26 May 2021

i-nexus Global plc

("i-nexus", the "Company" or the "Group")

Interim Results

i-nexus Global plc (AIM: INX), a leading provider of cloud-based Strategy Execution software solutions designed for the Global 5000, today provides its unaudited results for the 6 months ended 31 March 2021.

Financial Highlights

- Group Revenue £2.01m (H1 20 £2.27m)
  - Recurring revenue £1.81m (H1 20 £2.03m)
  - Services revenue £0.20m (H1 20 £0.24m)
- Gross margin increased to 81% (H1 20: 73%)
- Loss before tax £0.43m (H1 20 £2.16m)
- Cash balance at 31 March 2021 £0.81m (Cash and cash equivalents at 30 September 2020: £0.12m)
- Full early repayment of HMRC COVID-19 related deferments
- Exit Monthly Recurring Revenue ("MRR") of £0.29m, impacted by slower than anticipated growth in new business, some mostly expected churn and exchange rate movements – offsetting upsell successes to existing customers

Operational Highlights

- Successfully secured £1.325m funding (net of fees) in the form of Fixed rate Unsecured Convertible Redeemable Loan Notes in November 2020
- Existing account upsells were in line with targets, continuing this positive trend
- Multiple live trials of new platform underway with potential customers
- Newly released Gartner Magic Quadrant for Strategic Portfolio Management highlights the growing importance of Strategy Execution Management software and confirms the relevance of our offering
- New business generation continues to be impacted by ongoing budgetary constraints across enterprises, in response to COVID-19

Simon Crowther, Chief Executive, of i-nexus Global plc, commented: *"While the economic backdrop continues to present us with challenges, the quality and visibility of our revenue, breadth of our customer base and cash position provides us with a secure base. The publication of the Gartner Magic Quadrant for Strategic Portfolio Management confirms the relevance of our solution in the market. We are also encouraged by the number of live customer trials currently underway. Our strategic focus continues to be on growing repeatable, incremental sales, while operating within our financial means. While there will still be challenges ahead, we are confident about the prospects for our chosen market and our capability to meet our customers' business needs."*

For further information please contact:

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About i-nexus Global plc

i-nexus Global plc ("i-nexus") provides cloud strategy execution software to leading global brands aspiring to excel at strategy execution. The Group's scalable, enterprise grade platform is deployed within multiple global blue-chip businesses, predominantly based across the US and Europe.

By digitalising how companies manage the strategic planning process, from developing robust strategic plans to overseeing their delivery and measuring results for data-driven decision making, i-nexus customers achieve breakthrough performance by delivering more strategic goals at pace.

From transformational initiatives across entire organizations to business unit-specific programs, i-nexus strategy execution software is the choice of leaders tasked with aligning people and results to business-critical goals.

BUSINESS REVIEW

The challenges experienced in the prior financial year continued into the first half of the year, with new business generation impacted by continued enterprise budgetary restrictions. However, our financial planning during the prior year stood us in good stead and we are protecting our cash resources in line with our plan. As we enter June, the business is expected to be operating at an EBITDA break even position with a visible cash runway.

Since the launch of our next generation platform, i-nexus Workbench, we are encouraged by a higher level of interest from new prospects. The flexibility and usability of the platform has enabled us to implement live trials for prospects for the first time, enabling high levels of engagement where prospects can see their own data in the system, providing a powerful proof of the ROI which can be delivered. We currently have live trial implementations at multiple enterprises across the US, UK and Europe. We continue to see an uplift in new business enquiries as a result of our targeted marketing activities but are mindful that the economic backdrop remains challenging.

As with many software companies, we are an agile business and well-equipped to facilitate remote working. Our staff continue to work successfully from home, with no disruption to the Group's continuity of service and indeed some benefits of the greater ease of collaboration. We have therefore decided not to renew the lease on our Coventry HQ. We require a more flexible workspace for the future as lockdown restrictions lift and resource planning can become more definitive.

We continue to develop relationships with potential channel partners, to extend our market reach. Although early days, these relationships are leading to opportunities for the Group with joint marketing initiatives being undertaken.

