

Investor Presentation 2021

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Executive Management

A highly capable leadership team - a broad range of relevant experience



Scott Winner CEO (2018-present)

Instigated and implemented company wide rationalisation with focus on profitability

Background includes roles in sales, pre-sales, professional services, and technical design.

20+ years experience in senior positions with technology and publishing companies; McGraw-Hill, Pearson, Amplify



Jon Sheffield CFO (2017-present)

Previously Group Financial Controller (2010–2017)

ACA qualified with reporting and compliance experience at PWC.

Senior commercial roles held in retail and software industries; Torex plc & Aurora Fashions

Investment Summary

Mission critical software provider to the publishing sector



Long duration customer relationships – top 15 customer average duration of 14 years



85% recurring revenues and rising – focus on recurring "as a service" revenues £3.1m

Strong balance sheet, net cash of £3.1m



EBITDA margin target

Pursuing opportunities in faster growth verticals – fashion, music, gaming.

Financial Highlights

Strong recent progress

	2020 (£m)	2020 H1 (£m)	2021 H1 (£m)	
Revenue	10.2	5.2	5.1	• Revenue stabilised
Recurring revenue	8.7	4.3	4.3	Strong
Adj EBITDA	1.2	0.6	0.7	
Free cashflow	0.1	0.9	1.0	Cash generative
Cash balance	2.3	3.5	3.1	
Headcount	81	82	74	Headcount reduction to improve efficiency

Who are ingenta?

ingenta provides mission critical solutions



ingenta enables publishers to run their business and manage all of their IP assets

Why do customers use ingenta?

Decades of making the complex simple

Experience

We're experts within the industry

Over 45 years experience successfully servicing the publishing industry - we understand it!

We understand publishers and their needs, unique order processing requirements and business models.

Simplicity

Anything but a generic solution

Our enterprise-wide solution for publishers meets their unique distribution needs.

Our software helps publishers manage intricate subscription models, processes, supplier relationships & IP rights.

We have managed multiple cycles of innovation including the migration to digital, growth in audio books and the convergence of media types.

Future proofed

Addresses unique business models

Our highly configurable software addresses a multitude of unique business models

Consultation partner on industry best practice

IP rights management software applicable for multiple verticals

Publishing Market

The publishing market is growing



Focus

ingenta focused on growth sectors

Convergence

Between adjacent media types: audio books, digital books, animated books, associated music

🙂 Consolidation

Start-ups subsumed into sector behemoths

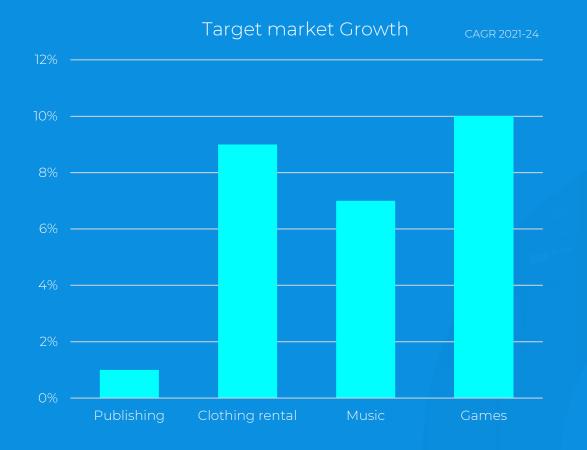
💮 Growth

Covid stimulating renewed growth in books – long term effects positive

- 1. Technavio 2021 Publishing Market by Platform and Geography Forecast and Analysis 2021-202
- 2. ResearchandMarkets.com: Global E- Book Market Analysis 2020
- 3. ABC UK Newspaper circulation data April 2021
- 4. Nielsen 2020

New target markets

ingenta IP rights management software – relevant to fast growth markets



Opportunities also prospected across financial services, pharma, manufacturing, fashion.

Currently often managed by spreadsheets or home grown solutions, creating risk - lack of flexibility

Ingenta IP/Royalty engine is industry agnostic and highly configurable

Can be readily integrated into a customer's existing ecosystem

Our progress to date

We've been busy!

