Results for the year ended 30 April 2020
Focussing on the next stage of growth

Roger Bullen, CEO

Ash Mehta, CFO

22 September 2020

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"Rosslyn provides a complete SaaS Supplier Information Management solution, improving analytic and compliance capabilities, bringing data together and transforming it into valuable information."

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Operational Highlights and Outlook

Significant new client wins	A global manufacturer and distributor of superior building materials and products, a multinational general insurance company with operations in more than 140 countries, and a science-led sustainable technologies business employing 15,000 people.
Product development	Integrating supplier onboarding functionality and creating master data management functionality for use by large enterprises.
Acquisition of Langdon Systems	Adding duty and import/export data capabilities and a strong client base to the business.
COVID-19 has resulted in a higher level of engagement by our clients.	Sales opportunities were temporarily impacted during lockdown. In recent weeks we have started to see increased activity in the form of RFPs and RFIs from prospective clients.
The Group is now in a position to accelerate revenue growth	Investing further into Sales and Marketing, and post year-end numerous appointments have been made including Paul Watts joining as Chief Customer Officer.

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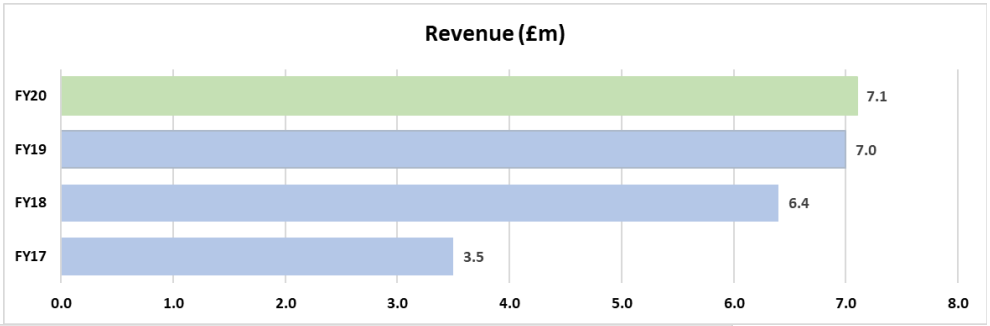
Financial Highlights

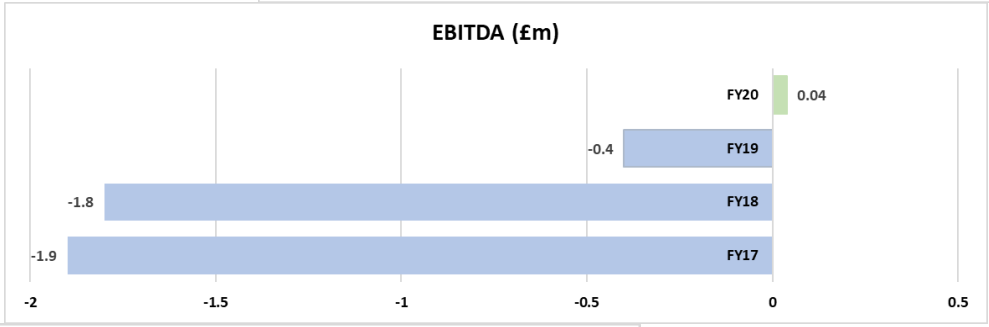
Annual Recurring Revenue	Increased 16.6% to £6.3m (2019: £5.4m).
Revenue growth of 2.1% to £7.1m	Growth was offset by the planned reduction of more than £0.6m of low margin contracts. This helped gross margin increase to 84.7% (2019: 79.7%).
Administrative operating expenses	Controlled tightly at £6.0m (2019: £6.0m) but increasing as we invest into Sales and Marketing.
Operating EBITDA profit	£36,000 (2019: loss of £432,000) The first positive EBITDA in the Company's history.
Cash balance at the year-end of £0.8m	Boosted after the year end by a placing which raised £6.8m (net of expenses).
Gross bank debt	£1.2m at the year end.