Market opportunity

We continue to believe that the market opportunity for enterprise level strategy execution software is significant, and the recent publication of the Gartner Magic Quadrant underlines the relevance of our offering in Strategy Execution Management. The cloud and mobile abilities of our products mean they can be used remotely and our platform has increased relevance at a time when organisations are having to make significant strategy adjustments, to course correct for the impacts of COVID-19 on their businesses.

Outlook

While the economic backdrop continues to present us with challenges, the quality and visibility of our revenue, breadth of our customer base and cash position provides us with a secure base. The publication of the Gartner Magic Quadrant for Strategic Portfolio Management confirms the relevance of our solution in the market. We are also encouraged by the number of live customer trials currently underway. Our strategic focus continues to be on growing repeatable, incremental sales, while operating within our financial means. While there will still be challenges ahead, we are confident about the prospects for our chosen market and our capability to meet our customers' business needs.

FINANCIAL REVIEW

Reported revenue

Total recognised revenue decreased slightly to £2.01m (H1 20: £2.27m). The Group signed one new customer (H1 20: one) under a recurring contract paid annually in advance.

Revenue from recurring contracted software subscriptions reduced by 11% to £1.81m (H1 20: £2.03m), while revenue from associated professional services was relatively stable at £0.20m (H1 20: £0.24m) as both new customer orders and existing client change orders were lower than expected.

Monthly Recurring Revenue ("MRR") at the period end was £0.292m (FY 20 £0.305m). Customer churn continues to pose operational challenges and has been exacerbated by COVID-19 as budgets and in some cases, departments running strategy programs, have been cut.

Gross margin

Gross margin in the year was 81% (H1 20: 73%) after accounting for commission payable to the Group's business partners. Gross margin has increased as we have reduced certain annual software fees in the light of reduced numbers of users and secured efficiency gains in other areas. Reported gross margin is the blended gross margin over both recurring software subscriptions and professional services.

Overheads

Overheads (defined as the aggregate of staff costs and other operating expenses but excluding those costs included in cost of sales) reduced in the period by £1.81m to £1.99m (H1 20: £3.80m) reflecting the full impact of the cost control initiatives undertaken last year.

The Board monitors performance carefully against our forecasts and sensitivities are considered. Where these indicate a potential depletion of the Group's cash resources too rapidly, the management team reviews discretionary costs incurred by the Group and the availability of COVID-19 related assistance and takes action as necessary.

As a result of the cost control initiatives undertaken, the Group's underlying cost base is running at approximately £300k per month from June 2021, which represents break even at EBITDA level.

Capitalised development costs amounted to £0.20m in the period (H1 20 £0.18m), reflecting the ongoing enhancement in our product as planned which we expect to see a return to in the future.

The Group's loss before taxation has reduced significantly as a result of last year's cost control exercise to £0.43m (H1 20: £2.16m).

Cash flow

Cash and cash equivalents closed at £0.81m (H1 20 £0.14m deficit). This was after early repayment of all the HMRC COVID-19 related deferment of approximately £0.45m.

Gross debt at 31 March 2021 was £1.59m (H1 20: £0.32m) of which £0.16m was payable within one year, the balance being £0.05m BBLS loan and £1.38m of convertible debt and accrued interest.

The Group experienced a net increase in cash and cash equivalents of £0.61m (H1 20 decrease of £1.71m).

The Group will continue to apply treasury and foreign currency exposure management policies to minimise both the cost of finance and our exposure to foreign currency exchange rate fluctuations.

