

Investor Presentation

September 2017

“Creating one of the most profitable and fast-growing ePurchasing pure players, globally”

PMS

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Presentation team

Hampton Wall – CEO



Hampton brings more than 30 years of corporate management, business development and international merger & acquisition experience to his role as Chief Executive Officer of Perfect Commerce. Previously, Hampton was President of CorMine, a leading procurement services BPO company that acquired Perfect Commerce in 2007. Prior to CorMine LLC, he held various positions at Ferguson Enterprises (Wolseley PLC) for over 17 years, latterly as the President of the Corporate Sales Division.

Tim Sykes – Chief Financial Officer



Tim is a fellow of the Institute of Chartered Accountants of England and Wales. Over the last ten years, he has built up an expertise within the small cap AIM listed market with over 25 financial years' experience across 5-10 companies as consulting CFO, before joining PROACTIS on a full-time basis from January 2016. In December 2016, Tim assumed the role of CEO Designate. Prior to joining PROACTIS, he held senior positions within corporate finance at KPMG and as Commercial Director at Mountain Warehouse.

Overview

- AIM listed company focused on creating one of the largest and fast growing (whilst profitable) ePurchasing pure players
- Recent Reverse Takeover of Perfect Commerce was an industry relevant transaction (see quote from PMSI below)
- Combined group delivering c.£55m of revenue, >85% recurring (based on historic financial information)
- Scaled and balanced distribution across global markets will drive sales and enhance the support to the customer base
- Full suite product offering for any ePurchasing need
- Multiple operational synergies (est. £5.0m (net) annualised cost synergies identified)

Positioned to be “one of the most profitable and fast-growing ePurchasing pure players, globally”

“#6 largest global ePurchasing pure-player by revenue” PMSI

Spend Control & eProcurement Market

Enhanced Scale = Higher valuation opportunity

- Estimated to be a \$5bn - \$7bn market¹
- Strong market growth predicted at c.10% per annum¹
- Industry is consolidating rapidly
- Multiple M&A transactions in the sector (Appendix 4)
- Gartner magic quadrant: now 12² (2015: 20)

€148m revenue, €2m adj EBITDA
Valuation: €513m

> \$150m

\$50-150m

\$134m revenue, \$35m LBITDA
Valuation: c.\$1,541m

\$105m revenue, \$20m adj EBITDA
Valuation: \$509m *re-named Jaggaer

c.\$70m³ revenue

Denotes recently acquired

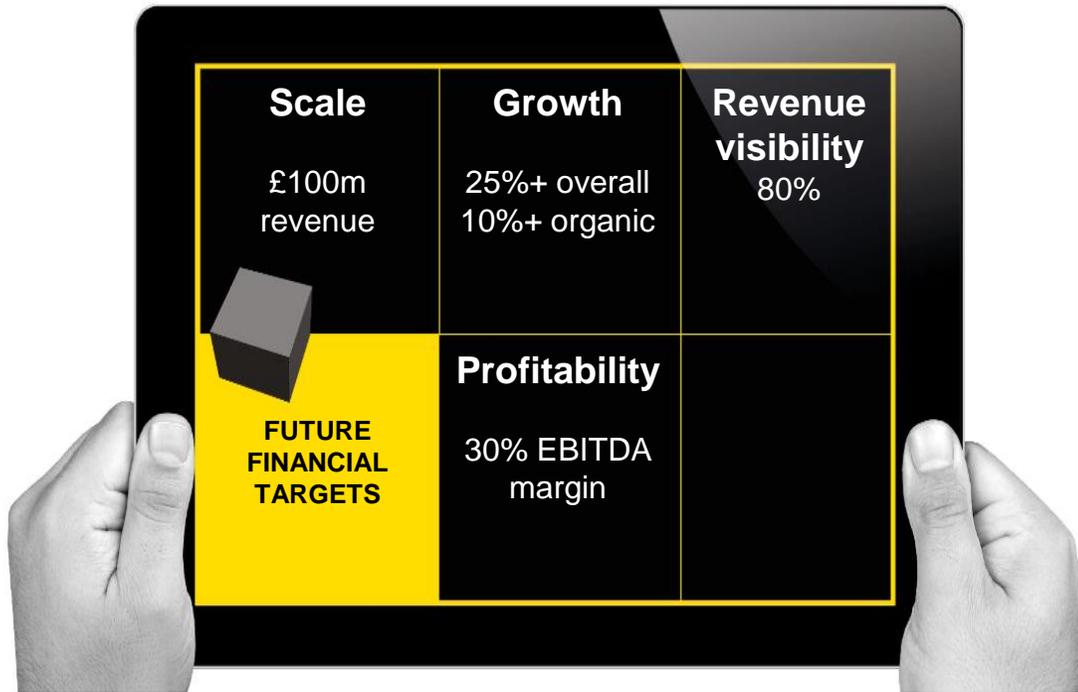
<\$50m

¹ Source: PMSI report, Gartner & Forrester

² Including Perfect Commerce and Proactis as two individual entrants – see slide19

