers
• Purchase Order services
• Workflow 5.0

EBITDA PROFITABILITY & IMPROVED CUSTOMER EXPERIENCE
• Continued focus on cost efficiency
• Increased automation of processes
• Divestment of TNF
• Continued investment in product
SUMMARY
TONY BROMOVSKY, EXECUTIVE CHAIRMAN

REDEFINING TUNGSTEN.
SUMMARY

REDEFINING TUNGSTEN

FOCUS ON GENERATING GLOBAL SCALE AND MAXIMISING PROFITABILITY

CLEAR AND COMPELLING PRODUCT PROPOSITION

EXCELLENT REVENUE VISIBILITY (92%)
Q&A

REDEFINING TUNGSTEN.
APPENDICES
Our customers increasingly want all of their invoicing in one place. By building connectivity to other select platforms, including government portals, we can capture 100% of the flow of invoices.
THE VALUE WE PROVIDE

Strategic contribution

MCR
Manual cost reduction

RPA
Efficiency improvement

BPM
Repeat, scalable processes

Cash MGMT
Cash flow management

Data
Data driven decision making

Core Idea
End-to-end process alignment

Business Agility
Business agility
• Non-current assets reduced as a result of lower capitalised software development in fy19
• £0.8m Reduction in trade receivables, primary cause of reduction in trade & other receivables
• Trade & other payables reduction of £1.5m Due to cessation of major capital projects and settlement of payables
• £1.0m drawings under HSBC RCF
• Equity reduction of £5.1m:
  • £3.3m Statutory loss
  • £1.9m Currency translation; less
  • (£0.1m) Share based payments

<table>
<thead>
<tr>
<th></th>
<th>FY19</th>
<th>FY18</th>
</tr>
</thead>
<tbody>
<tr>
<td>Goodwill</td>
<td>102.1</td>
<td>101.9</td>
</tr>
<tr>
<td>Intangible assets</td>
<td>18.7</td>
<td>21.5</td>
</tr>
<tr>
<td>Other non-current assets</td>
<td>2.7</td>
<td>3.1</td>
</tr>
<tr>
<td><strong>Total non-current assets</strong></td>
<td><strong>123.5</strong></td>
<td><strong>126.5</strong></td>
</tr>
<tr>
<td>Trade &amp; other receivables</td>
<td>7.5</td>
<td>8.2</td>
</tr>
<tr>
<td>Cash &amp; cash equivalents</td>
<td>3.8</td>
<td>6.4</td>
</tr>
<tr>
<td><strong>Total current assets</strong></td>
<td><strong>11.3</strong></td>
<td><strong>14.6</strong></td>
</tr>
<tr>
<td><strong>Total assets</strong></td>
<td><strong>134.8</strong></td>
<td><strong>141.1</strong></td>
</tr>
<tr>
<td>Total non-current liabilities</td>
<td>3.4</td>
<td>3.8</td>
</tr>
<tr>
<td>Trade &amp; other payables</td>
<td>7.1</td>
<td>8.6</td>
</tr>
<tr>
<td>Provisions</td>
<td>0.2</td>
<td>0.8</td>
</tr>
<tr>
<td>Borrowings</td>
<td>1.0</td>
<td>-</td>
</tr>
<tr>
<td>Contract liabilities</td>
<td>6.8</td>
<td>6.5</td>
</tr>
<tr>
<td><strong>Total current liabilities</strong></td>
<td><strong>15.1</strong></td>
<td><strong>15.9</strong></td>
</tr>
<tr>
<td><strong>Total liabilities</strong></td>
<td><strong>18.5</strong></td>
<td><strong>19.7</strong></td>
</tr>
<tr>
<td>Total equity</td>
<td>116.3</td>
<td>121.4</td>
</tr>
<tr>
<td><strong>Total equity &amp; liabilities</strong></td>
<td><strong>134.8</strong></td>
<td><strong>141.1</strong></td>
</tr>
</tbody>
</table>
ALTERNATIVE PERFORMANCE MEASURES – EBITDA AND RESULTS EXCLUDING TNF

The Group uses certain measures to assess the financial performance of its business. These measures are alternative performance measures because they exclude amounts that are included in, or include amounts that are excluded from, the most directly comparable measure calculated and presented in accordance with IFRS, or are calculated using financial measures that are not calculated in accordance with IFRS.

The Group uses alternative performance measures of EBITDA and group results excluding TNF.

EBITDA is defined as loss before finance income and costs, taxation, depreciation, amortisation, loss on disposal of assets, foreign exchange gains and losses, share based payment expense and exceptional items. The most directly comparable IFRS measure to segment EBITDA is operating loss for the period. Management utilises EBITDA to monitor performance as it illustrates the underlying performance of the business by excluding items management consider to be not reflective of the underlying trading operations of the Group or adding items which are reflective of the overall trading operations, as applicable. The Group believes that this measure and similarly titled measures are used widely by certain investors, securities analysts and other interested parties as supplemental measures of performance and liquidity.

Group results excluding TNF presents the results of the group in FY19 and the comparative period excluding the results of TNF. Such measures include revenue, EBITDA, EBITDA margin and operating loss. Management utilises this measure to understand the performance of the ongoing business as if the divestment had already occurred.

The above measures may not be comparable to other similarly titled measures used by other companies and have limitations as analytical tools and should not be considered in isolation or as a substitute for analysis of the Group’s operating results as reported under IFRS. The Group does not regard these Alternative Performance Measures as a substitute for, or superior to, the equivalent measures calculated and presented in accordance with IFRS.