i-nexus Global plc
Consolidated Statement of Comprehensive Income

	Unaudited Six months ended 31 March 2021	Unaudited Six months ended 31 March 2020	Audited Year ended 30 September 2020
	£	£	£
Revenue	2,013,472	2,272,934	4,080,582
Cost of Sales	(383,829)	(613,356)	(1,094,342)
Gross Profit	1,629,643	1,659,578	2,986,240
Administrative Expenses	(1,987,403)	(3,795,251)	(5,310,671)
Operating Loss	(357,760)	(2,135,673)	(2,324,431)
Finance Income	5	881	1,007
Financing Costs	(69,001)	(22,410)	(54,299)
Loss before tax	(426,756)	(2,157,202)	(2,377,723)
Tax	197,815	124,635	361,490
Loss for the period/year	(228,941)	(2,032,567)	(2,016,233)
Other comprehensive income			
Exchange differences arising on translation of foreign operations	86,309	41,367	8,068
Loss on net investment hedge	-	-	(26,307)
Total comprehensive income for the period/year	(142,632)	(1,991,200)	(2,034,472)
	£	£	£
Basic and diluted loss per share	(0.01)	(0.07)	(0.07)

Adjusted EBITDA	(134,775)	(2,063,933)	(1,816,412)
Depreciation and profit/loss on disposal	(137,646)	(71,740)	(331,924)
Non-underlying items	(85,339)	-	(176,095)
Operating Loss	(357,760)	(2,135,673)	(2,324,431)

Consolidated Statement of Financial Position

	Unaudited	Unaudited	Audited
	As at 31 March	As at 31 March	As at 30 September
	2021	2020	2020
	£	£	£
Assets			
Non-current assets			
Intangible assets	1,321,613	796,771	1,136,808
Property plant and equipment	108,647	284,333	245,963
Total non-current assets	1,430,260	1,081,104	1,382,771
Current assets			
Trade and other receivables	1,107,449	1,935,612	832,507
Current tax receivable	75,000	63,145	300,000
Cash and cash equivalents	811,768	-	120,011
Total current assets	1,994,217	1,998,757	1,252,518
Total assets	3,424,477	3,079,861	2,635,289
Current liabilities			
Cash and cash equivalents	-	135,821	-
Borrowings	156,513	159,730	179,098
Lease liability	-	-	37,467
Trade and other payables	628,558	895,214	1,239,609
Deferred income	1,998,387	2,292,313	1,723,661
Total current liabilities	2,783,458	3,483,078	3,179,835
Non-current liabilities			
Borrowings	1,430,208	165,176	64,402
Provisions	30,000	80,702	80,702
Total non-current liabilities	1,460,208	245,878	145,104
Total liabilities	4,243,666	3,593,135	3,324,939
Net liabilities	(819,189)	(649,095)	(689,650)
Equity			
Share capital	2,957,161	2,957,161	2,957,161
Share premium	7,256,188	7,256,188	7,256,188
Capital redemption reserve	-	-	-
Share based payment reserve	13,093	-	-
Foreign exchange reserve	70,839	17,829	(15,470)
Merger reserve	10,653,881	10,653,881	10,653,881
Accumulated losses	(21,770,351)	(21,534,154)	(21,541,410)
Total Equity	(819,189)	(649,095)	(689,650)

Consolidated Statement of Cash Flow

	Unaudited As at 31 March 2021 £	Unaudited As at 31 March 2020 £	Audited As at 30 September 2020 £
Cash flows from operating activities			
Loss after taxation	(228,941)	(2,032,566)	(2,002,316)
Tax expense	(197,815)	(124,635)	(361,485)
Loss before taxation	(426,756)	(2,157,202)	(2,377,723)
Adjustments for non-cash/non-operating items			
Depreciation and profit on disposal	137,646	71,740	331,924
Amortisation & impairment of intangible	16,520	-	-
Share based payment	13,093	-	-
Finance income	(5)	(881)	(1,007)
Finance charges	69,001	22,410	54,299
	(190,501)	(2,063,933)	(1,992,507)
Changes in working capital:			
(Increase)/Decrease in trade and other receivables	(274,942)	(180,464)	690,536
(Increase/Decrease) in provisions	(50,702)	-	-
(Increase/Decrease) in trade and other payables	(336,324)	704,208	489,077
Taxation	422,815	124,635	361,490
Net cash from operating activities	(429,654)	(1,415,554)	(451,404)
Cash flows from investing activities			
Purchase of property, plant and equipment	(330)	(16,942)	(39,744)
Purchase of development costs	(201,325)	(178,162)	(628,210)
Interest received	5	881	1,007
Net cashflow from investing activities	(201,650)	(194,223)	(666,947)
Cash flows from financing activities			
Principle elements of lease costs	(37,467)	-	(89,000)
Funds raised			
Proceeds from borrowings	1,375,000	-	-
Repayment of borrowings	(86,988)	(78,324)	(159,730)
Interest paid	(13,793)	(22,410)	(54,299)
Net cash flow from financing activities	1,236,752	(100,734)	(303,029)
Net increase in cash and cash equivalents	605,448	(1,710,511)	(1,421,380)
Cash and cash equivalents beginning of the period	120,011	1,533,323	1,533,323
Effect of foreign exchange rate changes	86,309	41,367	8,068
Cash and cash equivalents at the end of the period	811,768	(135,821)	120,011