³ USD:GBP FX rate: 1.28:1 as at 8 June 2017 (pre-election), figure based on Perfect Commerce's historical FY16 results and PROACTIS' and Millstream Associates' combined historical FY16 results

Combination fundamentals



This does not constitute a profit forecast, these are management's aspirational objectives

FUNDING PACKAGE

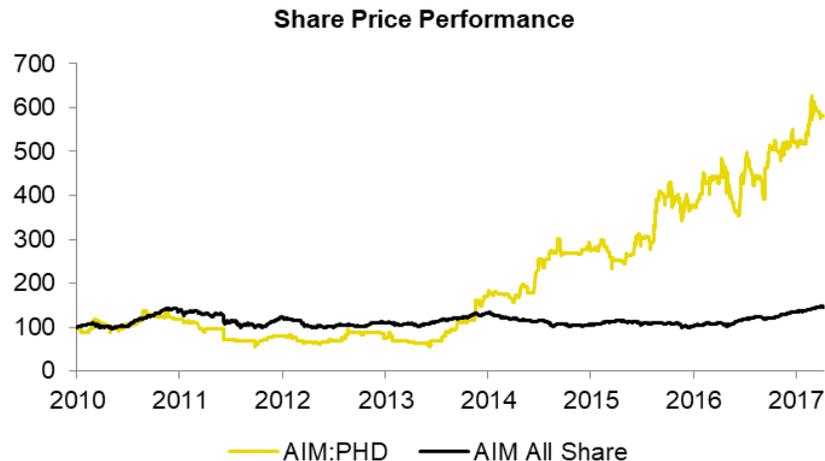
- Completed in August 2017
- \$127.5m initial / \$5m contingent consideration (c. 3x FY2016 revenue)
- Funding: Equity: £70m; Bank debt: £28m; Convertible loan notes: £4m
- Strongly capitalised: Net debt £30m and gearing at 1.5x forward EBITDA
- Equity funding oversubscribed by >100%
- Debt facility now £45m with additional £10m (if required)

Strategic rationale for acquisition

PROACTIS: PRE-TRANSACTION

Executing a long term growth strategy:

- UK market focus with limited US presence
- Tier 2 customers, a leader in the UK public sector
- Buyer led model with embryonic supplier networking capability
- Track record of M&A
- Growing quickly and profitably



PROACTIS: POST-TRANSACTION

Significant acceleration of the PROACTIS plan

- Immediate “scale”
- Growth, profitability and revenue visibility retained
- Enhanced profitability possibilities – synergies est. £5m (net)
- Stronger M&A platform – US, UK and EU
- Increased supplier network opportunity

NEW CUSTOMERS

MAXIMISE PENETRATION

ACQUISITIONS

THE BUSINESS NETWORK

Strategic rationale in numbers

Benefits from an enlarged group		Perfect Commerce	Proactis	Enlarged Group
Immediate 'scale' effect (revenue) ¹		£31.0m ¹	£24.2m ¹	£55.2m ¹
Annualised contracted revenue ²		92%	84% ²	>85% ²
Complementary cross-selling opportunities	Geographical	USA + Continental Europe	UK	USA + Continental Europe + UK
	Product	Business Network, S2P	S2P, AP Automation, Transaction Network, APF	Business Network, S2P, AP Automation, APF
	Buyer / Network Effect	c.1m suppliers	c.1m suppliers	c.2m suppliers
		c.150 customers	c.850 customers	c.1,000 customers
	Sector	Largely pan-sector	Pan-sector, strength in the UK public sector	Pan-sector with strength in the public sector
Customer size focus	Tier 1	Tier 2	Tier 1 & 2	
Employees		230	234	464 (pre-synergies)
Joint marketing & communication budget		<ul style="list-style-type: none"> • More efficient marketing and communication campaigns • Enhanced media profile 		
Joint R&D Budget		<ul style="list-style-type: none"> • Launch of products using respective company strengths to a joint customer base • Greater efficiency of R&D spend • Enhanced budget for innovation 		

