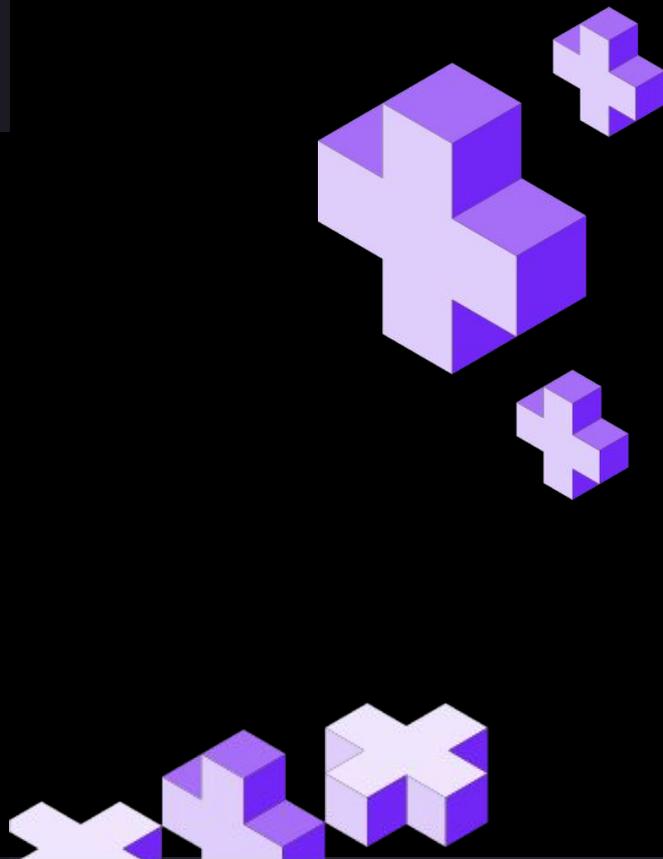


KIN+CARTA

Transformation into a scaling, pure-play DX business

Kin + Carta Preliminary Results 2021
26 October 2021



Presentation by



J Schwan
Chief Executive Officer



Chris Kutsor
Chief Financial Officer

Joining for Q+A



David Tuck
Group Chief
Executive, Europe



Kelly Manthey
Group Chief
Executive, Americas



Richard Neish
Global Chief
Strategy Officer



We are better positioned than ever to deliver significant profitable growth

12.5%

net revenue growth over last year to **£141m**

42%

growth in the second half over the first half

50%

growth in year end backlog along with record pipeline as of this September

60%

increase in operating profit to **£13m** whilst making investments in opening Colombian and Greek delivery centers, acquiring Cascade Data Labs, opening up the public sector and scaling our Partnerships channel

£31m

in gross proceeds from the divestments of Pragma, Hive and Incite with **another £15m+** expected from remaining ventures

Expecting a net cash position for FY22 to fuel our accelerating M&A funnel

Digital Transformation market landscape

Growth

Increased velocity:

COVID accelerated market demand.

A market that was growing at 18% is now projected to grow at

20%

CAGR

during the next five years as businesses invest to build the differentiated digital value proposition of their companies.

Needs

Investment to:



Rethink the approach to **technology**



Reassess the value of **data**



Reconsider connected **experiences**

Outcomes

Key DX objectives:

Innovation

New digital products, platforms and services.

Modernisation

Re-engineering of critical data and technology stacks.

Enablement

Giving our clients the tools, platforms and teams to scale.

Optimisation

Continuous improvement and managed services.

Peers

DX consultancies:

- Pure Play and Digitally Native
- Platforms not portfolios
- Strong Cloud partnerships
- Global with US focus
- Nearshore delivery models

>20% Growth, 50+ P/E

<epam>

 endava

Globant >

kainos®

/thoughtworks

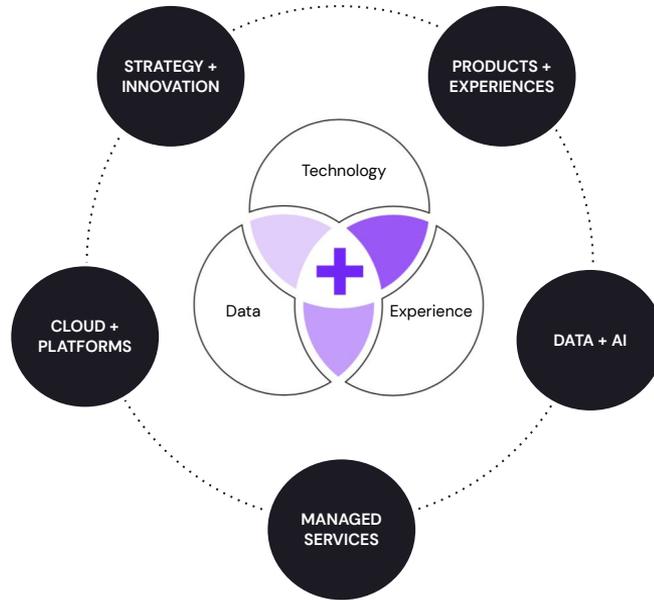
Kin + Carta is a technology, data and experience consultancy

Headquartered in London and Chicago; Kin + Carta's 1,600 engineers, designers and strategists deliver outcome-based digital transformation for the Global 2000.

