i-nexus

Strategy Execution Software

i-nexus Global plc

Annual Report 2018

Turn your strategy into reality.

Our strategy execution software helps large organisations achieve more of their goals, faster, and with less effort.

Goal management

Set, cascade and negotiate strategic goals through the organisation, alining your teams around strategy success.

Initiative management

Manage, coordinate and track progress and other investment initiatives ensuring resources, dependancies, schedules and risks are managed and communicated.

Performance management

Measure results from your initiative investments, using feedback to make adjustments that drive improved business performance.

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STRATEGIC REPORT:
Chairman's Statement

I am delighted to present i-nexus Global plc's first full year results as a public company.

On 21 June 2018 the Company's shares were admitted to trading on AIM, raising £10m before expenses. We are a small, nimble and fast-growing UK software business, supporting large companies' Operational Excellence and Strategy Execution programmes globally. The financial support that our new investors have provided has created a solid platform from which to grow our resources and our ability to sell to and support our large global customers. The board remains confident and excited about the Company's ability to grow within its chosen niche verticals.

Since the IPO management has wasted no time in deploying capital and addressing the crucial areas of business development as laid out to investors, being to:

– Enhance the Company's go-to market capabilities

– Develop product capabilities

– Scale the Company's partner programme

Since admission the Company has made good progress in these areas, whilst also developing our plans for ongoing thought leadership initiatives and longer-term market and product initiatives. We believe our ability to grow with existing customers and create new opportunities will underpin our targeted growth strategy in the years to come.

In FY19 the focus has shifted to successfully executing on our growth strategy. We have implemented a larger, more proactive marketing plan and a significantly strengthened sales resource, led and driven by experienced industry professionals. In addition, we are complementing our direct sales capabilities with our developing indirect partner programme. We have a clearly defined Customer Success plan and now have sufficient resources to ensure we can build and strengthen increasingly deep strategic relationships with our customers, driving increased use of our software and facilitating their full adoption of Hoshin. We continue to invest in broadening our product range and during 2019 will focus on developing our Hoshin and user experience capabilities and strengthening our architecture and infrastructure.

The executive team has ensured we have skilled people in place across the business to deepen our customer relationships and successfully execute our strategic growth plan. The Board is comfortable with the quick but considered manner in which management has deployed capital and will continue to monitor both the Company's growth plans but also its consumption of cash.

FY18 was a seminal year in the development of i-nexus Global plc and none of it would have been possible without the commitment and capabilities of all our staff. Two long standing Board members stepped down at the IPO and I would like to take this opportunity to thank Kevin Douglas and Frank Bury for the support and advice they provided during their time on the Board. Nigel Halkes joined the Board before the

"When it comes to execution, low performing organisations spend 83% more time fire fighting at a tactical level rather than a strategic level."

Harvard Business Review

IPO and I would like to thank him for his steady and considered advice.

Since the IPO there have been two changes to the Board. Paul Docherty has decided to leave the Company with effect from 13 February 2019 to pursue new challenges. Since founding the business 18 years ago the transformation of i-nexus into an AIM listed company is something he can be very proud of.

I'd like to take this opportunity to thank Paul for everything he has done for the Company and for the valued contribution that he has made over the years.

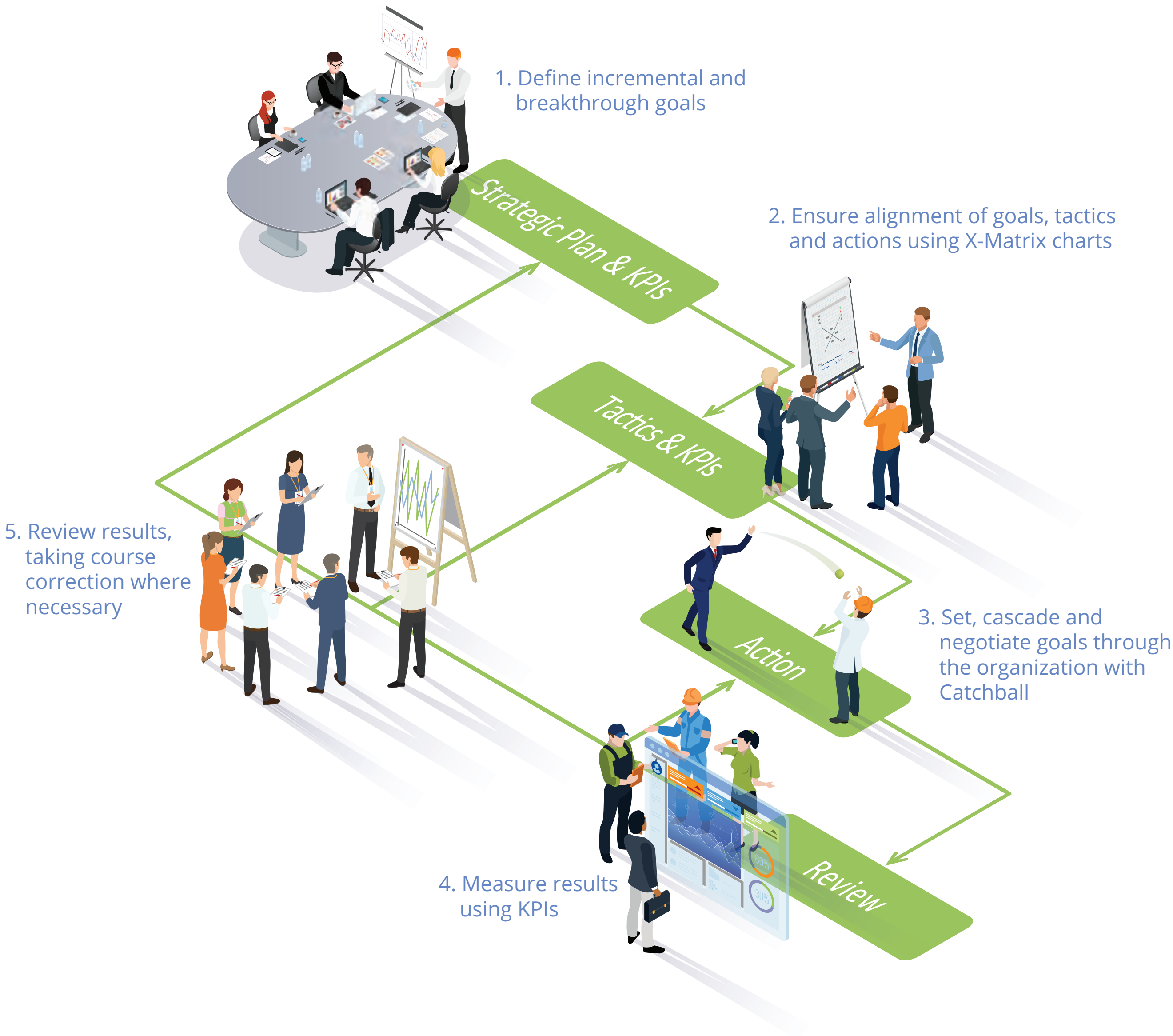
In addition, James Davies has resigned from the Board on 1 January 2019 to become the Company's EVP Product. He brings with him a wealth of expertise and is already proving to be an invaluable member of the executive team.