Consolidated Statement of Changes in Equity

		Issued Capital £	Share Premium £	Capital Redemption Reserve £	Share Based Payment Reserve £	Foreign exchange reserve £	Merger reserve £	Accumulated losses £	Total Equity £
HY FY2020	**Unaudited**								
	As at 1 October 2019	2,957,161	7,256,188	-	-	(23,538)	10,653,881	(19,501,587)	1,342,105
	Loss for period	-	-	-	-	-	-	(2,032,567)	(2,032,567)
	Other comprehensive income for the period	-	-	-	-	41,367	-	-	41,367
	Share based payment	-	-	-	-	-	-	-	-
	As at 31 March 2020	2,957,161	7,256,188	-	-	17,829	10,653,881	(21,534,154)	(649,095)
FY2020	**Audited**								
	As at 1 October 2019	2,957,161	7,256,188	-	-	(23,538)	10,653,881	(19,501,587)	1,342,105
	Loss for period	-	-	-	-	-	-	(2,016,233)	(2,016,233)
	Loss on investment hedge	-	-	-	-	-	-	(26,307)	(26,307)
	Transition to IFRS 16	-	-	-	-	-	-	2,717	2,717
	Exchange differences on foreign operations	-	-	-	-	8,068	-	-	8,068
	As at 30 September 2020	2,957,161	7,256,188	-	-	(15,470)	10,653,881	(21,541,410)	(689,650)
HY FY2021	**Unaudited**								
	As at 1 October 2020	2,957,161	7,256,188	-	-	(15,470)	10,653,881	(21,541,410)	(689,650)
	Loss for period	-	-	-	-	-	-	(228,941)	(228,941)
	Exchange differences on foreign operations	-	-	-	-	86,309	-	-	86,309
	Share based payment	-	-	-	13,093	-	-	-	13,093
	As at 30 March 2021	2,957,161	7,256,188	-	13,093	70,839	10,653,881	(21,770,351)	(819,189)

Notes to the consolidated interim report

For the six months ended 31 March 2021

1. General information

i-nexus Global plc (the "Company") is a public limited company domiciled in the UK and incorporated in England and Wales (registered number 11321642) and its registered office is George House, Herald Avenue, Coventry Business Park, Coventry CV5 6UB.

The principal activity of i-nexus Global plc ("the Company") and its subsidiary company i-solutions Global Limited (together "i-nexus Global" or "the Group") is the development and sale of Enterprise Cloud based software and associated professional Consultancy services.

The interim condensed consolidated financial statements were approved for issue on 26 May 2021.

2. Basis of preparation

This unaudited interim condensed consolidated financial information has been prepared under the historical cost convention and in accordance with AIM Rules for Companies. The interim condensed consolidated financial information has been prepared on a going concern basis and is presented in Sterling to the nearest £1.

In line with guidance and the ongoing impact of the COVID-19 Pandemic management continues to assess forecasts to determine the going concern basis.

Forecasts are adjusted for reasonable sensitivities that address the principal risks and uncertainties to which the Group is exposed, thus creating a number of different scenarios for the Board to challenge. The Board has derived a cost mitigation plan for the scenarios modelled as part of the going concern review. On the basis of this analysis, the Board has concluded that there is a reasonable expectation that the Group will have adequate resources to continue in operational existence for the foreseeable future being a period of at least twelve months from the balance sheet date.