Why We Exist

We exist to
build a world
that works
better
for everyone

What We Do



How We Grow



Services



Sectors



Partners



Territories



*B Corp Certified in
Americas and Europe
Regions

Why we win

Global Systems Integrators

Agility

The legacy IT Services incumbents can be slow-moving, hard for clients to navigate, and carry the weight of broad, legacy service offerings.

Why K+C?

- Easier to navigate and incentivised to connect, not to isolate.
- Not restricted by internal structures and competing P&Ls.

accenture > Cognizant

Capgemini ● IBM Deloitte.

Boutique Specialists

Scale

The breadth and depth of our connected capabilities and scale of our global resource allow us to make sustainable change over isolated impact.

Why K+C?

- Small enough to pivot quickly to changing market needs.
- Large enough to take-on our clients biggest challenges.

Digital Native Consultancies

Purpose + Proximity

While many of our clients fastrack from sales to low-cost offshore delivery, our global workforce make-up puts our purpose-led specialists closer to our clients.

Why K+C?

- Social responsibility as a talent differentiator.
- High-end domestic engineers and transformation consultants couple coaching with delivery.
- Cost-effective nearshore delivery for BAU workstreams.

Globant > endava

/thoughtworks <epam> kainos®

Operational Highlights

Accelerating growth

Transforming to pure-play DX

Winning with social responsibility

Operational Highlights

Accelerating growth

Transforming to pure-play DX

Winning with social responsibility

Growth and performance set to accelerate

- **Raising topline expectations**
 - Projected net revenue growth increases from c. 20% to c. 30%
 - Record year-ending backlog and pipeline; momentum continuing into the new year
 - Driven by new client wins and new sectors
- **Holding margins in a tight labour market**
 - Homegrown resource through the Kin Accelerator Programme (KAP)
 - Nearshore delivery centres
 - Passing price increases to clients



PIPELINE VALUE



BACKLOG VALUE



Sector Expansion Spotlight

Healthcare

Targeted global growth sector

Wins

Healthfirst
Blue Cross Blue Shield
Redesign Health

Pipeline

Significant partnerships-aligned pipeline developed with

Google Cloud

Progress

Every time the NHS opens a new COVID testing centre, it's using software built by Kin + Carta



NHS



Sector Expansion Spotlight

Public Sector

Unlocking a sector
through key investment

Wins

UK Home Office
UK Planning Inspectorate
UK Met Office Framework

Pipeline

Significant and growing qualified
opportunities pipeline

Progress

Accredited to DOS and GCloud
frameworks; partnering to
access further frameworks



HM Government

Operational Highlights

Accelerating growth

Transforming to pure-play DX

Winning with social responsibility

Pure-play DX focus has increased resilience

- **Portfolio rationalisation complete**
 - Hive, Pragma, Incite, divested for £31 million proceeds before adjustments for debt and working capital
 - Two remaining Ventures in advanced stages of divestment process
- **Strengthened balance sheet**
 - From 1.8x net debt to EBITDA ratio in FY20 to 1x at 31 July, and following the sale of Incite close to zero
 - Close to a net cash position as of September; expect to be comfortably in a net cash position following the remaining two divestments and continued operating cash flow generation
- **Additional capacity for M&A**
 - Active and growing M&A funnel
 - Investment in Expansion Platform to accelerate FY22 M&A velocity

M&A

Investments and accelerants

Funding

Balance sheet strengthening through FY21 has increased M&A capacity for FY22.

Platform

Executive leadership and a Global **Expansion Platform** has been established to identify, acquire and integrate targets.

Pipeline

External advisors have been appointed in key regions. We have a strong and active pipeline of target opportunities.