Content & Commercial including IP rights

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Strict adherence to change control process

Increased time-based revenues

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Resilient infrastructure, hosting and operating processes Tested and in place

roduct agnostic functional teams

With standardised processes, procedures & metrics

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Reduce cost of recurrent revenue

Through appropriate off-shoring

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Account management teams

Driven to cross sell products & services

Defined products

...and customer upgrade path initially for Content business

Quarterly product and software release process

Established & communicated

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Historic problem contracts

Predominantly fulfilled

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Focus areas for the future

Development targets for 2021 and beyond

20% margins

Targeting improved medium term EBITDA margins of 20%

Increase operational efficiency Integrated offshore support function

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Expanding Commercial

into wider IP and rights management verticals, targeting fashion, music, gaming

Revenue Growth Focused and on target for 2022

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infrastructure savings From streamlined physical presence

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Build on Content

success in NGO and trade association markets

Key Development

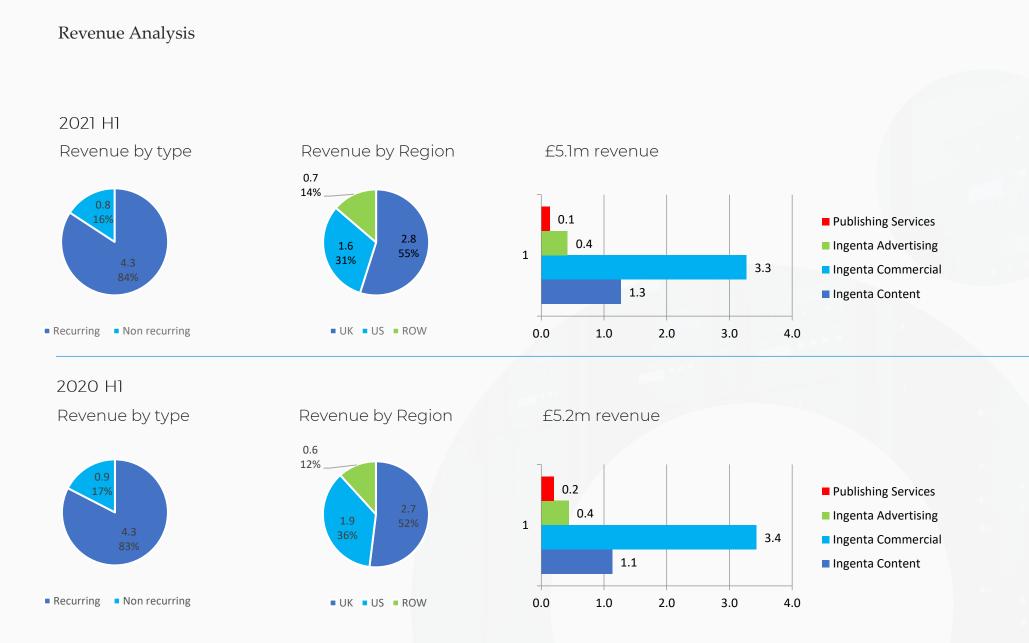
Develop full spectrum of service offerings across all product lines

Expand recurring revenue model

into Commercial products

Detailed Financials





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Income Statement

	2020	2020 H1	2021 H1
	(£m)	(£m)	(£m)
Revenue	10.2	5.2	5.1
Cost of sales	(5.7)	(2.9)	(2.7)
Sales & Marketing	(0.7)	(0.3)	(0.4)
Administration	(2.5)	(1.3)	(1.3)
Adjusted EBITDA	1.2	0.6	0.7
Restructuring	(0.4)	(0.0)	(0.0)
Foreign Exchange	(0.0)	(0.0)	(0.0)
Revaluation	0.0	0.0	0.0
Underlying EBITDA	0.7	0.6	0.7
Depreciation	(0.4)	(0.2)	(0.3)
Finance Costs	(0.0)	(0.0)	(0.0)
Profit / (loss) before tax	0.3	0.4	0.4
Taxation	0.0	0.0	0.0
Profit / (loss) after tax	0.3	0.4	0.4
Profit / (loss) per share	2.09p	2 .10p	2.26p
R&D costs	1.4	0.7	0.7

Revenue stabilised in 2021

85% (2020: 83%) of revenues are recurring in nature

Business rationalisation has reduced annualised costs by $\pm 4m$ from 2017 levels

Cost run rate (excl. depreciation) £8.6m (2020: £9.0m)

Research and development costs charged to income statement

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Balance Sheet

	2020 (£m)	2020 H1 (£m)	2021 H1 (£m)
Intangible Assets	2.7	2.8	2.7
Fixed Assets	1.1	0.5	0.9
Non Current Assets	3.8	3.2	3.6
Trade Debtors	1.7	1.2	1.0
Accrued Income	0.3	0.1	0.0
Other Debtors	0.3	0.4	0.4
Cash	2.3	3.5	3.1
Current Assets	4.5	5.2	4.5
Share Capital	1.7	1.7	1.7
Reserves	1.9	2.2	2.1
Equity	3.6	3.9	3.8
Trade Creditors	0.5	0.5	0.2
Deferred Income	2.3	2.4	2.2
Accruals	0.6	0.5	0.6
Other Creditors	1.5	1.1	1.4
Liabilities	4.8	4.5	4.3
Total Equity and Liabilities	8.4	8.4	8.1