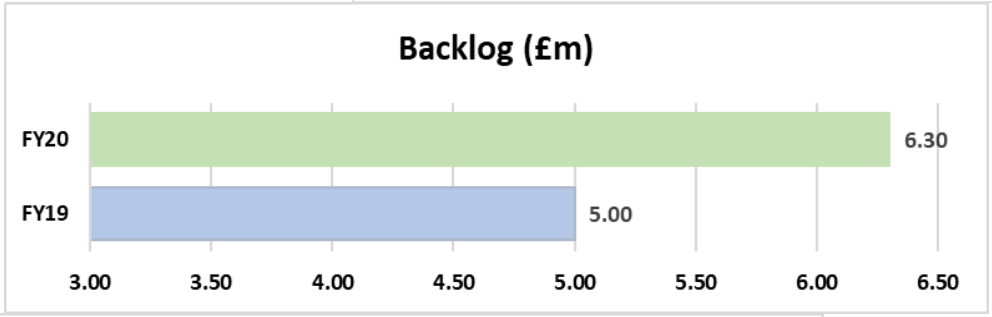
Key metrics

FY20 Revenue growth is low due to removal of low margin contracts

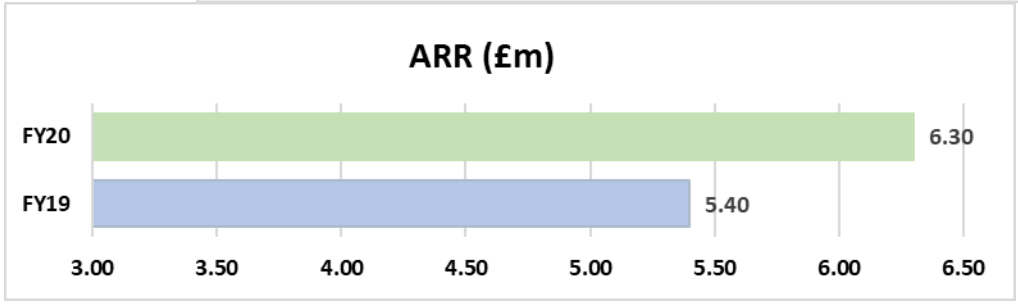


First ever positive EBITDA





Increased by 26.0%



Increased by 16.6%

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Income statement

	Year ended 30-Apr 2020 £'000	Year ended 30-Apr 2019 £'000
Revenue	**7,109**	6,965
Cost of sales	**-1,086**	-1,416
Gross profit	**6,023**	5,549
Administrative expenses	**-5,987**	-5,993
Operating EBITDA	**36**	-444
Depreciation, amortisation and SBP	**-1,772**	-1,166
Operating loss	**-1,736**	-1,610
Finance costs (net)	**-160**	-86
Loss before income tax	**-1,896**	-1,696
Income tax	**316**	595
Loss for the year	**-1,580**	-1,101
Gross profit	*84.7%*	*79.7%*

We terminated very low margin client contracts where we could not secure a sufficient price increase. This had a positive impact on gross margin as well as allowing us to reduce headcount costs.

Administrative costs were held stable at £6.0 million despite the addition of seven staff from the Langdon acquisition. With our focus on internal efficiency through process improvements and Robotic Process Automation, we were able to remove a similar number of headcount whilst still maintaining high levels of client service.

All R&D costs of £1.3m (2019: £0.9m) are written off, not capitalised.

Cashflow

£'000	2020	2019
Loss before income tax	**-1,896**	-1,696
Depreciation, amortisation and SBP charges	**1,772**	1,166
Workng capital movements	**-892**	664
Corporation tax received	**310**	716
Net cash (used in)/ generated from operating activities	**-706**	850
Purchase of property, plant and equipment	**-8**	-10
Acquisition of business	**-49**	-
Net cash used in investing activities	**-57**	-10
New loans in year	**500**	1,000
Repayment of borrowings	**-905**	-441
Proceeds from share issuance (net)	**2**	244
Net cash (used in) / generated from financing activities	**-403**	803
Net (decrease) / increase in cash and cash equivalents	**-1,166**	1,643
Cash and cash equivalents at beginning of year	**1,960**	317
Cash and cash equivalents at end of year	**794**	1,960

One-off positive working capital position at 30-Apr-19 reversed during the year leading to negative working capital movements.

