Engage. Secure. Protect.

Eckoh results for the year ended March 31st 2022

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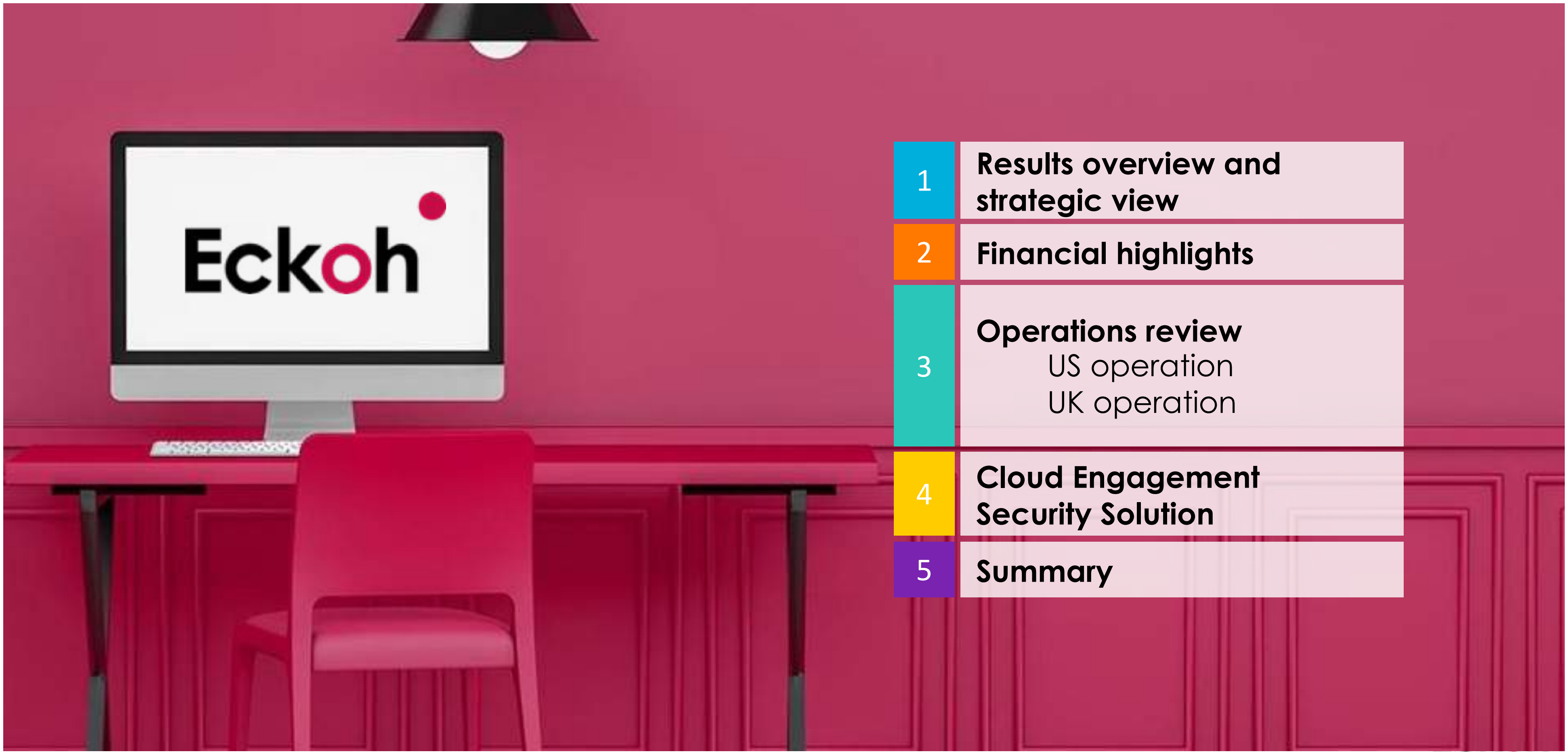
Agenda.



Highlights.

- Strong trading performance
- Strong ARR[1] growth driven primarily by our clients' need to protect data
- Transformational Syntec acquisition performing in line with our expectations
- Unification and enhancement of security product offering on track for launch in 2022
- Completed exit from Support activity is delivering higher quality earnings
- UK business returned to growth with client activity largely back to pre-pandemic levels
- Strategic cloud progress continues with multi-platform enablement
- Outlook remains positive, in a strong position to deliver on the significant revenue and profit growth expected in FY23

1. Annual recurring revenue of all contracts billing at the end of the period. Included within Group ARR is all revenue that is contractually committed and an element of UK revenue that has proven to be repeatable, but not contractually committed.