Expansion Platform Investment



IDENTIFY

Executive Leadership
Domain Leadership
External Advisors



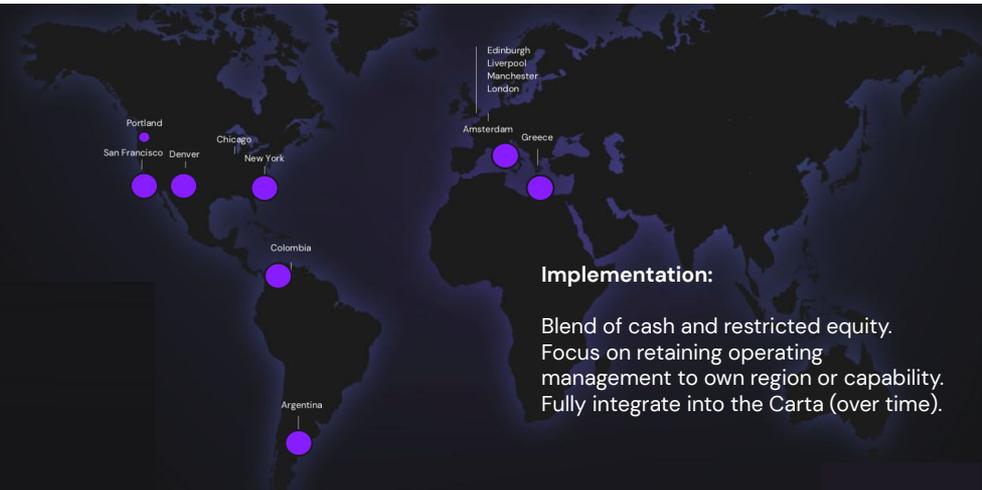
ACQUIRE

Delivery & Culture
Legal & Finance
Operations & Tech



INTEGRATE

Integration Management
Employee Experience



Implementation:

Blend of cash and restricted equity.
Focus on retaining operating management to own region or capability.
Fully integrate into the Carta (over time).

Operational Highlights

Accelerating growth

Transforming to pure-play DX

Winning with social responsibility

A modern supply and demand driver

- **Social responsibility is good for society and good for business**
 - Critical differentiator for the talent market
 - Key qualifier for clients
- **B Corp**
 - Americas certified
 - Europe certified
 - Plc on track to be the first listed business on the London Stock Exchange to become a certified B Corp



Supply

Social Responsibility
as a talent differentiator

Attraction

Staff are increasingly looking to see their values reflected in the behaviours of our business.

Retention

Strong Employee Value Proposition (EVP), inclusive culture and clear progression.

10 Workplace awards, including:

Consulting Magazine 'Best places to work'

Fast Company 'Best places for innovators'

Creation

Kin Accelerator Programme (KAP) teaches cohorts of diverse talent and creates a homegrown talent pipeline.

449

New hires in the last six months

23%

Increase in US gender diversity

27%

Increase in US ethnic minority representation

10%

Increase in total LGBTQ+ representation



idea

KIN + CARTA

Demand

Social Responsibility
as a demand driver

Values

Clients are increasingly looking to see their values reflected in the behaviours of our business.

How

The introduction and enablement of socially responsible business practices.

What

Building and optimising accessible, inclusive and sustainable products.



TESCO



uplight

KIN + CARTA



Financial Results

FY21 Financial Summary

- **Adjusted Net revenue**¹ from Continuing Operations² of £141m; +12.5% for the year, +11% on a like-for-like basis³
- **Record year-ending backlog** of £71m, +50% vs. FY20
- **Adjusted Profit**⁴ before tax from Continuing Operations² of £13m, +60% (£8.1m FY20)
- **Total loss** before tax from Continuing Operations² of £4.3m (FY20 loss: £36.3m)
- **Acquired Cascade Data Labs** for £5.0m (\$6.9m) initial consideration and £1.6m (\$2.2m) in deferred consideration; Additional 2 year earnout capped at £22.3m
- **Divested** non-core Ventures Hive and Pragma for £13m (net £12.6m)
 - Subsequent to year-end, divested Incite for £18m (net £14.6m, with a further £1m receivable in July 22)
 - Company moving to net cash positive in FY22 with final two divestments and further operating cash flow
- **Net debt** £19.2m (FY20: £31.6m), representing a net debt to Adjusted EBITDA ratio of 1.0x
- **Capital Allocation** prioritising growth

¹ Adjusted Net revenue excludes net revenue from Incite Singapore, following the decision to close the operation in FY20. Adjusted Net revenue consists of the Group's continuing operations. See footnote 2 below.

² Continuing operations excludes the results of Incite Marketing Planning Limited, Incite New York LLC, The Health Hive (US) LLC, The Health Hive Group Limited and subsidiaries, and Pragma Consulting Limited. These businesses were disposed of by the Group, details of their disposal are in Preliminary announcement.

³ Like-for-like is defined as the results from continuing operations at constant currency and excluding inorganic results when comparing the current period to the prior period.

⁴ Adjusted results exclude Adjusting Items to enhance understanding of the ongoing financial performance of the Group. Adjusting Items comprise redundancies; restructuring costs; impairment or amortisation charges related to goodwill; tangible and intangible assets; acquisition costs; contingent consideration required to be treated as remuneration; and costs related to the Company's Defined Benefits Pension Scheme.