R&D tax credits received based on our ongoing investment into product development.

Drawdown of remaining £0.5m from the £1.5m Clydesdale Bank facility.

Repayment of Integritie loan notes of £623k and three quarterly repayments of bank loan.

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Balance Sheet

£'000	2020	2019
Non-current assets	**2,094**	2,960
Trade and other receivables	**2,235**	2,060
Cash and cash equivalents	**794**	1,960
Current assets	**3,029**	4,020
Trade and other payables	**-4,109**	-4,018
Financial liabilities – borrowings	**-388**	-934
Current liabilities	**-4,497**	-4,952
Trade and other payables	**-280**	-344
Financial liabilities – borrowings	**-828**	-653
Non-current liabilities	**-1,108**	-997
Net assets	**-482**	1,031

Intangible assets being written down over 5 years; 2 years to go.

Debtors and creditors managed tightly. No concern of impact from COVID-19 on debtor recovery.

Cash balance boosted by fundraising since year end. Current balance is over £7m.

Borrowings repayable quarterly; £364k pa and £500k bullet with final quarterly payment in Mar-22.

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SMDM (Supplier Master Data Management)

- What is SMDM?
  - Often the first step in digital transformation for Procurement.
  - A collaboration of design, process and technology that enables the building of a secure, accurate, searchable, resilient database.
  - It can be accessed, interrogated and used enterprise wide across a diverse set of systems and multiple users.
  - It represents a single version of the truth, known as the “Golden Record”.
- Why do companies want SMDM?
  - Procurement departments are seeing digital transformation as a key driver in amending the way they work and their relevance and importance within an organisation.
  - The ability to assist and aid decision making within the supply chain is paramount to the ability to function and operate on a global scale.
  - Having the critical facts and data about the organisation’s suppliers, determining how that supply relationship develops and how that data is made actionable across the firm is a huge step forward.

Rosslyn has an excellent reputation in spend analytics, in enriching and improving the quality of data, as well as integrating unstructured data and documentation into the mix. SMDM is a further extension beyond that.

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What is the benefit of SMDM to companies?

One Platform - All your tools for complete business insight

Single version of truth - All your connected data in one place to provide the truly Golden Record