The accounting policies used in the preparation of the interim condensed consolidated financial information are consistent with those set out in the 2020 Annual Report and Accounts. The Group will continue to review its accounting policies in the light of emerging industry consensus on the practical application of IFRS.

The preparation of financial information in conformity with IFRS requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial information and the reported amounts of revenues and expenses during the reporting period. Although these estimates are based on management's best knowledge of the events or actions involved, actual outturns ultimately may differ from those estimates. The interim information does not include all financial risk management information and disclosures required in annual financial statements; the information should be read in conjunction with the financial information, as at 30 September 2020, summarised in the 2020 Annual Report and Accounts. Section 6 below summarises the most relevant of these.

The interim condensed consolidated financial information for the six months ended 31 March 2021 and for the six months ended 31 March 2020 do not constitute statutory accounts as defined in Section 434 of the Companies Act 2006 and are unaudited. The financial information for the six months ended 31 March 2021 presents financial information for the consolidated group, including the financial results of the Company's wholly owned subsidiary, i-solutions Global Limited. Comparative figures in the Interim Report for the year ending 30 September 2020 have been taken from the Group's audited financial statements on which the Group's auditors, Saffery Champness LLP, expressed an unqualified opinion.

3. Segmental reporting

The Directors consider that there is one identifiable business segment that is engaged in providing individual products or services or a group of related products and services that comprise the core business.

All of the Group's assets and operations are located in the UK and the USA.

4. Loss per share

The calculation of basic and diluted loss per share for the six months to 31 March 2021 was based upon the loss attributable to ordinary shareholders of £228,941 (six months to 31 March 2020: £2,032,567, year ended 30 September 2020: £2,016,233) and a weighted average number of ordinary shares in issue of 29,571,610 (six months to 31 March 2020: 29,571,610, year ended 30 September 2020: 29,571,610), calculated as follows:

Weighted average number of ordinary shares

	Six months ended 31 March 2021	Six months ended 31 March 2020	Year ended 30 September 2020
Loss for the period attributable to equity holders of the Company	(228,941)	(2,032,567)	(2,016,233)
Issued ordinary shares at start of period/year	29,571,610	29,571,610	29,571,610
Weighted average number of shares at end of period/year	29,571,610	29,571,610	29,571,610
Loss per share	**0.01**	**0.07**	**0.07**

5. Availability of Interim Report

Electronic copies of this Interim Report will be available on the Group's website at www.i-nexus.com.

6. Principle risks and uncertainties

Although the directors seek to minimise the impact of risk factors, the Group is subject to a number of such factors. Those most relevant to our performance in H2 are as follows:

Working capital

Whilst the Directors believe that the injection of funds, from the convertible bond issue on 4th November 2020, has provided flexibility to satisfy the Group’s near-term funding requirements, there can be no guarantee as to the Group’s longer term working capital requirements and, therefore, the Group may need to seek additional capital over and above that raised from the issue of the Convertible Loan Notes. No assurance can be given as to the availability of such additional capital at any future time or, the terms upon which such additional capital would be available.

The Group’s continuing viability in the longer term remains dependent on its ability to secure new sales to existing and potential customers. Given the nature of the COVID-19 Pandemic, it is not possible to know the potential impact of the ongoing crisis on the activities of the Group for the remainder of the financial year and beyond and, in particular, it is possible that as a direct or indirect result the Group will continue to experience a slower and/or lower sales conversion rate than the Directors have modelled within their central case financial projections. This could in turn have a material adverse effect on the Group’s business, results of operations, financial condition and prospects.

Covid 19 impact

The COVID-19 Pandemic has affected the performance of the business of the Group. As at the date of this document, given the nature of the crisis, the Group is not aware of the full extent of the effects of the COVID-19 Pandemic for the remainder of the financial year or beyond.
Whilst the Group continues to monitor the situation on a regular basis and may be able to introduce further cost saving measures if needed, it is possible that in the longer term the COVID-19 Pandemic will have a material adverse effect on the Group's business, results of operations, financial condition and prospects. Also, there is no assurance that the implementation of the Group's strategic and operational changes introduced to date will be successful under current or future market conditions. Furthermore, if there were to be further outbreaks of the COVID-19 Pandemic either globally or in the Group's markets this could materially adversely affect the Group's business, results, financial condition and prospects.