	FY21	FY20	% Δ	LIKE-FOR-LIKE GROWTH ³
Continuing Operations:				
Net revenue	£141.4m	£125.7m	12%	11%
Adjusted profit before tax	£13.0m	£8.1m	61%	
Adjusted basic earnings per share	6.1p	3.6p	69%	
Statutory basic loss per share	(3.00)p	(20.93)p		
Statutory loss before tax	£(4.3)m	£(36.3)m		
Net debt	£19.2m	£31.6m	£(12.4)m	

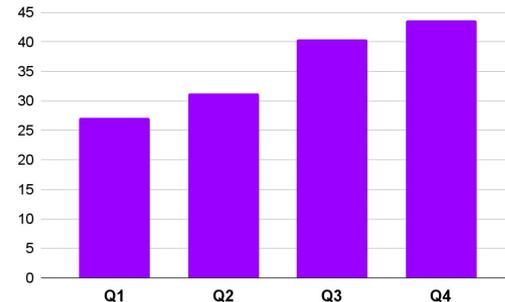
Net Revenue Highlights

Growth driven by a strong H2 recovery and continued momentum

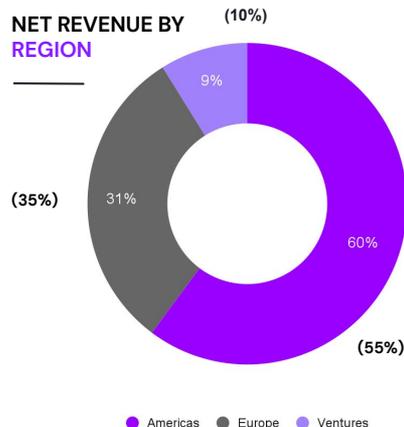
- Adj Net revenue from Continuing Operations £141.4m; +12.5% vs. LY
 - Americas net revenue grew 23% to £85m; H2 net revenue 55% higher than H1
 - Europe net revenue grew 1% to £44m; H2 net revenue 28% higher than H1
 - Ventures declined (4%) to £13m; H2 was up 14% vs. H1
- Record year-ending backlog* of £71m and pipeline** of £94m includes significant traction in new sector focus areas of Healthcare in US and Public Sector in UK providing momentum into new fiscal year

1,600
Employees
Across 3 Continents

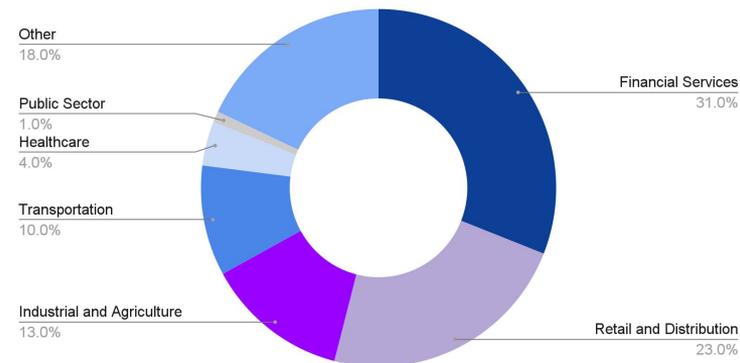
ADJ. NET REVENUE BY QTR



NET REVENUE BY REGION



NET REVENUE BY SECTOR



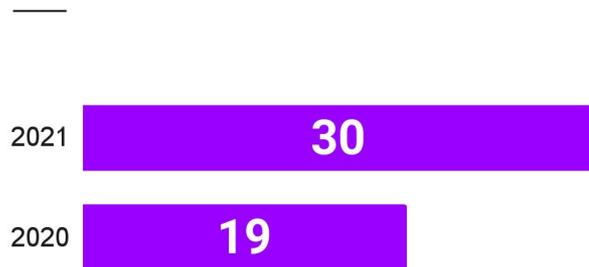
*Backlog is the value of signed and committed contracts not yet delivered; or future net revenue secured as a client win

**Pipeline is the value of the qualified and targeted sales funnel

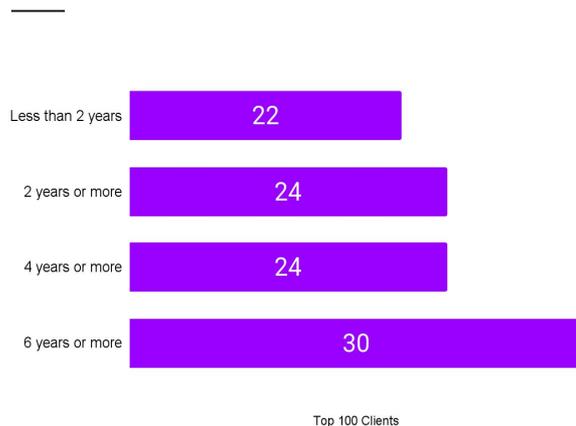
FY20 net revenue number by Region are presented in brackets

Revenue predictability and resilience

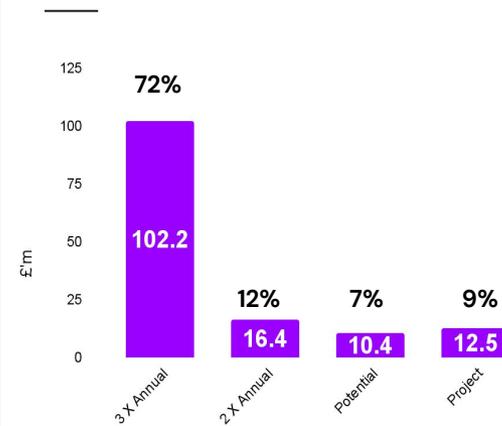
NO. OF £1M/year CLIENTS



CLIENT LONGEVITY



NET REVENUE PREDICTABILITY (%)



Income statement

Continuing operations excludes non-core ventures businesses of Hive and Pragma sold during the period, and excludes Incite treated as Discontinued Operations and subsequently divested in Sept 21.