Value - Identify savings in days of data visibility

Cloud analytics - No more IT investment

Rapid ROI - In as quick as eight weeks

User Adoption - Easy to use, collaborative

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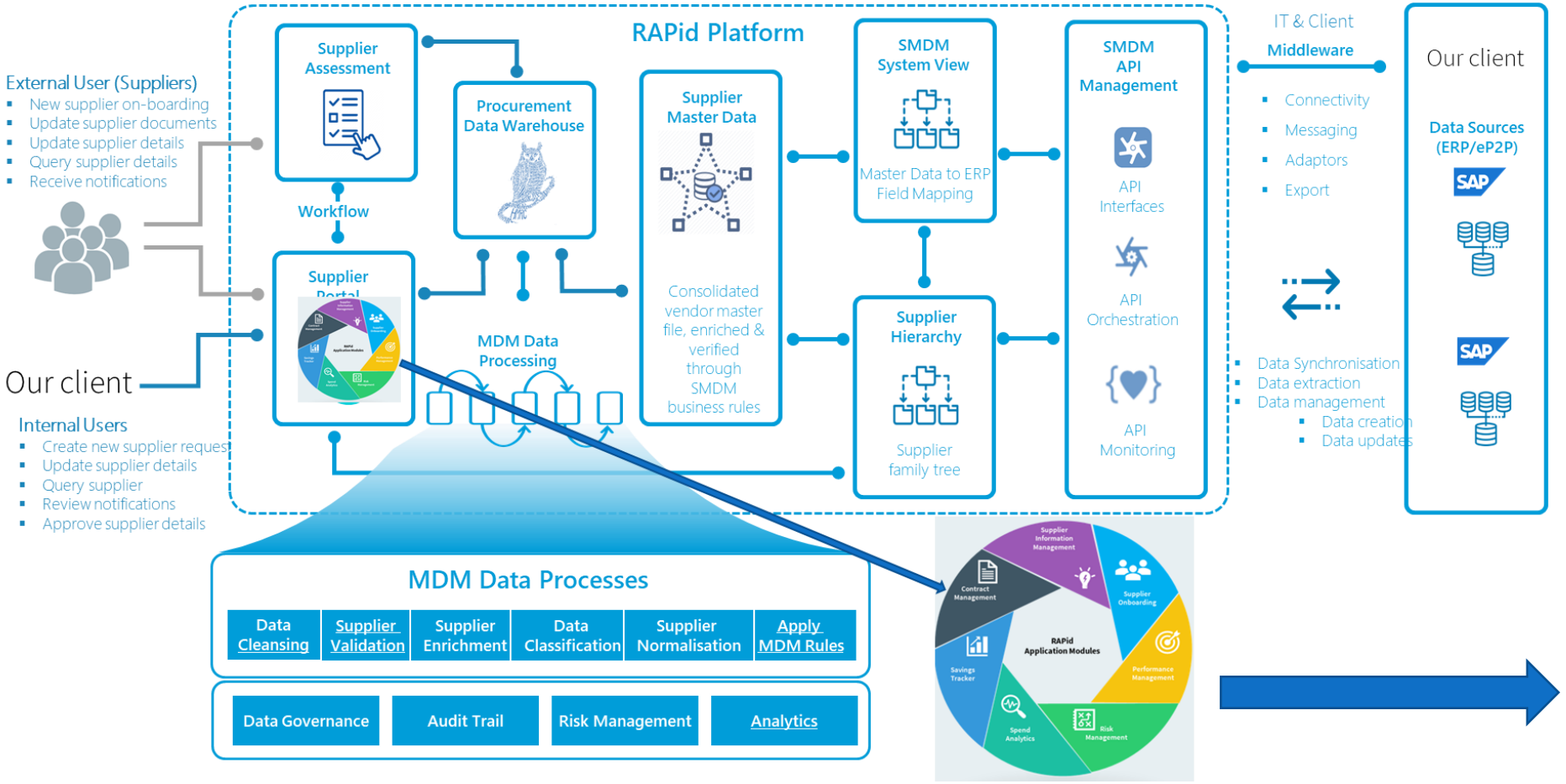
Rosslyn's SMDM Solution



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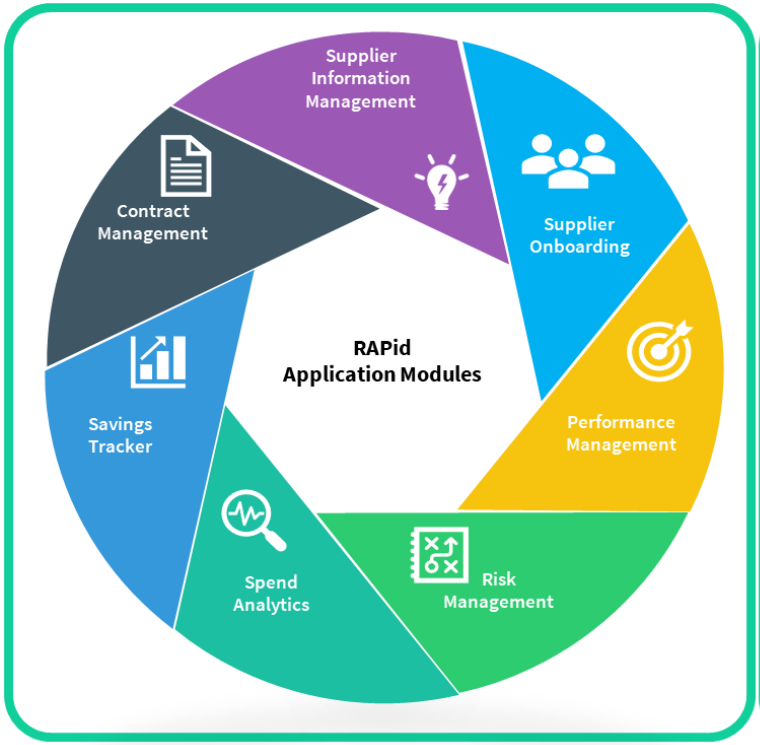
RAPid Supplier Master Data Lifecycle