Customer churn

The Group has experienced falling revenues in relation to certain customers in the past and in H1. The reasons for this are varied and our historical ability to invest in our customers was limited. While our investment in customer retention activities is seeing benefits, customer churn is still a risk for the Group and could affect the Group's trading and financial position and prospects.

Implementation of Growth Strategy

Failure to successfully implement its growth strategies. The Board recognises that executing the Group's strategy may be difficult to implement/achieve and may not be as successful as planned. Pressure on management, limitations on operational and financial resources, the potential insufficiency of demand for the Group's products and a slower than anticipated market acceptance of the Group's products could lead to failure to successfully implement its strategies and so adversely affect the Group's reputation, prospects, results of operations, and its financial condition.

Digitalising Strategy Execution

Failure of the market to accept the need/urgency to digitalise their Strategy Execution. A large proportion of the Group's target market continues to use traditional methods and in-house developed systems to assist in their SE. The Board believes the market needs further education in the benefits of digitalising SE. Potential customers may prefer to "do nothing" and be unnecessarily cautious about investing in the Group's software. Failure by the Group to adequately explain the value proposition to increase the market's readiness to accept the technology will lead to slower than projected growth.

Account Proliferation

Failure of our existing accounts to grow, resulting from dissatisfaction with the product and/or deployment issues. An important aspect of the Group's growth strategy is to proliferate sales of its i-nexus software with existing customers as a result of the natural evolution of the software use over time. Although the Group has a number of examples where this has occurred in the past, this is no guarantee that it will continue to happen at the increasing rate predicted. Any failure of this anticipated account proliferation to happen will affect the Group's future success and adversely affect its business, prospects and results of operations and financial position.

7. Forward-looking statements

This announcement may include certain forward-looking statements, beliefs or opinions, including statements with respect to the Group's business, financial condition and results of operations. These forward-looking statements can be identified by the use of forward-looking terminology, including the terms "believes", "estimates", "plans", "anticipates", "targets", "aims", "continues", "expects", "intends", "hopes", "may", "will", "would", "could" or "should" or, in each case, their negative or other various or comparable terminology. These statements are made by the Directors in good faith based on the information available to them at the date of this announcement and reflect the Directors' beliefs and expectations. By their nature these statements involve risk and uncertainty because they relate to events and depend on circumstances that may or may not occur in the future. A number of factors could cause actual results and developments to differ materially from those expressed or implied by the forward-looking statements, including, without limitation, developments in the global economy, changes in government policies, spending and procurement methodologies, and failure in health, safety or environmental policies. No representation or warranty is made that any of these statements or forecasts will come to pass or that any forecast results will be achieved. Forward-looking statements speak only as at the date of this announcement and the Group and its advisers expressly disclaim any obligations or undertaking to release any update of, or revisions to, any forward-looking statements in this announcement. No statement in the announcement is intended to be, or intended to be construed as, a profit forecast or to be interpreted to mean that earnings per share for the current or future financial years will necessarily match or exceed the historical earnings. As a result, you are cautioned not to place any undue reliance on such forward-looking statements.

8. Statement of Directors' Responsibilities

The Directors confirm to the best of their knowledge that:

i) The condensed interim financial information has been prepared in accordance with IAS 34 as adopted by the European Union; and

ii) The interim management report includes a fair review of the information required by the FCA's Disclosure and Transparency Rules (4.2.7 R and 4.2.8 R).

Financial statements are published on the Group's website in accordance with legislation in the United Kingdom governing the preparation and dissemination of financial statements, which may vary from legislation in other jurisdictions. The maintenance and integrity of the Group's website is the responsibility of the Directors. The Directors' responsibility also extends to the ongoing integrity of the financial statements contained therein.