Adjusted profit before tax of £13.0m includes:

- One off repayment of £2.0m to employees for their FY20 salary sacrifice made in response to COVID crisis
- £4.5m favorable credit for forgiveness of US PPP* loans
- £3.0m of project costs funded through government assistance programmes

*US PPP loans are unsecured and under the Paycheck Protection Program ("PPP") provided by the US government to protect jobs and retain staff that otherwise would not have been possible due to the effects of the COVID-19 pandemic.

Income Statement £M (Continuing Operations)	FY21	FY20	% Change
Net revenue	141.4	125.7	12%
Statutory Operating loss	(2.3)	(33.3)	–%
Adjusting items	(17.3)	(44.5)	–%
Adjusted operating profit	15.0	11.2	33%
Adjusted profit before tax	13.0	8.1	61%
Adjusted basic earning per share	6.1 p	3.6 p	69%

Adjusted Profit before tax, Excluding the Costs and Income Effects of Government Assistance Programmes and Related One Time Savings		
£m	FY21	FY20
Adjusted profit before tax	13.0	8.1
Salary sacrifice repay/ (saving)	2.0	(2.1)
Income from forgiveness of US Government loans	(4.5)	–
Project costs funded from government assistance programmes**	3.0	1.0
Adjusted profit before tax excluding the above items	13.5	7.0

** Employment and project delivery costs that enabled the Company to retain talent within the business and to maintain client goodwill.

Balance sheet

Net debt £19.2m (2020: £31.6m) reduced by 39% Y/Y

- Subsequent to year end, divested Incite for £18m (£14.6m net proceeds)

Leverage ratios (pre-IFRS16 basis)

- Traditional* ratio 1.0x
- Bank* ratio 31 July 0.99x
- Near net cash position following divestment in Sep with final two divestments in advanced stages

Loan facility refinanced & extended

- £85m in place through September, 2025
- Similar rates
- More favourable terms for acquisition-related items

Pension Surplus

- £19.3m

*Banks exclude US Government PPP loans from debt

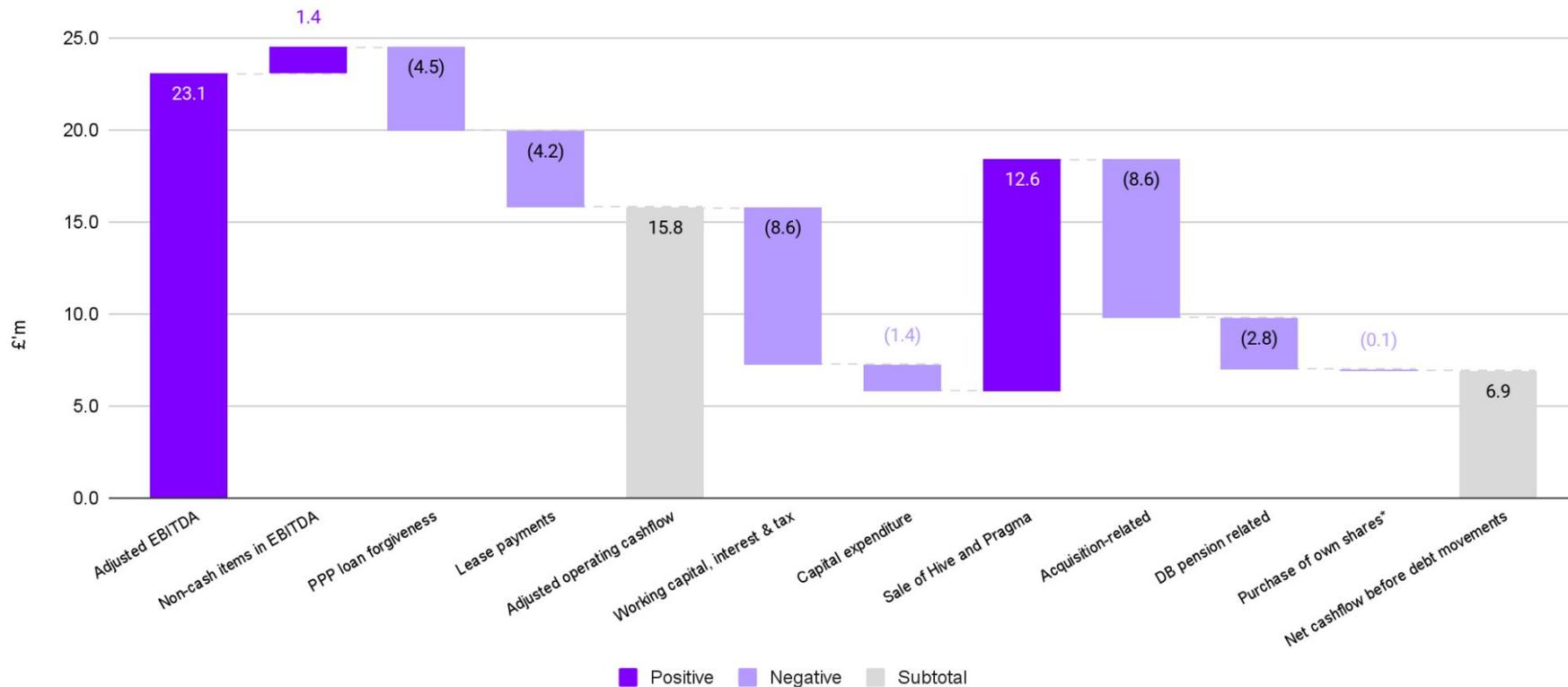
Balance sheet £M	FY21	FY20
Fixed Assets	18.5	22.4
Goodwill and Intangibles	83.4	90.0
Working Capital**	(9.3)	(9.0)
Assets held for sale	7.1	9.8
Other assets	1.1	0.8
Pension	19.3	1.1
Lease Liabilities***	15.3	19.8
Income Taxes	0.0	0.1
Net Debt	19.2	31.6
Deferred Tax	0.5	0.0
Deferred Consideration	1.9	3.9
Net Assets	83.2	59.7