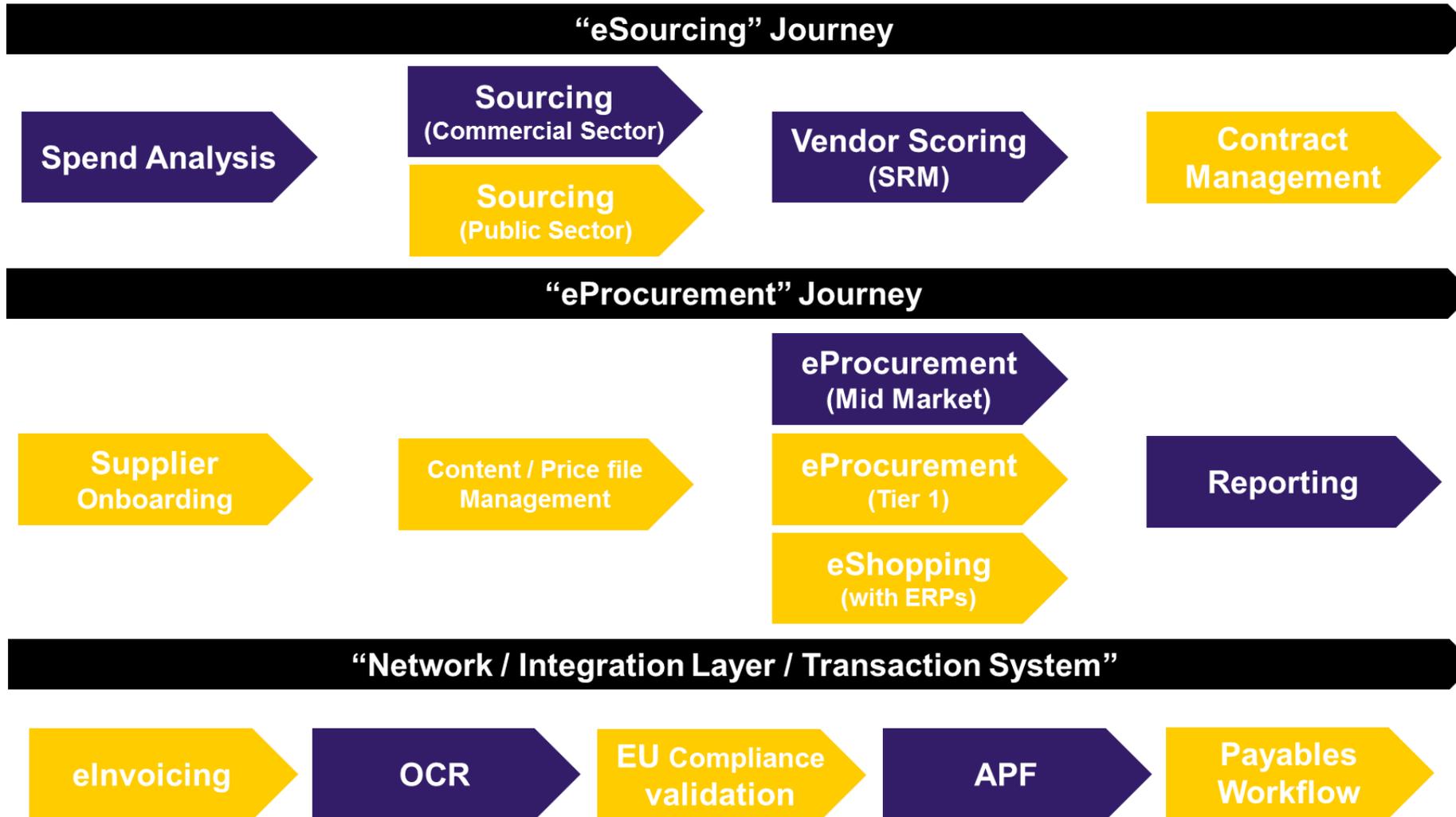
Source: PMSI and management

¹ USD:GBP FX rate: 1.28:1 as at 8 June 2017 (pre-election), figure based on Perfect Commerce's historical FY16 results and PROACTIS' (£19.4m) and Millstream Associates' (£4.8m) combined historical FY16 results

² Historical ACR of £22.9m (as referenced in the PHD interim results for H12017) against current H2 2017E annualised revenue consensus forecasts

Enhanced combined functionality

■ PROACTIS
■ PERFECT COMMERCE



Integration and synergies

Management Team & Products

- Global management
- Global infrastructure
- Regionally led commercial teams
- Global solution and product set

Commercial Opportunities

- The Business Network
- US Mid Market / Mid Tier companies
- US public sector
- Accelerated Payment Facility
- AP Automation (OCR and EU invoicing)
- Analytics
- BPO procurement and sourcing

Specific cost savings

- **Senior management:** £0.6m
- **Off shore customer support:** £0.3m
- **IT operations:** £1.7m
- **Finance and administration:** £0.7m
- **Sales and account management:** £0.9m
- **Other ops:** £0.8m

Total annualised net: £5.0m est.
Cost to realise: £2.5m est.

Experienced global management team, with combined M&A integration track record, 9 acquisitions completed in 5 years

Timing: Specific cost savings expected to be realised in full by the end of FY18

Expected to be earnings enhancing in the first financial year of ownership

Closing remarks

Transformational acquisition establishing a new global player

Acquiring a key technology asset – The Business Network

Significant operational efficiencies

Earnings enhancing

Significant acceleration of PROACTIS' strategy

Multiple commercial opportunities

Stronger and aligned management team

Significant value creation opportunity

Thank You