Syntec Strategic Rationale.

- Consolidates market leading position in contact centre payment security
  - Enhances Eckoh's position as the largest provider in the key US market
- Complementary operations
  - Proven, successful UK business with strong revenues, product offering and client relationships
- Attractive technology, IP and innovative tech team
  - Complementary patent-protected services and strong tech team to help drive innovation
- Synergistic cost and revenue benefits
  - Opportunity to rationalise platforms, combine central functions, leverage combined tech, cross-sell Eckoh portfolio, and get access to larger target market
- Attractive, earnings accretive acquisition
  - Earnings enhancing in first full year of ownership before synergies

New growth drivers in a broadening global market.

- The pandemic has forced contact centres to adopt hybrid working, increasing security concerns
- Recruitment and churn are huge problems, our technology can help mitigate this issue
- Cost of living crisis will accelerate levels of fraud and increase collection issues

Strategic Goals.

- Being the market leader for Customer Engagement data and payment security
- Capitalise on structural developments in the global market for technology solutions that help protect customer data
- Maximise client value and retention through cross-selling to generate higher levels of recurring income
- Make cloud our primary platform and use cloud technologies to develop and enhance our proprietary solutions
- Evaluate acquisition opportunities that can support our growth strategy in Customer Engagement data and payment security

Financial Highlights FY22.

Revenue
£31.8m
↑ 4% ↑ 6%[1]
(FY21: £30.5m)

Operating profit [2]
£5.2m
↑ 10%
(FY21: £4.7m)

Total Business [3]
£22.5m
↓ 27%
(FY21: £30.7m)

Group ARR [4]
£25.2m
↑ 48% +£8.2m
(Mar 31, 2021 £17.0m)

US SecPay ARR [4]
$11.9m
↑ 82% +$5.4m
(Mar 31, 2021 $6.5m)

Net Cash
£2.8m
(FY21: £11.7m)

1. Constant exchange rates (using last year's exchange rates)
2. Excluding expenses relating to share option schemes, amortisation of acquired intangible assets, restructuring and acquisition costs
3. Contracted business including new business and renewals with existing customers
4. Annual recurring revenue of all contracts billing at the end of the period. Included within Group ARR is all revenue that is contractually committed and an element of UK revenue that has proven to be repeatable, but not contractually committed.

Summary Financials.

£M	FY Mar 22	FY Mar 21	*Variance*
Revenue	**31.8**	**30.5**	***+4%***
Gross profit	25.4	24.2	*+5%*
Gross profit margin (%)	*80%*	*80%*	-
Adjusted[1] EBITDA	**6.8**	**6.4**	***+7%***
Adjusted[2] operating profit	5.2	4.7	*10%*
Profit before tax	**2.3**	**3.5**	***(34%)***
Adjusted Diluted earnings per share	1.34	1.45	*(7%)*
Change in working capital	(1.5)	(2.5)	*+1.0*
Cash generated from operating activities	**3.4**	**4.4**	***(1.0)***
Cash & Net Cash[3]	**2.8**	**11.7**	***n/a***
Dividend	**0.67**	**0.61**	**+10%**

1 & 2. Excluding expenses relating to share option schemes, amortisation of acquired intangible assets, restructuring costs and acquisition costs.
3. As at 31 March 21 there was £12.7m of gross cash and £11.7m of net cash

4. Annual Recurring Revenue of all contracts billing at the end of the period , included within ARR is revenue in the UK that is repeatable but not contractually committed