**Working Capital includes £1.4 million of Provisions and £6.6 million of Deferred Income.

***IFRS16 Right of Use Asset related to the lease liability is included in Fixed Assets.

Cash flow

All figures include continuing and discontinued operations.
Adjusted EBITDA adds back £4.4 million depreciation of PPE and £ 0.2million adjusted amortisation of intangible assets.
*Purchase of own shares to satisfy employee share awards.



Continuing Operations

Adjusting items

Restructuring completed in FY20

Remaining items are acquisition and pension related

£M	FY21	FY20	Comments
Restructuring	0.2	25.3	
Impairment charges	-	18.9	Impairment of Intangible assets
Expenses related to restructuring	0.2	6.5	Severance and property costs
Acquisition related	14.6	17.4	
Amortisation of intangibles	8.7	10.6	In line with accounting standards
Contingent consideration	5.0	6.2	Cascade and Spire earnout
Acquisition costs	1.0	0.7	Cascade and other acquisitions and divestment-related activities
DB pension scheme admin costs	2.5	1.7	
Total Adjusting Items	17.3	44.4	

Summary

Better positioned than ever to deliver significant profitable growth

Operational Progress

- Non-core disposals nearly complete
- Global Operations Platform enabling scale
- New Expansion Platform fueling acquisition programme
- Investment in talent, growth, IT systems and operating structures maintained

Financial Progress

- Revenue and profit growth momentum continued into current fiscal year
- Greater revenue share in US, the most important market
- Balance sheet de-gearred, creating acquisition headroom

Social Responsibility investments demonstrating tangible results with commercial benefits

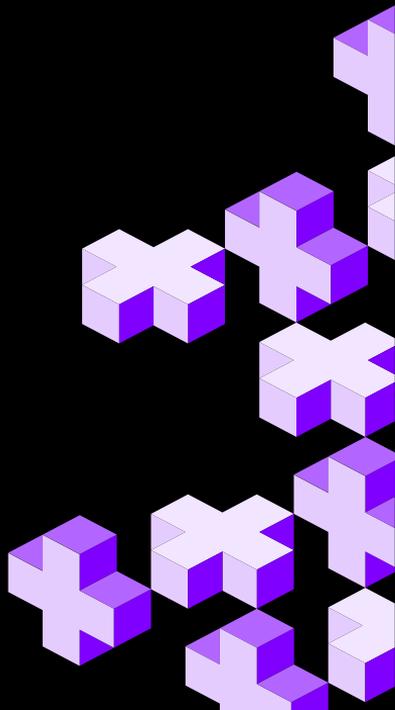
Outlook

Growth
Accelerating

- Organic net revenue guidance increased from c. 20% to c. 30% growth for current year with constraints moving from demand for business to supply of talent
- Operating margin guidance reduces from 12–13% to 10–11% following disposals whilst maintaining levels of investment
- Future years' organic net revenue growth of c. 15%+ CAGR expected to drive incremental operating margin improvement each year to mid-teens in the medium term
- H2 growth momentum continuing into current financial year
 - September Backlog £78 million, +31% compared to LY
 - September Pipeline £135 million, +43% compared to LY
- Continued de-gearing of balance sheet through non-core disposals providing fuel for further acquisitions
- Ambition to double net revenue organically over next four years

Q+A

Thanks



KIN + CARTA

J Schwan

Chief Executive Officer

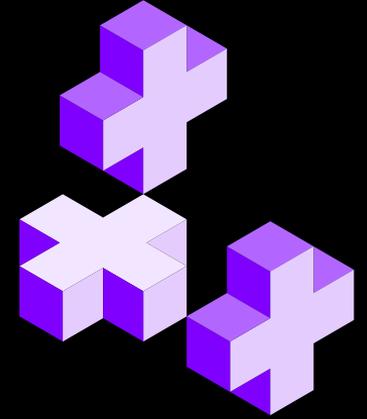
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Chris Kutsor

Chief Financial Officer

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Appendix



Case Studies

Goldman Sachs

Agile Enablement

Problem

How do you build a digitally native culture?