Finally, I would like to thank my other fellow directors and our longstanding and new staff for their unremitting commitment to the ongoing success of i-nexus Global plc.

The Board is confident about the future of the Company. i-nexus has the resources now to appropriately address the large growing market for its software. Much remains to be done, but our progress so far and the momentum we are generating allows me to look forward with confidence.

Richard Cunningham
Chairman

Introducing the simple Hoshin Kanri process



STRATEGIC REPORT:
CEO's Statement

The investments made since our IPO to grow our high calibre team and suite of products has laid the foundation for continued growth.

This is the first Annual Report issued by the Group i-nexus Global plc.

The Company was incorporated and registered in England and Wales on 20 April 2018 as a private company limited by shares. On 25 May 2018, the Company became the holding company of i-solutions Global Limited by means of a Share Capital Reorganisation. On 4 June 2018, the Company changed its name to i-nexus Global Limited, and on 18 June 2018 the Company was re-registered as a public limited company with the name i-nexus Global plc. The Group trades under the name 'i-nexus'.

i-nexus is a provider of Continuous Improvement and Strategy Execution software, delivering an enterprise ready, scalable solution to Global 5000 customers. Our SaaS software simplifies the management of operational and strategic complexity, providing actionable insights and ensuring that all levels of business are aligned behind the same objectives.

Following a strong operational performance in the first half of FY18, the key highlight of the year was our successful admission to AIM in June and the platform this has provided the business for future growth. With the support of our expanding investor base, i-nexus now has the funding to accelerate growth and take it into the next stage of its development, building on our market leading position in the emerging market for enterprise grade Hoshin-based Strategy Execution software. Targeted investment has commenced across our operations and we are excited about the prospects for the year ahead and beyond.

Recognised revenues for the year increased 15% to £4.7 million (FY17: £4.1 million). Loss before tax increased to £1.0m (FY17: £0.5m) as we started to deploy funds and period end net cash increased to £6.9 million (FY17: £0.2m). Despite some weaker than expected pipeline conversion in Q3 of FY18, target Monthly Recurring Revenue ("MRR") returned towards more normalised levels in Q4 and we closed FY18 at an MRR run rate of £335k. We saw some excellent customer successes during the year, with 10 new customers added in the year. This growth included our entry into the UK public sector, securing four new public sector customers across the year including University Hospitals Coventry and Warwickshire, Highway England and Birmingham and Solihull Mental Health NHS Foundation Trust. We have subsequently allocated a dedicated salesperson focused on increasing our penetration into this market.

Our Growth Strategy

In order to take advantage of our significant market opportunity, we have developed our own Hoshin Strategic plan, resulting in a Group strategy with the following themes:

- Scalable Sales & Marketing Cycle: We are building an extensive calendar of marketing events and other initiatives to drive our pipeline of new opportunities. The recent investment in this and in our sales team has resulted in

"Organisations are realising that executing strategy effectively in the digital age requires a new set of tools and practices. Transformation leaders and EPMO leaders should consider investing in strategy execution software to help close the ever-persistent 'execution gap'."

Market Guide to Strategy Execution Software, Gartner

promising growth within the pipeline of opportunities.

- Cross and Upsell to existing customers:
  All customers are at different levels of maturity in their journey to successful Strategy Execution, we characterise this journey as crawl, walk, run. As we guide our customers from crawl to run, we have many upsell opportunities to expand the implementation of our software. We also see cross-sell opportunities for those customers who have adopted the Hoshin Strategy Planning solution to the i-nexus Continuous Improvement solution, and vice versa.
- Working with Channel Partners:
  Our channel strategy is in its early stages of development with a small number of established resellers and referral consulting partners. Interest from potential partners, however, is growing and we have begun to explore ways to capitalise on this opportunity as a key driver for the next stage in the Group's development.
- Product Innovation:
  Our primary focus in the initial planning horizon is the simplification and standardisation of our software, making engagements easier and helping to accelerate growth. In addition, we see a long-term opportunity to build predictive analytics into the platform, utilising the vast quantities of data available to us.
- Strong Thought Leadership:
  We have established our leading market position by promoting the development of industry best practices through the i-nexus StratEx Hub community – a best-practice resource tool with thousands of subscribers. We run and organise well attended consortium events hosted by both our customers and other companies to discuss strategy execution issues & experiences. These initiatives, in addition to more traditional sales channels, provide distinct additional routes to market, supporting traditional pipeline development.

Investment into our people, processes and scalability to drive growth

The Placing which accompanied our IPO was significantly oversubscribed, with strong support from institutional investors, raising £10m pre-expenses and providing us with the funds to execute on our growth strategy.

The investment programme commenced immediately following the IPO and has progressed to plan, with hires across many areas of the business, including client relationship managers, Domain experts, sales and marketing personnel and additional members of the development teams. We have also begun the planned development work on our software and opened our first International office in New York, to support our growing US customer base.

Building the team

Everything starts with getting the right team in place. i-nexus will only fulfil its potential if we can attract and retain high quality personnel in all areas of the business. We have made a number of senior hires since the IPO, including an EVP of Sales, EVP of Product and a Head of Marketing. Other key scaling hires include:

- Additional people into marketing, providing content and to support the sales team
- Scaling the sales team. They can now cover our key regions, customers and begin to generate their own leads to not be so dependent on marketing as the only source of leads
- The success team, responsible for customer adoption, retention and expansion, has increased by three to five, meaning we now have the capacity to embed a team member across all customer accounts, ensuring customer renewal and the unlocking of further opportunities
- We are investing in the organisation's processes and operations to support our ongoing expansion, particularly in the areas of Finance and HR

We have been delighted by the calibre of these new recruits, holding our first Company launch in early October, in order to ensure all the expanded team is aligned behind the new objectives for i-nexus.