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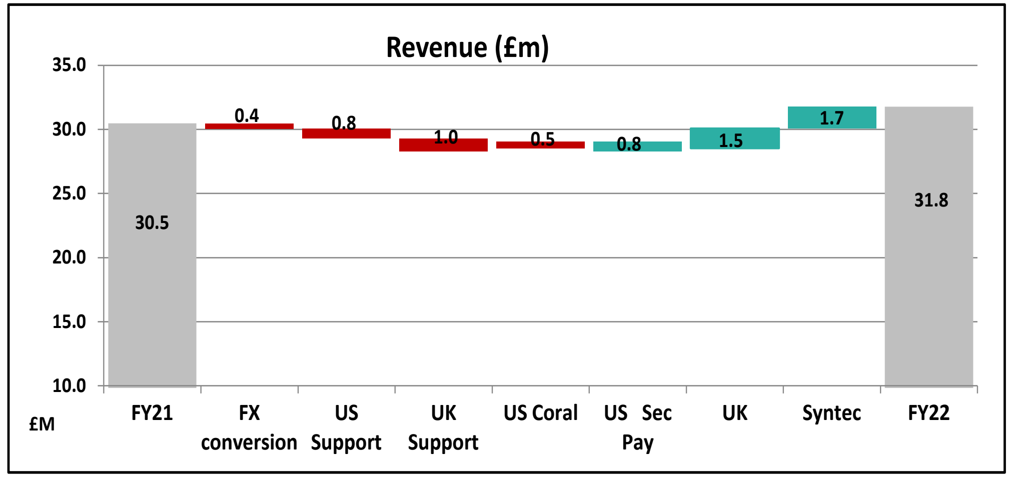
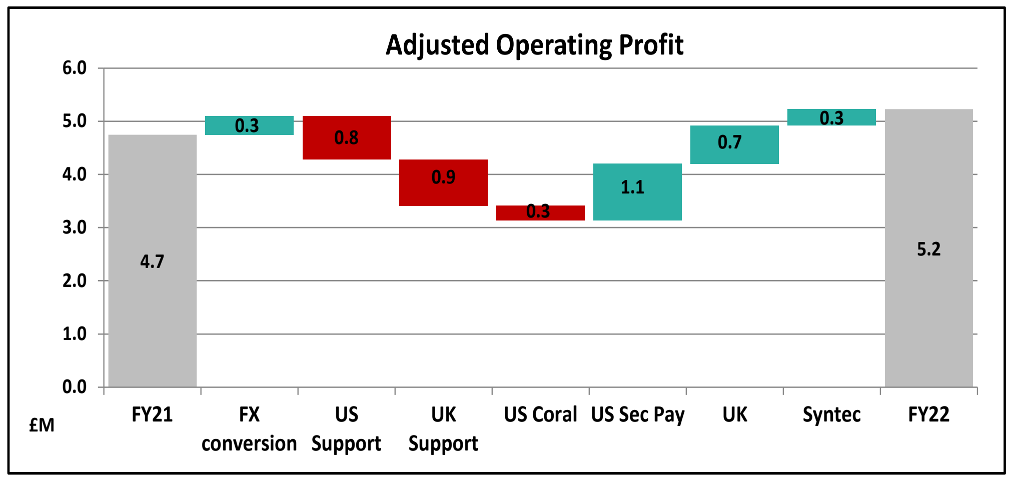
Adjusted Operating Profit and Revenue Bridge.

- **Total revenue & adjusted operating profit -** increased year on year despite the tough comparators with third-party support
- **Underlying revenue and adjusted operating profit** grew year on year by 5% and 81%
- **FX conversion** is the impact in the P&L from the US fx rate FY21 vs FY22
- **US Secure Payments** – underlying Recurring Revenue growth overshadowed due to successful renewals (including largest deal)
- **US Coral** – underlying Coral business level year on year, no additional licence revenue in FY22
- **UK business** – adjusting for UK Support, revenue and profit well ahead of last year





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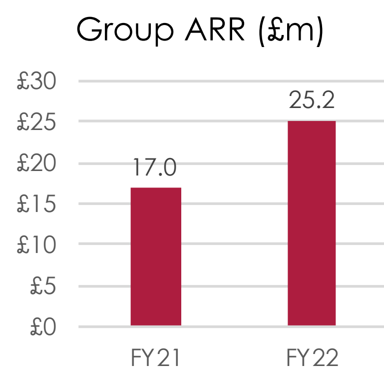
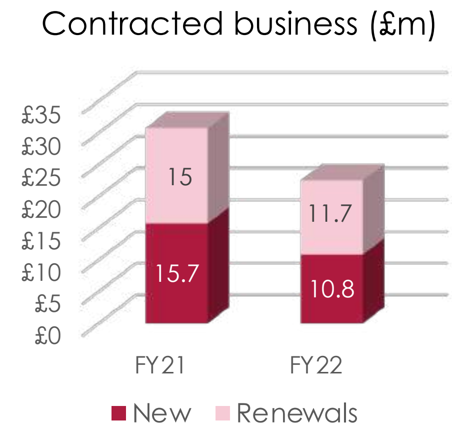
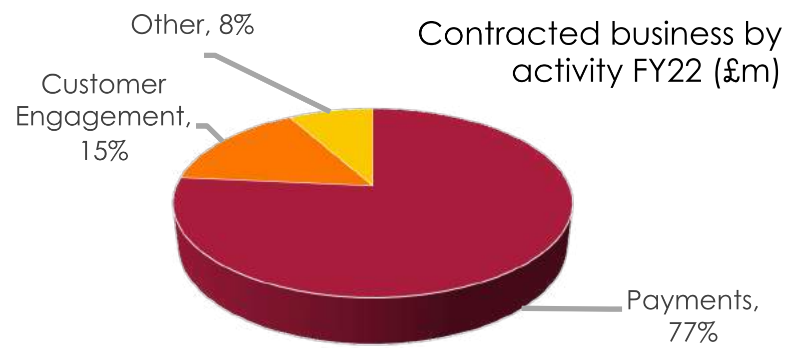
Group ARR and Contracted Business.