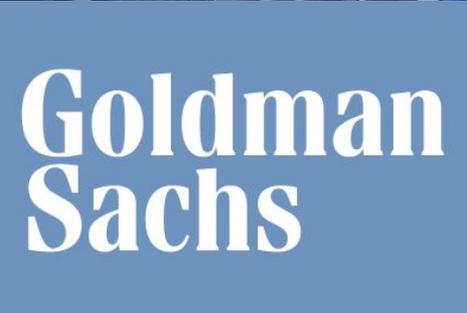
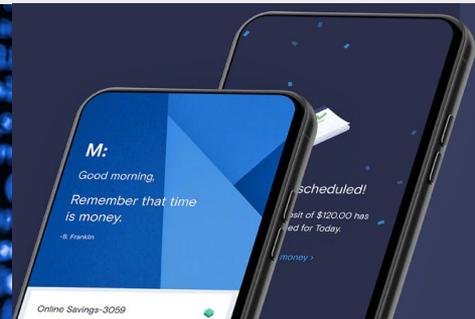
Approach

Pairing high quality engineers alongside seasoned financial services focused product managers and experience designers.

Outcome

Innovation and Enablement

Our partnership continues to grow. Marcus has achieved 5% quarter over quarter growth and has grown to \$96+ billion in deposits.



PepsiCo

Digital Supply Chain

Problem

Disparate supply chain systems lead to inefficiencies and lost opportunities.

Approach

Applied Artificial Intelligence and modern data architecture enable PepsiCo to leverage its massive data assets to produce measurable improvements in revenue and margin.

Outcome

Optimisation and Enablement
Deployment of global data systems which enable comparisons across brands, geographies and retailers. Billions of dollars saved.



Uplight

Clean Energy

Problem

How do you reduce CO2 emissions by more than 100 million metric tons and saving consumers more than \$10 billion on their energy bills in the next five years through data?

Approach

Modern Cloud Infrastructure and Product Development; augmentation of internal people and infrastructure to achieve a faster time to market.

Outcome

Sustainable Modernisation

Massive improvement in technical and non-technical processes to onboard new clients and achieve accelerated growth.



Koko

Customer Experience
Optimisation for Lexus

Problem

How do you identify key points in the customer journey to increase value?

Approach

Data-driven optimisation and experimentation programme.

Outcome

Optimisation and Enablement
35% rise in test drive requests.
900 measurable improvements.

Says



Feels



Thinks



KOKO: OPTIMISATION AT SCALE

1	8	25+	44	60+	879
Year	Test markets	Hypotheses	Markets Improved	Experiments	Improvements live

Does



Connected Commerce

eCommerce Accelerator

Problem

How do you increase B2B speed to market and valuable GCP consumption?

Approach

Proprietary Kin + Carta eCommerce accelerator for the B2B sector.

Outcome

Innovation and Enablement

B2B Global sales pipeline.
Mutually valuable partnerships.



Google Cloud



Supporting Content

Historic Growth

Net Revenue by Region £M	FY19	H1	H2	FY20	H1	H2	FY21	Y/Y GROWTH %	NR SPLIT
Americas	58.4	34.7	34.5	69.2	33.3	51.8	85.1	23%	60%
Europe	50.9	23.0	20.4	43.4	19.2	24.6	43.7	1%	31%
Ventures	14.8	7.5	5.5	13.1	5.9	6.7	12.6	-4%	9%
Total	124.1	65.2	60.5	125.7	58.4	83.0	141.4	12.5%	

K+C Transformation

Divesting Ventures

Moving to net cash position,

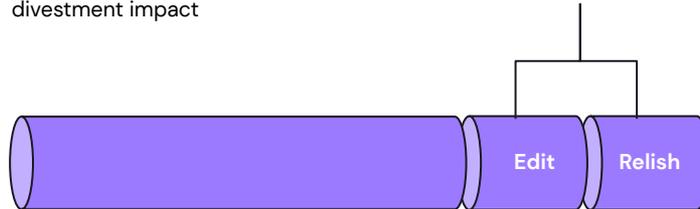
Fuel for more acquisitions

KIN+CARTA

£141m net revenue
Includes Ventures Edit and Relish which are currently in advanced stages of divestment

FY21 Net Debt £19m

FY22 Outlook: c. 30% organic net revenue growth and 10-11% OP due to divestment impact