Scaling marketing

We have two unique resources in terms of developing thought leadership and setting the agenda for Strategy Execution as outlined above. We are mobilising many initiatives to multiply activity in these areas.

Utilising our funds, we are also exploring and launching new marketing initiatives such as breakfast briefings and other market focussed events, with three having taken place since July, in New Jersey, San Diego and Rotterdam. This activity will continue to ramp up through 2019.

Product Development

Another major area of focus has been our Development teams, where we have added two additional teams, enabling a potential tripling of our productivity which is critical to our ability to:

- work increasingly closely with our customers which will de-risk our product development strategy
- enhance our products to ensure that not only can they manage what are large and complex corporate processes
- ensure the solution is simple to deploy for both internal staff and partners
- facilitate cross-sell and up-sell opportunities

Development in the year focused on increasing the ease of use and competitive strength of our software, including:

- the introduction of the My World Dashboard
- to present key information simply and graphically
- work on the wider user interface to improve consistency and reduce duplication
- incremental Hoshin functionality
- architectural development, primarily to increase the speed, efficiency and output of the product development process.

US Presence

The Group's target market is primarily the Global 5000 and, more specifically, the 2,800 companies in this list that are based in the USA and Europe. In October we opened a small office in New York. This is a key step for both scaling efficiently and being closer to one of our largest market opportunities.

Key performance indicators

A qualitative review of the performance during the year is provided in my Statement above and in the CFO's statement below and the results for the year are presented in the Consolidated Financial Statements.

The company operates a rigorous approach to KPI monitoring as you would expect given the business we are in.

We have a full suite of weekly and monthly pipeline and other operational metrics reviewing all aspects of the company in six themes, Pipeline, Profit & Loss, Cash, Product, Deployment and Customers. We also track ourselves against the principle SaaS metrics including MRR which this year had a closing value of £335k.

Events since the period end

With the exception of the changes to the Board and executive team covered in the Chairman's Statement there have been no other announceable events since the period end (see also note 26).

Outlook

In taking our first steps as a public company, we have identified a clear path to enhance the size, scale and relevance of our business. The investment in growing our high calibre team and suite of products has laid the foundation for continued growth, which gives us grounds for optimism. Despite some higher than expected churn at the beginning of the current financial year, we are already seeing the benefit of our targeted investment with clear evidence of steady pipeline growth.

With an outstanding customer base, strong competitive position, large addressable market and strengthened operational teams, we look to the future with confidence.

Simon Crowther
Chief Executive Officer

STRATEGIC REPORT:
Chief Financial Officer's Report

We are deploying our capital in line with our plans whilst maintaining effective management of our financial resources

Reported revenue

Revenue increased by nearly 15% to £4.7m from £4.1m in the prior year. The Group signed 10 new customers (2017: 8) all under recurring contracts of at least one year in length, typically paid annually in advance.

Revenue from recurring contracted software subscriptions was £3.84m (2017 £3.37m) and from associated professional services was £0.87m (2017: £0.75m).

Gross Margin

Gross margin in the year was £3.23m 68.4% (2017: £2.85m 69.4%) after considering commission payable to the Group's business partners. There was a slight narrowing of margin as expected as the Group deploys the capital raised at IPO, but this is expected to improve as the operational benefits of these investments begin to feed through. Reported gross margin is the combined gross margin over both recurring software subscriptions and professional services.

Overheads

Overhead (defined as the aggregate of staff costs, other operating expenses but excluding those costs included in cost of sale, depreciation of tangible assets and amortisation of intangible assets, share based payment charges and non-recurring administrative expenses related to the IPO) increased in the year from £3.2m to £4.1m. We have added ~£100k of monthly run rate cost to the Group since IPO, as planned.

Included in these overheads was £0.2m of non-recurring administrative expenses related to the IPO. The total of these costs was £1.4m, the balance being charged to reserves.

Interest expense rose by £37k on the previous year as we took on additional long-term debt ahead of the IPO to allow us to start our strategic plans.

Capitalised development costs amounted to £55k in the year. We expect a scaling of this next year as the additional development capacity contributes to the Groups' products marketability.

The Groups Loss before taxation rose from £0.46m in 2017 to £1.04m.

Cash flow

The Group is in a strong financial position, with cash balances of £6.9m at 30 September 2018 (2017: £0.2m). Gross debt at 30 September was £0.7m of which £0.3m was payable within one year.

The Group experienced a net outflow of funds from operating activities of £1.7m (2017 inflow £0.4m). The Group had a cash outflow of £0.3m (2017 £0.2m) from the servicing of its debt finance and a net inflow of funds associated with the AIM IPO of £8.8m.

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.

Capital expenditure

The Group operates an asset light strategy and has low capital requirements, therefore expenditure on fixed assets is low at 3.4% of revenue (2017 0.9%). Capital expenditure this year has increased due to an essential refresh of critical IT related assets to support our Infrastructure and as a result of new starters in the year.

Principal risks & uncertainties

Although the directors seek to minimise the impact of risk factors, the Group is subject to a number of risks which are as follows:

Loss of key personnel: loss of key personnel could have an adverse effect on the Group. The Group has entered into service agreements with its Executive Directors and both they and other key personnel will benefit from long term incentive plans in the near future, however this does not guarantee the retention of their services.

Competitor risk: competitors may be able to develop software that is more attractive to our customers and prospects. To minimise this risk the Group is investing in research and development activities and is responding appropriately to technological change.

International Operations: a substantial proportion of the Groups customers and prospects operate overseas and as a result we are exposed to a number of risks and challenges; operational challenges around distance, language and culture, human resource issues in different geographies, foreign currency exchange movements, different legal and taxation environments.

The Board actively review and put in place management controls to minimise the impact of these international risks and challenges to protect operating results.

Liquidity risk: The Group seeks to manage financial risk by ensuring sufficient liquidity is available to meet foreseeable needs and to invest cash assets safely and profitably.

Alyson Levett
Chief Financial Officer

CORPORATE GOVERNANCE:
Board of Directors

Richard Cunningham, Independent Non-Executive Chairman

Richard Cunningham is a technology entrepreneur who has built and sold a number of businesses and who has extensive experience in equity research, financial analysis and corporate finance, focusing on technology companies. He built one of the UK's leading independent corporate telecommunications service providers, Project Telecom Plc, before listing it on the London Stock Exchange and eventually selling it to Vodafone. Richard also founded Octium Ltd to "buy and build" a digital connectivity and applications business, which was exited successfully through a sale to MDNX. He is currently Chairman of two private technology businesses, CommonTime Ltd and Viewber Ltd. Richard also sits on the investment committee of Herald Ventures, the venture capital business of Herald Investment Management.