Net cash of £3.1m

Intangible assets include content division goodwill related to acquisitions

No capitalised research and development costs

Annual renewals follow calendar year (deferred income)

In excess of £20m spent on research and development since 2010

No borrowings other than leases

Positive distributable reserves in the parent company of $\pm 6.6m$

£20m of tax losses carried forward

Cash Flow Statement

	2020 (£m)	2020 H1 (£m)	2021 H1 (£m)
Operating cashflow	0.7	0.6	0.7
Working Capital movements	0.0	0.6	0.5
Capital Expenditure	(0.2)	(0.1)	(0.1)
IFRS16 Lease payments	(0.6)	(0.2)	(0.2)
Interest Paid	(0.0)	(0.0)	(0.0)
R&D tax credit received	0.0	0.0	0.0
Subsidiary acquisition	0.0	0.0	0.0
Dividend paid	(0.3)	(0.0)	(0.0)
Share Buyback	(0.1)	(0.0)	(0.2)
Cash movement in the period	(0.3)	0.9	0.8
Cash at beginning of period	2.6	2.6	2.3
Cash at end of period	2.3	3.5	3.1
Free Cash Flow	0.1	0.9	1.0

Calendar year renewal cycle

Renewals boosted

Exceptional non-recurring Capex and lease payments in 2020

Committed to growing dividends

Permission to buy back 500,000 shares

2020 full year FCF impacted by planned capex spend (£0.6m), prior year accelerated renewals (£0.5m) and non-recurring contract payments (£0.5m)

Case studies

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Case Study

SAGE

SAGE publishes over 1,000 journals and 900 new books each year spanning a wide range of subject areas.

The Challenge Better Manage IP portfolio

Enable Sage to fully manage and centralize their contracts, rights management and royalties payments to validate correct payments and management

Our Solution Implement Ingenta Folio solution into their eco-system

Ingenta assisted SAGE in determining the full breadth of their needs and focusing on • advantages of a solution operating simultaneously on Ingenta Folio and VISTA platforms

- positioning SAGE and aligning its contracts rights and royalties with its full ERP system that tracked directly through to the general ledger
- Implementing a system that could fully validate all royalty payments and permissions globally.

The Results Fully managed and verifiable IP portfolio

SAGE has:-

- Fully managed and verifiable IP management and royalty processing
- Rules driven contracts and royalties processing
- Decreased confusion and risk around processing through elimination of manual approaches
- Made processing consistent across divisions
- Fully managed the IP payments and reporting associated utilising system features rather than human based error prone approaches.



Europe's largest learned microbiological society publishes key academic journals to a worldwide audience

The Challenge To become a 'digital first' publisher

Enabling Microbiology Society to becoming a 'digital first' publisher and a leading technology provider that could:-

- provide greater control & management of content and assets
- empower Microbiology society to customise and implement new web tools

 provide a consistent design for the website across multiple types of content Our Solution Use Ingenta's Edify for digital
 distribution

Ingenta Edify is a custom hosting solution using a combination of industry standard architecture and semantic web tech helping companies showcase and connect all of their content, regardless of format or type that:-

- offers responsive web design as standard across any device
- provides the ability to repackage content and create collections around specific topics
- Enables grouping content from different journals

The society needed a means to distribute content to the globe and to help the world advance their medical knowledge by granting controlled and appropriate access.

Quickly implemented solution with full scholarly tracking and management

Appropriately controlled access to quality content.

Case Study



Rosen serves high interest, curriculumcorrelated materials by publishing over 700 new books each year (with a backlist of 7,000+)

The Challenge Managing the operational needs of growing business and retire legacy system for increased flexibility

Rosen Publishing's well established business needed both an effective means of managing the current operational aspects but managing a high growth opportunity through M&A and incorporation of new entities into the overall porfolio while eliminating a legacy system with both limitations and inflexibility.

Our Solution Ingenta Commercial

The added complexity around future acquisitions meant that Rosen was aligned with the componentized and future growth strategy of the Commerical solution.

This solution is highly adaptable in terms of both company complexity and structure and in terms of business models through a controlled and configurable approach.

Replace legacy system with

The Results Full business solution that is easily rolled out to all units.

- Implement global controls
 while allowing appropriate
 flexibility to divisions
- Configure necessary rules that exist at each level to appropriately control and manage the operations and workflow
- Streamline processing from beginning to end in a full system
- Configure new units to use the full solution with minimal cost.
- Effectively expand business

Thank you