- Group ARR[1] increased by 48% to £25.2m from £17.0m
- Total contracted business[2] £22.5m compared to £30.7m in FY21 reflecting an unusually quiet fourth quarter due to macro-economic conditions and ramifications from the Ukraine situation
- Contracted business increasingly dominated by payments following acquisition of Syntec with 77% of all activity being for this solution
- Expectation for material growth in FY23:
  - US business successful exit from Support with focus on Security portfolio and operational headcount savings invested in Sales team
  - UK business volumes continue to improve, new business and headcount savings from FY22
  - Significant cost savings achieved (in excess of £1m pa) from move to global NOC, exit from Support, and US Sales realignment that will underpin FY23 profit
  - Addition of Syntec







1. Annual recurring revenue of all contracts billing at the end of the period. Included within Group ARR is all revenue that is contractually committed and an element of UK revenue that has proven to be repeatable, but not contractually committed.
2. Total contract value from new and existing clients

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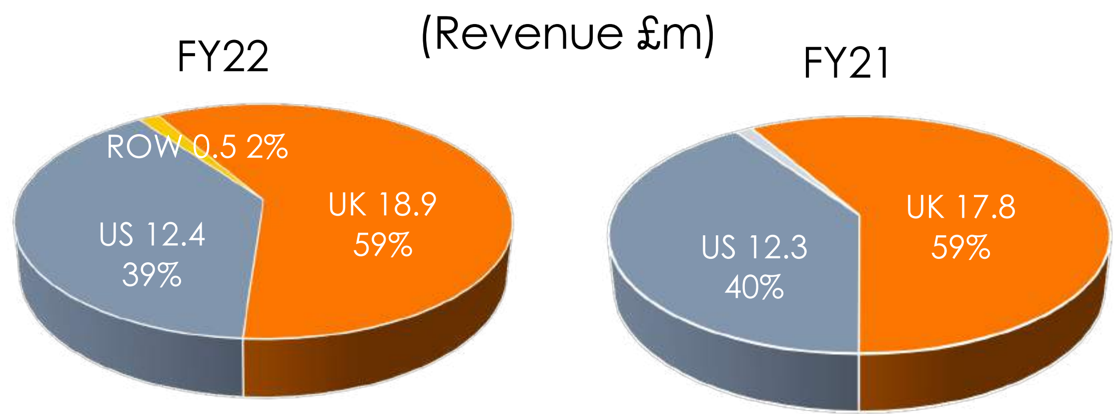
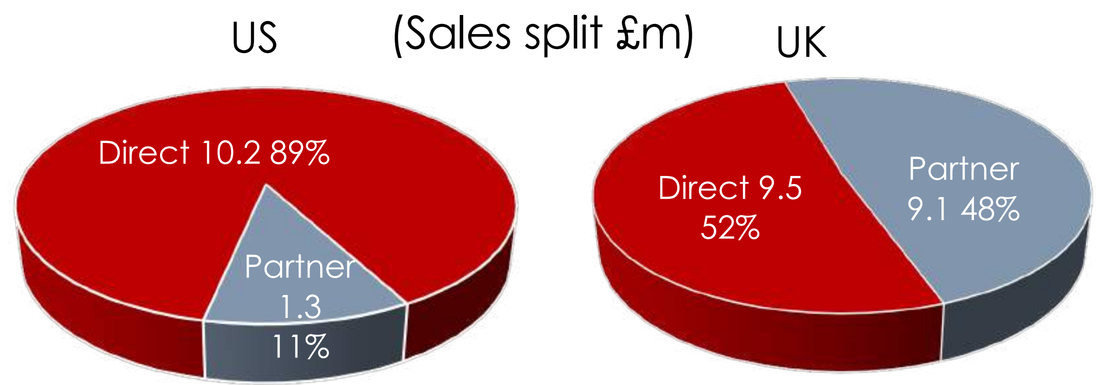
Divisional Trading Analysis.