Simon Crowther, Chief Executive Officer

Simon Crowther joined the Group as Software Development Manager in 2006 and has worked within every key area of the business prior to becoming COO in 2013 and having led a process of change and refocus of the business since becoming CEO in 2016. Simon has a background in software development, having also spent almost three years at Intascape (a division of See Tickets) as a senior software architect. He has two masters degrees from Birmingham University: one in mathematics and the second in computer science.

Alyson Levett, Chief Financial Officer

Alyson Levett joined the Group as Finance Director in 2012, assuming a strategic role and day-to-day responsibility for planning, implementing, managing and controlling all finance-related activity. Alyson has an extensive background in finance, including as finance director of Griffin Internet prior to its acquisition by MDNX in 2012. Alyson was also a director of AML Financial Consultancy Limited, through which she provided consultancy services to businesses on a range of finance related matters. She has a masters degree in economics from Cambridge University and is a qualified chartered accountant.

Nigel Halkes, Independent Non-Executive Director

Nigel Halkes is an experienced Non-Executive Director and a former Managing Partner of Ernst & Young, UK & Ireland ("EY"). He is a Non-Executive Director of Hargreaves Services plc, an AIM listed company, where he chairs the audit committee. Nigel was also a Non-Executive Director of FreeAgent Holdings plc, a provider of cloud-based SaaS accounting software, which was admitted to AIM in November 2016 and was subsequently sold to Royal Bank of Scotland for £53 million on 1 June 2018. Nigel was a partner at EY for 25 years, during which time he led their Technology, Media & Telecommunications business through a period of sustained growth. In his leadership role at EY, Nigel was responsible for the UK firm's growth strategy, key account programme and the business development function.

CORPORATE GOVERNANCE:
Corporate Governance Statement

Chairman's introductory statement on Corporate Governance

As Chairman, my role is to lead the Board, ensure it operates effectively and contains the right balance of skills, diversity and experience. The Board is collectively responsible for the long-term success of the Company and for setting and executing the business strategy. I believe our culture is consistent with the company's objectives, strategy and business model and is supportive in minimising our principal risks and uncertainties.

Good corporate governance is a key element of our business success and we have in place a strong and effective governance framework and practices to ensure that high standards of governance, values and behaviours are consistently applied throughout the Group. These elements are critical to business integrity and maintaining the trust of all stakeholders in i-nexus.

The following Corporate Governance Report contains a summary of the Company's governance arrangements and the regulatory assurances required under the UK Corporate Governance Code.

Richard Cunningham
Chairman

Overview

The Directors recognise the value and the importance of high standards of corporate governance. From 28 September 2018 AIM companies have been required to apply a recognised corporate governance code. The Company has adopted and complies with all 10 principles of the Corporate Governance Code published by the Quoted Companies Alliance (the QCA Code). The ways in which the Company complies with the QCA Code are available to view via a link on the website.

Board Constitution and Procedures

As at 30 September 2018, the Board comprised the Non-Executive Chairman, the Chief Executive Officer, the Chief Financial Officer, Chief Innovation Officer and two Non-Executive Directors.

The Directors, together, act in the best interests of the Company via the Board and its Committees, devoting sufficient time and consideration as necessary to fulfil their duties. Each Director brings different skills, experience and knowledge to the Company, with the Non-Executive Directors additionally bringing independent thought and judgement.

The Non-Executive Directors are considered by the Board to be independent of management and freely able to exercise their independent judgement in all matters related to the Board. Any conflicts of interest are declared at the start of each Board meeting.

The Board recognises that it continually needs to monitor and improve its performance. This is achieved through annual performance evaluation, full induction of new Board members and ongoing Board development activities. The Chairman is responsible for ensuring that all Non-Executive Directors receive ongoing training and development. Our Non-Executive Directors are conscious of the need to keep themselves properly briefed and informed about current issues.

Board meetings are convened monthly where all Directors are provided with comprehensive information to digest and discuss. Any specific actions arising during meetings agreed by the Board are followed up and reviewed at subsequent Board meetings to ensure their completion.

Attendance at meetings

During the period from IPO there were three Board meetings. The details of attendees are shown below:

	BOARD MEETINGS	REMUNERATION COMMITTEE	AUDIT COMMITTEE
Richard Cunningham	3/3	1/1	2/2
Nigel Halkes	3/3	1/1	2/2
James Davies	3/3	1/1	2/2
Simon Crowther	3/3	N/A	N/A
Alyson Levett	3/3	N/A	2/2
Paul Docherty	3/3	N/A	N/A

CORPORATE GOVERNANCE:
Corporate Governance Statement continued

Roles and Responsibilities

The roles of the Chairman and Chief Executive Officer are separated and clearly defined.

The Chairman provides leadership to the Board by ensuring that the Board has sufficient time to discuss issues on the agenda and facilitating constructive discussion on these items.

The Chief Executive provides day to day management of the company employees and is responsible for the leadership of the i-nexus senior management team. He is responsible, along with the senior management team, for the execution of strategy approved by the Board and the implementation of Board decisions.

Internal Control

Management has considerable autonomy to run and develop the business of the Group. The Board believes that a well-designed system of internal reporting and control is necessary. The Board has overall responsibility to develop and strengthen internal controls as required. The Audit Committee, on behalf of the Board, has the responsibility for reviewing internal controls. The system is designed to provide reasonable, but not absolute, assurance that the assets of the Group are safeguarded, that proper accounting records are maintained, and that reliable financial information is produced.

Audit Committee

The Audit Committee has responsibility for monitoring the integrity of the Group's financial statements, reviewing significant financial reporting issues, reviewing the effectiveness of the Group's internal control and risk management systems, assessing the need for internal audit and overseeing the relationship with the external auditor, including advising on their appointment, reviewing the scope of their audit and their fees and ensuring their independence.

The Audit Committee comprises the Non-Executive Directors. Nigel Halkes chairs the Committee. He is a Chartered Accountant, who brings a high level of financial and corporate governance experience to the Committee. The Board is satisfied that he has recent and relevant financial experience. The Chief Financial Officer and External Auditor are invited to attend the meetings. The External Auditor throughout the financial year was Saffery Champness LLP, who conducted the external audit. The Committee meets at least three times a year.