Internal Users
- Create new supplier request
- Update supplier details
- Query supplier
- Review notifications
- Approve supplier details

External Users
- Complete new supplier request
- Update supplier details
- Query supplier details
- Receive notifications
- Update supplier documents



API Management
- API Interfaces
- API Orchestration
- API Performance Analytics
- Dev. Portal
- API Monitoring

Middleware
- **Connectivity**
- **Messaging**
- **Adaptors**

Data Synchronisation
- Extraction of data from source systems
- Source system data management
  - Data creation
  - Data updates
- Source system & data schema mapping
- Data governance processes
- Data normalisation

Data Sources (ERP/eP2P)

Region 1

Region 2

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Langdon Systems :
A clear opportunity we're ready to service

- We have successfully integrated the technology and people, and retained the majority of clients.
- The product is now on the RAPid platform and can be delivered quickly and efficiently.
- New products are being planned over the next quarters as changes in Customs procedures develop.
- Even if duty rates are minimal or zero across the European region the amount of bureaucracy and record keeping required will increase significantly.
- With Brexit now only months away we are seeing a considerable uptick in the number of clients requiring solutions capable of managing their import and export requirements.

Get ready for Brexit

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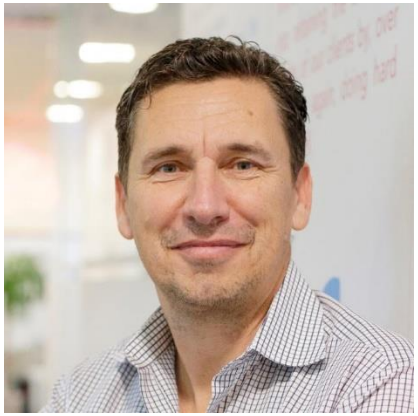
COVID-19 : Strong engagement by clients, some new contract delays but outlook improving

- COVID-19 has highlighted the importance of data quality and accessibility and its relevance in determining the resilience of the supply chain.
- This has resulted in a higher level of engagement by our clients.
- Sales opportunities were temporarily delayed during lockdown, but in recent weeks we have started to see increased activity in the form on RFPs and RFIs from prospective clients.
- We transitioned seamlessly to working from home and have found the use of video-calling internally and externally to be effective.
- There has been no impact on client service.

User Interface :
Refreshing and improving the user experience

- Moving towards a modern gamified solution which is interactive and takes feeds from 3rd parties (RSS feeds) to enable better use and more frequent sign-on
- All products to have a similar look and feel.
- All carrying the same message and delivery values and vision.
- We have engaged a 3rd party to assist in the design and workflows
- Development has started and is scheduled for initial test deployment in November.
- Full roll out to the RAPid platform in Q1 2021 (Calendar year)

Driving Revenue Growth: Investment into Sales and Marketing



- In the last few months we have;
  - more than doubled the size of our sales force
  - increased the amount invested in Marketing and
  - appointed a Chief Customer Officer, Paul Watts, to manage and develop the team and maximise the opportunities that exist for us.
- Paul brings with him more than 25 years' experience in the technology sector, most recently in SaaS procurement and RPA.

Outlook: Positive with a growing pipeline, but COVID-19 could continue to delay client signings

- We will continue to invest into our revenue growth, our product line and improve the user interface of our products.
- We will deliver sustainable organic growth, backed up and supported by further strategic acquisitions that will either enhance our technology or add to our revenues.
- Our healthy pipeline demonstrates that we are on the right path.
- The COVID-19 slow-down appears to have eased; COVID-19 has highlighted the importance of data quality and accessibility and its relevance in determining the resilience of the supply chain.
- Innovation and improvements in the product will continue to generate interest and will enable us to have a successful year.

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