- US revenue accounts for 39% of Group revenue. Strategic goal remains US growth
- UK continues to strengthen, with second half revenues significantly higher than the first, and activity in line with pre-pandemic volumes on a like for like basis
- In UK, partner share at 48% (FY21: 44%) in line with first half year as new business has continued to be signed with existing clients
- US partners share at 11% (FY21: 10%) in line with first half





US Main Partners:

Intrado, NICE inContact, ribbon communications

UK Main Partners:

CAPITA, Teleperformance, BT

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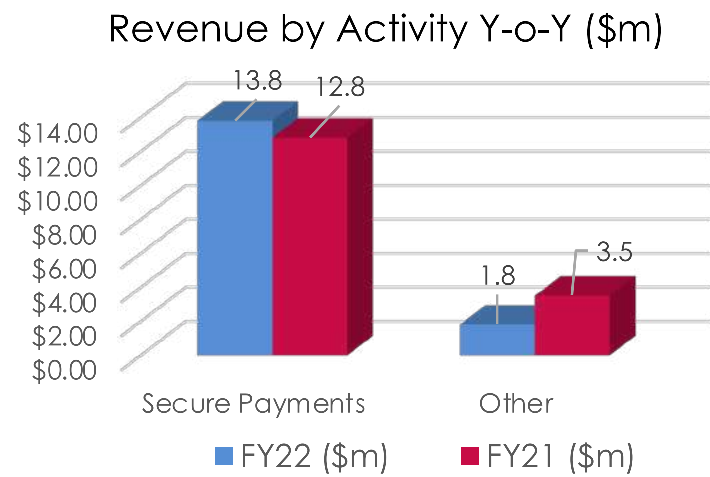
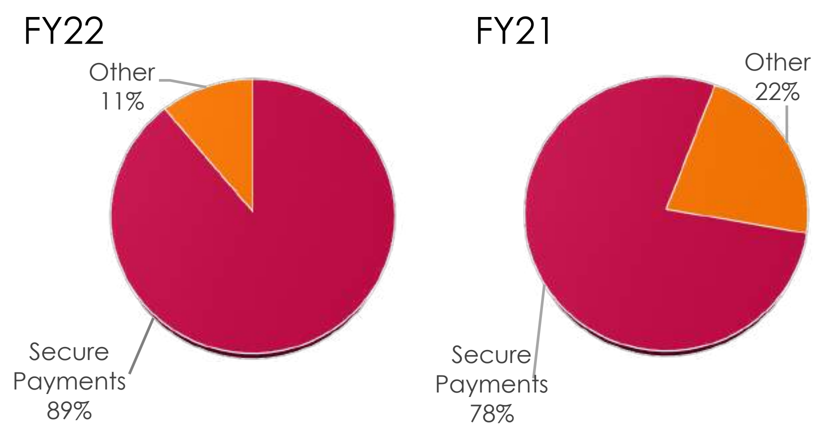
US Trading Analysis.

- Secure Payments 89% of US revenues. Revenue up 8% to $13.8m (FY21: $12.8m)
- Secure Payments recurring revenue increased to 65% (FY21: 52%) as cloud deployments go live or on-premise clients successfully renewed
- Secure Payments ARR[3] $9.0m, an increase year on year of $2.5m or 38%
- Total contracted business[1] down 35% to $10.0m (FY21:$15.5m)
- New contracted business[2] down 50% to $6.5m (FY21: $12.9m)
- Gross profit $11.5m (FY21: $11.7m)
- Gross margin 74% (FY21: 71%)