The Committee reviewed the annual financial statements before submission to the Board, including reviewing the reports from Saffery Champness LLP on their work and findings from the external audit and compliance with the Group's policies and procedures and applicable accounting standards and legislation. Topics discussed included observations and recommendations from the IPO Long Form report, the decision to use merger Accounting as the most appropriate method for the Group reconstruction that took place in 2018, the Group's compliance with accounting standards on software revenue recognition and capitalisation of software development costs. These significant issues were discussed by the Committee taking guidance from the Independent Auditor and discussions with the CFO. Complying fully with IFRS in relation to revenue recognition will need careful review when IFRS 15 is adopted next year.

The FRC's ethical standard for auditors requires key audit partners of public interest entities or other listed entities to cease their participation in the statutory audit not later than 5 years from the date of their appointment. When an entity becomes a public interest entity or an other listed entity, the time already served is considered and where the engagement partner has acted for 4 or more years, that individual may continue to serve for not more than 2 years after the entity becomes listed. The Board has decided to extend Alistair Hunt of Saffery Champness LLP's tenure as audit partner by a further two years beyond the one remaining year before rotation is required. The audit firm, Saffery Champness LLP has also agreed to this extension to safeguard the quality of the audit engagement.

The Committee reviewed the effectiveness of the Group's internal controls, including enquiry of the Independent Auditor and concluded that they were appropriate for a business of the size, scale and complexity of i-nexus. The Committee also determined that a separate internal audit function was not required during the year, but this decision will be kept under review.

The independence and objectivity of the Independent Auditor were considered and found to be satisfactory.

Independence and objectivity

The Committee has a policy governing the engagement of the external auditor to provide non-audit services. The following safeguards are in place to preserve Auditor independence; use of separate teams for tax compliance, Corporate Finance and preparation of the financial statements, the Board and Committee are satisfied by these safeguards. As such the Committee has pre-approved that permitted non-audit services can be provided up to a maximum of 50% of the Audit fees. For certain specific permitted services, the Committee has preapproved that Saffery Champness can be engaged by management, subject to the policies referred to above.

The Committee also received confirmation from Saffery Champness that there are no relationships between the Company and Saffery Champness that may have a bearing on its independence.

Further details of the fees paid, for audit and non-audit services, to Saffery Champness for the 2018 and 2017 financial years can be found in note 8 to the financial statements. Given the safeguards in place and to allow for continuity post IPO the Committee decided not to use another independent firm for the non-audit services.

The Independent Auditor also met with the Chairman of the Committee without management present. The effectiveness of the annual audit process was also reviewed and the quality of delivery and service levels provided were assessed.

Remuneration Committee

The Remuneration Committee was comprised of Richard Cunningham (Chairman), Nigel Halkes and James Davies until his resignation from the Board on 1 January 2019. Since then it is comprised of the remaining two members. The Committee meets regularly and reviews the performance of the Executive Directors and makes recommendations to the Board on matters relating to the remuneration of the Executive Directors and Senior Management, including bonus awards, share incentive plans and objectives. The Committee also reviews and makes recommendations to the Board on the overall remuneration policy of the Group, including the design of any performance related pay schemes, share incentive schemes and employee benefit structures.

Nomination Committee

In the event of any new director appointments being proposed, the Board will meet as a whole to discuss and as such no nomination committee has been constituted.

Relations with Shareholders

The company endeavours to maintain communication with Shareholders through regulatory announcements, via the company's website and by direct contact with its major shareholders. The Board values the views of its shareholders and fosters continuing dialogue with investment and fund managers, other investors and equity analysts to ensure that the investing community receives an informed view of the Group's prospects, plans and progress.

Alyson Levett
Chief Financial Officer and Company Secretary

26th February 2019

CORPORATE GOVERNANCE:
Group Directors Report For the year ended 30 September 2018

The Directors of i-nexus Global plc (the "Company") present their report and the Financial Statements of the Company and its subsidiary undertakings (together the "Group" or "i-nexus") for the year to 30 September 2018.

Change of Name and Strategy

The Company was incorporated and registered in England and Wales on 20 April 2018 as a private company limited by shares. On 25 May 2018, the Company became the holding company of i-Solutions Global Limited by means of a Share Capital Reorganisation. On 4 June 2018, the Company changed its name to i-nexus Global Limited, and on 18 June 2018 the Company was re-registered as a public limited company with the name i-nexus Global plc. The Group trades under the name 'i-nexus'.

i-nexus is a provider of Strategy Execution Software, delivering an enterprise ready, scalable solution to Global 5000 customers. Our SaaS software simplifies the management of vast operational and strategic complexity, providing actionable insights and ensuring that all levels of the business are aligned behind the same objectives.

Directors

The Directors who served on the Board during the year and to the date of this report are as follows:

Richard Cunningham (Appointed 20 April 2018)
Simon Crowther (Appointed 25 May 2018)
Paul Docherty (Appointed 25 May 2018, resigned 13 February 2019)
Alyson Levett (Appointed 25 May 2018)
James Davies (Appointed 25 May 2018, resigned 1 January 2019)
Nigel Halkes (Appointed 25 May 2018)

Policy on Executive Directors and Senior Management Remuneration

When determining the Board policy for remuneration, the Remuneration Committee considers all factors which it deems necessary including relevant legal and regulatory requirements and the provisions and recommendations of relevant guidance. The objective of this policy is to help attract, retain and motivate the Executive and Senior Management of the Company without paying more than necessary. The remuneration policy bears in mind the Company's appetite for risk and is aligned to the Company's long term strategic goals. A significant proportion of remuneration is structured to link rewards to corporate and individual performance and be designed to promote the long-term success of the Company.

Base Salaries Review

The Remuneration Committee developed its 2018 remuneration proposals based on what the Remuneration Committee believe to be appropriate remuneration levels for the Company at its current stage of development. The Company has yet to set target remuneration for both Executive Management and Non-Executive Directors, it plans to do so in the next period.

Bonus Payments

All Executive Directors and Senior Management are eligible for a discretionary annual bonus. Annual cash bonuses are paid on the achievement of pre-set financial objectives. The Committee in conjunction with the Board reviews and sets these objectives at the start of each financial year.

In the current year, the Executive Management team did not achieve the pre-set objectives and have received 0% of their target cash bonus. However, as a result of the successful IPO, both Simon Crowther and Alyson Levett were awarded a bonus payment of £20,000 each.