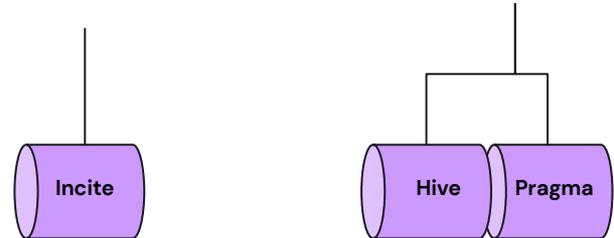
Divestments Pending

Pending: c. £15m+ proceeds
FY22 Outlook: £15m net revenue, £3.7m in OP

Completed Divestments

Sept 2021: £18m proceeds
FY22 Outlook: £13m net rev, £3m OP

Aug 2020: £14m in proceeds
Not prev. included in FY22 Outlook
FY21 £6.5m net rev, £1.2m OP



Strategic Progress

DX Platform Enhancement	Continued rationalisation of portfolio to pure-play DX with Hive, Pragma, Incite (post period end) divestments and launch of Kin + Carta Data Labs. Rationalisation completion and increased DX M&A velocity in FY22.
Partnership Growth	Partner Channel new business revenue increased from £7 million to £21 million within the year, with a key focus on our cloud partners Google and Microsoft. Partner-aligned managed services and acceleration in the public sector and healthcare, are growth focuses for FY22.
M&A and Geographic Expansion	Acquisition of Cascade Data Labs and scaling of nearshore delivery and growth capabilities in Colombia, Athens and Amsterdam. Increased investment and leadership in FY22 for the identification, acquisition and integration of key strategic targets.
Global Operating Model	Global ToM evolved to facilitate scale with a suite of DX service lines across; Strategy + Innovation, Technology Modernisation, Products + Experiences, AI + Data and Managed Services. FY22 focus on service line innovation and specialist sector leadership.
Operational Modernisation	Operations Platform deployed to increase business insight, drive operational efficiency, and act as a critical enabler in the integration of future acquisitions. Further increase maturity state and global reach of key business systems.
Social Responsibility	Americas and Europe achieved B Corp certification. New strategic plan and programme for Inclusion, Diversity, Equity and Awareness (IDEA), and Kin + Carta Employee Value Proposition (EVP) launched. Expand the Kin Accelerator Programme (KAP) in FY22 as a learning and development platform for our existing Kin, and a foundational accelerator for diverse junior talent. Accessibility, inclusivity and sustainability is to be measured across all service lines.

M&A

Target Profiles

Territory Expansion

Midsized regional acquisitions with a centre of gravity in technology, data or experience.

Target size of £15M–£50M net revenue with accretive EBITDA valuations.

Capability Tuck-In

Smaller acquisitions focused on a capability, partnership or sector.

Target size of £10–£20M net revenue that can accelerate growth through cross-sell.

Transformative Scale

Larger strategic acquisitions that introduce new large scale capabilities or geographic reach.

Target size of £100M+ net revenue offering step-change in profit and multiple.

Medium Term Expansion

CANADIAN OPPORTUNITY

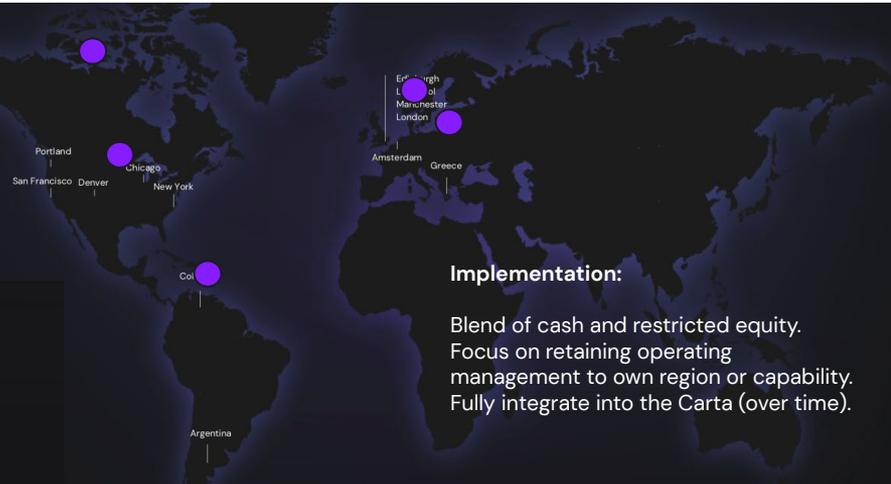
SOUTHERN US OPPORTUNITY

LATAM NEARSHORE DELIVERY OPPORTUNITY

CENTRAL EUROPEAN OPPORTUNITY

EUROPEAN NEARSHORE DELIVERY OPPORTUNITY

KIN + CARTA



Implementation:

Blend of cash and restricted equity. Focus on retaining operating management to own region or capability. Fully integrate into the Carta (over time).

End

KIN+CARTA