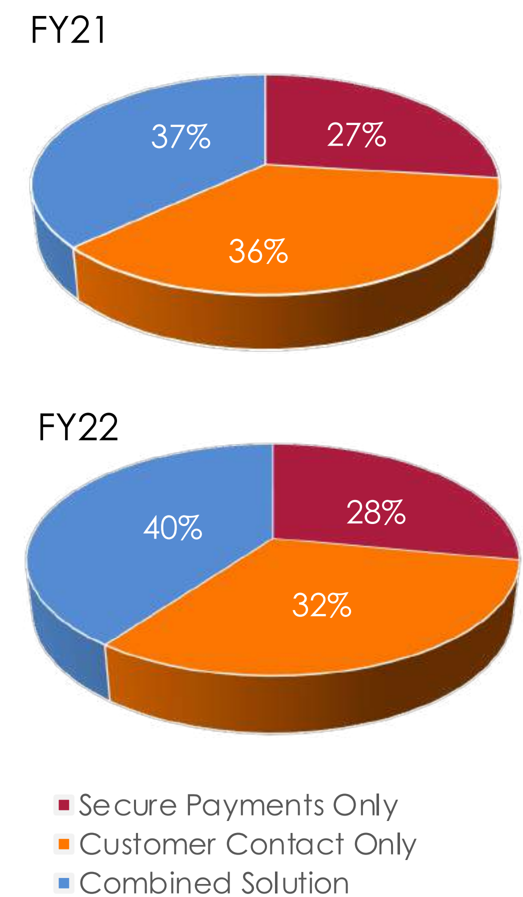


1. Total contract value from new and existing clients
2. Total contract value from new contracts, excluding renewals of contracts with existing clients
3. Annual recurring revenue of all contracts billing at the end of the period.

UK Trading Analysis.

- Revenue up 3% to £18.6m (FY21: £18.0m), when adjusting each year for the discontinued Support activity revenue up 9.2%
- Transactional volumes improved through the first half; and by Q4 had reached like for like volumes in line with pre pandemic levels
- Total contracted business[1] £13.3m, down 30% (FY21: £18.9m)
- New contracted business[2] £5.0m, down 14% (FY21: £5.9m)
- Gross profit up 2% to £15.6m (FY21: £15.3m), excluding closed third-party support gross profit increased 8%
- Gross profit margin 84% (FY21: 85%)
- Recurring revenues at 80% (FY21: 84%)

Revenue Split by Product



1. Total contract value from new and existing clients
2. Total contract value from new contracts, excluding renewals of contracts with existing clients

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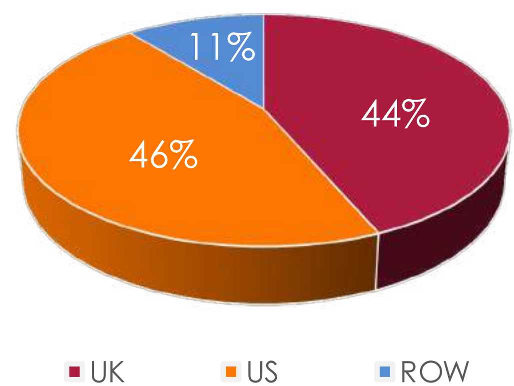
Syntec Trading Analysis (3 months only).

- Revenue of £1.7m in line with the acquisition analysis
- CardEasy ARR[3] £4.1m
- Total contracted business[1] £2.0m
- New contracted business[2] £1.1m
- Gross profit margin 80%
- CardEasy Recurring revenues at 82%
- Overall integration is progressing well and on track
- The ‘Syntegration’ process to unify and enhance the product and technology is targeting end of 2022

Revenue Split by Territory FY22



1. Total contract value from new and existing clients
2. Total contract value from new contracts, excluding renewals of contracts with existing clients
3. Annual recurring revenue of all contracts billing at the end of the period.

Cloud Engagement Security Offering.

Verification & Fraud Prevention

Call Recording & Data Redaction

Real Time Voice Transcription and AI

Advanced Speech

Reporting and Analytics

DataGuard

Digital Payments

Secure Chat

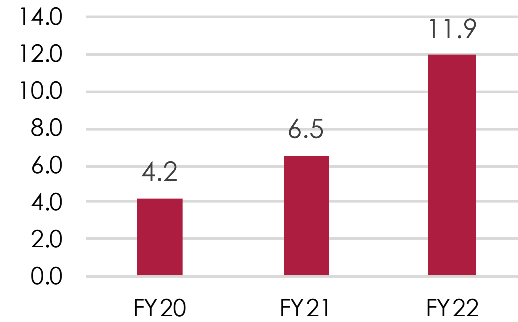
Voice Security

The Eckoh-system.
Security focus.
Huge cross-sell opportunity.