Long Term Incentives

The Company has adopted both a Long Term Incentive Plan and an Employee Share Option Plan (the "Plans") with all Directors, Senior Management and employees of the Company eligible to receive awards on the Plans. No options were granted under the plans in 2018. In accordance with UK best practice on corporate governance, it is the Company's current policy not to award share options to Non-Executive Directors.

Directors' Remuneration – Current Year

The remuneration of Directors for the year ended 30 September 2018 was as follows:

	Base Salary and Fees £'000	Bonuses £'000	Pension Contri-butions £'000	2018 Total £'000	2017 Total £'000
Simon Crowther	138	27	1	**166**	·
Alyson Levett	132	17	1	**150**	·
Paul Docherty	127	28	1	**155**	·
Richard Cunningham	21	–	–	**21**	·
Nigel Halkes	13	–	–	**13**	·
James Davies	33	–	–	**33**	·
Kevin Douglas	17	–	–	**17**	·
Frank Bury	18	–	–	**18**	·
2018 TOTAL	**499**	**72**	**3**	**573**	·
Period to 30 September 2018 – Share based payments				**28**	·
Period to 30 September 2018 – Total				**601**	**•**

A Companies controlled by the Directors, also received payments in respect of consultancy and other services performed outside of their Directors contract. These are disclosed as consulting fees, office facilities and administration and other fees in Note 25 Related party transactions.

CORPORATE GOVERNANCE:
Group Directors Report For the year ended 30 September 2018

Directors and their Interests

Interest in ordinary shares of 10p

The Directors of the Company held the following interest in the ordinary shares of I-nexus Global plc:

Director	30 September 2018 Number	30 September 2018 %
Simon Crowther	**854,475**	**2.89**
Alyson Levett	**763,796**	**2.58**
Paul Docherty	**848,929**	**2.87**
Richard Cunningham	**1,029,360**	**3.48**
Nigel Halkes	**6,331**	**0.02**
James Davies	**0**	**0.00**

Fees retained for external non-executive directorships

Executive Directors may hold positions in other companies as non-executive directors and retain the fees. Non-executive Directors may hold positions in other companies as either Executive or non-executive directors and retain the fees. Alyson Levett, Simon Crowther and Paul Docherty held no external non-executive directorships in the period. James Davies held an Executive directorship in the period. Both Richard Cunningham and Nigel Halkes held external non-executive directorships in the period.

Results and Dividends

The results for the year are set out on page 25 and are also discussed in the Strategic Report. The Directors do not recommend payment of a dividend.

Share Capital Structure

The company was incorporated on 20 April 2018 issuing 1 ordinary share of £1.

On 20 May 2018 1,417,216 £1 ordinary shares were issued in a share for share exchange at par value.

On 18 June 2018 the company subdivided its shares from £1 ordinary to £0.10 ordinary shares.

On 18 June 2018, the subsidiary company i-Solutions Global Limited issued a further 237,554 ordinary £1 shares in closing its share options scheme and conversion of shareholder debt. These shares were immediately exchanged for 2,375,540 £0.10 ordinary shares in i-nexus Global plc at par value.

On 21 June 2018 the company issued a further 13,023,895 £0.10 ordinary shares as a result of the IPO.

The Company's ordinary shares of 10p are listed on the Alternative Investment Market ("AIM") market of the London Stock Exchange (ticker: INX). At the date of this report, 29,571,605 ordinary shares of 10p each were in issue. Details of share issues and changes to the capital structure during the year are set out in note 22.

Substantial Shareholdings

The Company is aware that the following had an interest of 3% or more in the issued ordinary share capital of the Company:

Rank	Investor	30 September 2018 Number	30 September 2018 %
1	Herald Investment Management	**4,031,490**	**13.63**
2	Alto Invest	**3,164,557**	**10.70**
3	Amati Global Investors	**3,164,557**	**10.70**
4	Canaccord Genuity Group Inc.	**2,658,228**	**8.99**
5	Antrak Limited	**1,852,210**	**6.26**
6	Gresham House plc	**1,582,279**	**5.35**
7	Bury Fitzwilliam-Lay and Partners LLP	**1,459,460**	**4.94**
8	Chelverton Asset Management	**1,325,000**	**4.48**
9	Richard Cunningham	**1,029,360**	**3.48**
10	The Capital for Enterprise Fund LP	**889,080**	**3.01**

There were no notified changes in these holdings in the period after year end to the date of signing the financial statements.

Qualifying Indemnity Provision

The Group has in place insurance protection, including a Directors and Officers liability policy, to cover the risk of loss when management deems it appropriate and cost effective; however in some cases risks cannot be effectively covered by insurance and the cover in place may not be sufficient to cover the extent of potential liabilities.

Going Concern

After making appropriate enquires, the Directors consider that the Company and the Group has adequate resources to continue in business for the foreseeable future. Accordingly, they continue to adopt the going concern basis in preparing the Financial Statements. As part of their enquires the Directors reviewed budgets, projected cash flows, and other relevant information for 12 months from the date of approval of the Consolidated Financial Statements for the year ended 30 September 2018.

The Group's forecasts, taking into account reasonably possible changes, show that the Group will be able to operate and have significant financial headroom for the 12 months from the date of approval of the Consolidated Financial Statements for the year ended 30 September 2018.

CORPORATE GOVERNANCE:
Group Directors Report For the year ended 30 September 2018

Events after the Reporting Period

Events after the reporting period are set out in note 26 to the Financial Statements. Likely future developments in the business are discussed in the Strategic Report.

Auditors

The Board are recommending Saffery Champness LLP for re-appointment as auditor of the Company, Saffery Champness LLP have expressed their willingness to accept this appointment and a resolution re-appointing them will be submitted to the forthcoming Annual General Meeting.

Disclosure of Information to the Auditors

All of the current Directors have taken all the steps that they ought to have taken to make themselves aware of any information needed by the Company's auditors for the purposes of their audit and to establish that the auditors are aware of that information. The Directors are not aware of any relevant audit information of which the auditors are unaware.

Directors' Responsibilities

The Directors are responsible for preparing the Strategic Report, the Corporate Governance Report and the Financial Statements in accordance with applicable law and regulations.

Company law requires the Directors to prepare Financial Statements for each financial year. Under that law the Directors have elected to prepare the Group and Company Financial Statements in accordance with International Financial Reporting Standards (IFRSs) as adopted by the European Union. Under company law the Directors must not approve the Financial Statements unless they are satisfied that they give a true and fair view of the state of affairs of the Group and Company and of the profit or loss of the Group for that period. The Directors are also required to prepare Financial Statements in accordance with the Rules of the London Stock Exchange for companies trading securities on the Alternative Investment Market and the ESM exchange of the Irish Stock Exchange.

In preparing these Financial Statements, the Directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether they have been prepared in accordance with IFRSs as adopted by the European Union, subject to any material departures disclosed and explained in the Financial Statements;
- prepare the Financial Statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The Directors are responsible for keeping adequate accounting records that are sufficient to show and explain the Company's transactions and disclose with reasonable accuracy at any time the financial position of the Group and Company and enable them to ensure that the Financial Statements comply with the requirements of the Companies Act 2006. They are also responsible for safeguarding the assets of the Group and Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Equality and diversity

The Company operates an equal opportunities policy which endeavours to treat individuals fairly and not to discriminate on the basis of gender, disability, race, national or ethnic origin, sexual orientation or marital status. Applications for employment are fully considered on their merits, and employees are given appropriate training and equal opportunities for career development and promotion.

Website Publication

The Directors are responsible for ensuring the Annual Report and the Financial Statements are made available on a website. Financial Statements are published on the Company'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 Company's website is the responsibility of the Directors. The Directors' responsibility also extends to the on-going integrity of the Financial Statements contained therein.

This report was approved by the board on 26 February 2019 and signed on its behalf by:

Alyson Levett
Chief Financial Officer and Company Secretary

FINANCIAL STATEMENTS:
Independent Auditor's Report For the year ended 30 September 2018

Opinion

We have audited the financial statements of i-nexus Global plc ('the parent company') and its subsidiaries (the 'group') for the year ended 30 September 2018 which comprise the Consolidated Statement of Comprehensive Income, the Consolidated Statement of Financial Position, the Company Statement of Financial Position, the Consolidated Statement of Changes in Equity, the Company Statement of Changes in Equity, the Consolidated and Company Statement of Cash Flows and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and International Financial Reporting Standards (IFRSs) as adopted by the European Union.

In our opinion, the financial statements:

- give a true and fair view of the state of the group's affairs as at 30 September 2018 and its loss for the period then ended;
- have been properly prepared in accordance with IFRSs as adopted by the European Union; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the group in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard as applied to SME listed entities, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the directors' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the directors have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the group's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

Key audit matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements of the current period and include the most significant assessed risks of material misstatement (whether or not due to fraud) we identified, including those which had the greatest effect on: the overall audit strategy, the allocation of resources in the audit; and directing the efforts of the engagement team. These matters were addressed in the context of our audit of the financial statement as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Key Audit Matter	How our audit addressed the key audit matter
Reporting under the AIM listed company regime including first year reporting under IFRS The company completed an IPO on the AIM market in June 2018. i-Solutions Global Limited transitioned from reporting under FRS 102 to IFRS. There are a number of areas that require different accounting treatments and disclosure between the two financial reporting frameworks. Management must ensure transactions are recorded and disclosed correctly. Companies listed on the AIM market must comply with the AIM rules and make the appropriate disclosures to the market.	Our audit procedures included the following: • We have obtained and reviewed management's transition workings and satisfied ourselves that they materially comply with IFRS; • We have completed a disclosure checklist on the financial statements; • We have enquired with management to determine if a change in the group's circumstances requires an announcement to be made to the market; and • We have reviewed the announcements made to the market to ensure these are consistent with our understanding of the group. Based on our procedures we consider that the adjustments on transition to IFRS have been recorded correctly and appropriate disclosures have been made to the market.
Revenue recognition and compliance with IFRS 15 As detailed in the notes to the financial statements, the group's revenue is generated from the development and licencing of cloud-based software and associated maintenance, support, software customisation and professional consultancy services. Revenue is recognised in accordance with the terms of the contracts with customers which can span a period of over twelve months in compliance with IFRS. The group has not adopted IFRS 15 on the basis that the group is reporting on a period beginning before 1 January 2018.	Our audit procedures included the following: • We have tested a sample of contracts and corroborated the accounting treatment including the amount of deferred income recognised at the period end; • We have tested a sample of project income to time records and ensured this income is recorded in line with the group's revenue recognition policy; and • We have confirmed with management that IFRS 15 is not to be early adopted. We have also considered the technical argument that IFRS 15 must be applied to this set of financial statements, on the basis that the company incorporated after 1 January 2018. Based on our procedures we have considered that revenue has been recognised in accordance with the financial reporting framework.

FINANCIAL STATEMENTS:
Independent Auditor's Report continued

Key Audit Matter	How our audit addressed the key audit matter
The accounting treatment in relation to the new parent company in the consolidated financial statements During the period the company acquired the issued share capital of i-Solutions Global Limited by way of a share-for-share exchange. Merger accounting principles have been applied to account for the reconstructed group as if it had always been in existence. Due to the material and complex nature of the transactions associated with it, the treatment, presentation and disclosure of this is considered a key audit matter.	Our audit procedures included the following: • We have reviewed management's assessment of the group reconstruction and confirmed that the application of merger accounting is appropriate; • We have obtained and reviewed management's consolidation workings to ensure the accounting entries have been recorded correctly; • We have obtained the share-for-share exchange documentation and verified the amount of issued share capital in i-nexus Global plc; and • We have confirmed the level of income raised as part of the IPO to bank information. Based on our procedures we have considered that the group reconstruction has been accounted for correctly. We consider the approach taken by management to be true and fair and to reflect the substance and reality of the group numbers, in that they are reflecting a continuation of i-solutions Global Limited.
The recognition and capitalisation of development costs As detailed in the notes to the financial statements, the group carries out research and development of its internally generated software. The expenditure that does not meet the recognition criteria of IAS 38 should be expensed to the consolidated statement of comprehensive income. The expenditure that meets the recognition criteria of IAS 38 should be capitalised as an intangible asset and amortised over the period in which the group expects to benefit from it. This capitalised development expenditure must adhere to the specific recognition criteria and disclosure requirements under IAS 38.	Our audit procedures included the following: • We have documented the process of determining if development expenditure should be capitalised including the process of management challenging their assessment; • We have tested a sample of R&D expenditure and corroborated the accounting treatment; and • We have considered the appropriateness of the claim for R&D tax credits and the recognition of a tax debtor. Based on our procedures we have considered that the expenditure on R&D has been appropriately accounted for including the capitalisation of certain development costs.

Our application of materiality
We apply the concept of materiality both in planning and performing our audit, and in evaluating the effect of misstatements. For planning we consider materiality to be the magnitude by which misstatements, including omissions, could influence the economic decisions of reasonable users that are taken on the basis of the financial statements.