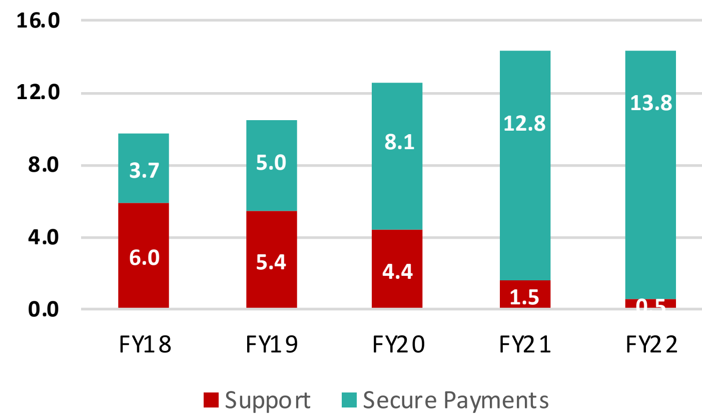
US Secure Payments – Recurring revenue momentum.

- Completed exit from Support activity and transition to Secure Payments which has delivered 30% CAGR over 5 years
- ARR[1] increased $5.4m to $11.9m, an increase of 82%
- Continued strong performance with three renewals (including largest contract) overshadowing Secure Payments revenue growth. Recurring revenue increased by 49% and is now at 66% (FY21 52%)
- H2 was still impeded by the pandemic and the macro-economic conditions, limiting new contracted business to $6.5m (FY21: $12.9m)
- Pipeline is strong, and Q1 has made an encouraging start with new $2.0m win for Fortune 100 retail client contracting for two solutions
- Continued shift to the cloud, and the launch of a new platform in Microsoft Azure will help accelerate this further
- Strengthened leadership, sales and client facing team, along with enhanced product portfolio will drive renewed growth in FY23
- Secure Chat and Digital Payments now available, and alongside further new product this will drive the cross-selling, as well as making Eckoh the natural partner for engagement security with new clients

US - Secure Payments ARR ($m)



Revenue: Secure Payments vs Support ($m)[1]



1. Annual recurring revenue of all contracts billing at the end of the period.

UK Overview – Activity returns to pre-pandemic levels.

- Revenue excluding the impact of the exit from third-party support increased by 9%. This was driven by new business going live and improved volumes for our existing clients particularly in the second half as the UK came out of the pandemic
- New contracted business of £5.0m versus £5.9m in the prior year, a credible performance in what remain tough conditions, with a high proportion (72%) driven by cross-selling to existing customers, showing the strength of Eckoh's relationships
- Total business down 13% from the prior year, largely due to timing of large renewals
- Key renewals included Premier Inn and Rail Delivery Group
- Largest global cloud contract worth a minimum of $1.5m won through the UK. Roll out will be to US first followed by up to 28 countries over next 3 years. More global cloud deals expected
- Post period, largest renewal for FY23 was signed with Capita, worth £2.1m over 5 years
- Q1 has started encouragingly with new wins coming from both direct and partner channels

Boots

Premier Inn

Rail Delivery Group

National Rail

BRITAIN RUNS ON RAIL

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Summary and Outlook.

- Strong trading performance and ARR growth
- Continued progress in US, with UK returning to growth
- Transformational acquisition of Syntec completed
- New unified go-to-market proposition of Customer Engagement Security Solutions progressing well
- Strategic cloud expansion and greater client adoption, is driving higher recurring revenue and margin
- With a highly relevant product portfolio and resilient business model, Eckoh can assist our clients to successfully manage the new business environment
- Significant growth expected in FY23 reflects ongoing organic progress, continued US momentum, a sustained UK recovery, and the integration of Syntec. Supported by long-term structural growth drivers and increasing cloud adoption, coupled with the benefits of new products and operational gearing

Investment Case.

- Long term growth drivers
  - Significant market opportunity – still largely an untapped market
  - Patented IP and limited competitive threat – no homegrown US competitor
  - Macro factors - ongoing data breaches, increased regulation and shift to remote working
- Strong momentum building in US
  - Strong levels of growth – CAGR of 30% in last 5 years and 82% jump in ARR
- High revenue visibility
  - High recurring revenue - 76% at a group level
  - Group ARR growing strongly – Up 48% to £25.2m
  - Increased visibility and quality of earnings driven by accelerating shift to Cloud
- Scalability - capacity for growth without significant investment
- Attractive financial model with strong operational gearing and cashflow

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Thank you.

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Appendix 1 – History

Dec 1999	Float on FTSE as 365 Corporation
Jan 2002	Sale of internet business
May 2002	Change of name to Eckoh, new customer engagement strategy
Jun 2003	Eckoh moves to AIM
Jul 2006	Symphony share sold to Redstone for £11m
Oct 2010	Level 1 PCI DSS Accreditation received, growth from EckohPay product
Jan 2012	EckohPROTECT launched generating significant sales interest
Jun 2013	Acquisition of Veritape Limited (On-premise payments solution provider)
Apr 2014	Eckoh Inc begins trading
Nov 2015	Acquisition of Product Support Solutions ('PSS Help') for $8m to expand US operation
Jul 2016	Acquisition of Klick2Contact for £2.35m (Omnichannel egagement specialist)
Mar 2017	Transformational year for US payments business with $8.3m contract value secured
Feb 2018	Two key US patents awarded for Eckoh Secure Payments
Sep 2018	Largest ever payment deal worth $7.4m
June 2020	Record sales and market conditions support further long-term growth
June 2021	Resilient business model ensures robust performance despite pandemic
Dec 2021	Acquisition of Syntec Holdings Limited for £31.0m

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Appendix – Financial Information.

Commercial Model – Implications of shift to Cloud

- Move to Cloud drives greater revenue visibility and earnings quality
- More than 50% of US Secure Payments contract value in FY21 from Cloud contracts
- Upfront cash is reduced, due to lower hardware and set up fees
- Greater proportion of recurring revenue for Cloud or hosted solutions
- Implementation times typically 4 months (Cloud) to 8 months (On premise), but very much client dependant

	CLOUD/Hosted (US & UK)	On premise solution (US)
Typical Contract Length	3 year minimum	3 year minimum
Recurring Revenues	75-85% of contract value Fixed monthly management fee/ agent seats + volume of minutes	65-75% of contract value Fixed monthly management fee/ agent seats + volume of minutes
Non-Recurring Fees	15-25% of contract value Implementation fees + AWS set-up fees	25–35% of contract value Implementation fees, on premise hardware

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Appendix – Balance Sheet 31 March 2022

£'000	31 Mar 2022	31 Mar 2021	
Intangible Fixed Assets	39,664	6,527	Acquisition of Syntec
Tangible Fixed Assets	4,189	4,307	Mainly comprised of HQ building and hosted telephony platform
Leased Assets	1,516	1,310	Syntec Office lease addition
Deferred Tax Asset	1,789	3,211	
Total Fixed Assets	**47,158**	**15,355**	
Non cash current assets	8,723	9,093	
Deferred asset – IFRS 15	3,828	4,358	
Cash	2,840	12,706	
Total Assets	**62,549**	**41,512**	
Trade & Other Payables	(5,824)	(5,958)	
Deferred liability	(12,462)	(12,524)	IFRS 15 – new business contracted
Lease liability	(1,537)	(1,342)	
Loans	-	(975)	No debt outstanding at
Deferred tax liability	(2,983)	(296)	Arising from PSS and K2C acquisitions & amortises alongside the intangible asset. PSS will be fully amortised Nov 20
Net assets	**39,743**	**20,417**	

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Appendix – Cashflow Statement

£'000	31 Mar 2022	31 Mar 2021
Profit after tax	1,575	2,794
Depreciation / Amortisation	2,318	2,270
Share based payments	241	303
Taxation	743	717
Other	(27)	561
Operating profit before changes in working capital	**4,850**	**6,645**
Movement in receivables, payables, inventory, tax & interest	(1,488)	(2,260)
Movement in tax and interest	14	(97)
Cash generated from operating activities	**3,376**	**4,288**
Purchase of property, plant and equipment	(308)	(1,175)
Purchase of intangible fixed assets	(375)	(573)
Principal lease repayments	(500)	(461)
Interest received	6	48
Net loan movement	(975)	(975)
Acquisition of subsidiary	(22,500)	-
Issue of shares	13,311	-
Dividends	(1,559)	(1,558)
Other	(311)	(379)
Cash movement	**(9,835)**	**(785)**

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