In order to reduce to an appropriately low level the probability that any misstatements exceed materiality, we use a lower materiality level, performance materiality, to determine the extent of testing needed. Importantly, misstatements below these levels will not necessarily be evaluated as immaterial as we also take into account the nature of identified misstatements, and the particular circumstances of their occurrence, when evaluating their effect on the financial statements as a whole.

The materiality for the group financial statements as a whole was set at £100,000. This was determined with reference to a benchmark of revenue which we consider to be the principal consideration in assessing the financial performance of the group. The group considers monthly recurring revenue growth to be one of its key performance indicators.

Performance materiality was set at 80 percent of the above materiality level.

We agreed with the Audit Committee that we would report to the Committee all individual audit differences in excess of £5,000. We also agreed to report differences below this threshold that, in our view, warranted reporting on qualitative grounds.

An overview of the scope of our audit
The group manages its operations from a single location in the UK and has common financial systems, processes and controls covering all significant components. The audit of all significant components was performed by the same audit team.

In assessing the risk of material misstatement to the group financial statements, and to ensure we had adequate quantitate coverage of significant accounts in the financial statements, we determined that two components, i-nexus Global plc and i-Solutions Global Limited, represented the principal business units within the group. A full scope audit was undertaken on each component.

Other information
The directors are responsible for the other information. The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006
In our opinion, based on the work undertaken in the course of the audit:

- the information given in the Strategic Report and the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Strategic Report and the Directors' Report have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception
In the light of the knowledge and understanding of the group and its environment obtained in the course of the audit, we have not identified material misstatements in the Strategic Report or the Directors' Report.

FINANCIAL STATEMENTS:
Independent Auditor's Report continued

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of directors
As explained more fully in the Directors' Responsibilities Statement set out on page 12, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the group or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements
Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

Use of our report
This report is made solely to the group's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the group's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the group and the group's members as a body, for our audit work, for this report, or for the opinions we have formed.

Alistair Hunt (Senior Statutory Auditor)
for and on behalf of Saffery Champness LLP

Chartered Accountants
Statutory Auditors

Suite C, Unex House
Bourges Boulevard
Peterborough
PE1 1NG

26 February 2019

Consolidated Statement of Comprehensive Income

For the year ended 30 September 2018

	Note	**Year ended 30 September 2018 £**	Year ended 30 September 2017 £
Revenue	5	**4,713,430**	4,113,180
Cost of sales		**(1,488,028)**	(1,259,262)
Gross profit		**3,225,402**	2,853,918
Administrative expenses		**(4,139,628)**	(3,229,795)
Operating loss	6	**(914,226)**	(375,877)
Adjusted EBITDA		**(655,401)**	(275,688)
Depreciation and profit/loss on disposal		**(53,737)**	(38,173)
Share based payment expense		**(30,000)**	(11,789)
Non-underlying items		**(175,088)**	(50,277)
Finance income		**1,847**	145
Finance costs	10	**(124,384)**	(86,562)
Loss before taxation	7	**(1,036,763)**	(462,294)
Tax expense	11	**186,957**	290,879
Loss for the year		**(849,806)**	(171,415)
Other comprehensive income:			
Exchange differences arising on translation of foreign operations		**(54)**	(14,036)
Loss on net investment hedge		**(28,529)**	–
Total comprehensive loss for the year		**(878,389)**	(185,451)
Attributable to equity holders of company		**(878,389)**	(185,451)

	£	£
Basic and diluted loss per share	**(0.05)**	(0.12)

Consolidated Statement of Financial Position

For the year ended 30 September 2018

	Note	**30 September 2018 £**	30 September 2017 £
Assets			
Non-current assets			
Intangible assets	13	**55,011**	–
Property, plant and equipment	14	**199,222**	96,252
Total non-current assets		**254,233**	96,252
Current assets			
Trade and other receivables	17	**1,751,956**	1,501,011
Current tax receivable	17	**183,162**	278,876
Cash and cash equivalents	18	**6,940,573**	245,674
Total current assets		**8,875,691**	2,025,561
Total assets		**9,129,924**	2,121,813
Liabilities			
Current liabilities			
Borrowings	20	**298,998**	310,831
Trade and other payables	19	**904,668**	987,802
Deferred income	19	**1,716,746**	2,554,995
Total current liabilities		**2,920,412**	3,853,628
Non-current liabilities			
Borrowings	20	**403,230**	549,228
Provisions	21	**80,702**	40,702
Total non-current liabilities		**483,932**	589,930
Total liabilities		**3,404,344**	4,443,558
Net assets		**5,725,580**	(2,321,745)
Equity			
Share capital	22	**2,957,161**	1,417,216
Share premium		**7,256,188**	4,086,013
Capital redemption reserve		**–**	6,468,287
Share based payment reserve		**–**	23,578
Foreign exchange reserve		**(9,508)**	(9,454)
Merger reserve		**10,653,881**	–
Accumulated losses		**(15,132,142)**	(14,307,385)
Total equity		**5,725,580**	(2,321,745)

Consolidated Statement of Cash Flows

For the year ended 30 September 2018

	Note	**Group Year ended 30 September 2018 £**	Group Year ended 30 September 2017 £	**Company Year ended 30 September 2018 £**
Cash flows from operating activities				
Loss before taxation		**(1,036,763)**	(462,294)	**(336,639)**
Adjustments for non-cash/non-operating items:				
Depreciation and profit on disposals		**53,737**	38,173	**–**
IPO Costs		**(175,088)**	–	**–**
Share based payments		**30,000**	11,789	**–**
Finance income		**(1,847)**	(145)	**–**
Finance charges		**124,384**	86,562	**441**
		(655,401)	(325,915)	**(336,198)**
Changes in working capital:				
(Increase) in trade and other receivables		**(250,945)**	(731,237)	**(8,379,633)**
(Decrease)/increase in trade and other payables		**(948,478)**	1,128,892	**157,693**
Taxation		**282,671**	317,350	**–**
Net cash from operating activities		**(1,572,156)**	389,091	**(8,558,138)**
Cash flows from investing activities				
Purchase of property, plant and equipment	14	**(118,141)**	(34,636)	**–**
Purchase of development costs	13	**(55,011)**	–	**–**
Interest received		**1,847**	145	**–**
Net cash flow from investing activities		**(171,305)**	(34,491)	**–**
Cash flows from financing activities				
Proceeds from shares		**9,982,508**	–	**9,763,817**
Less issue costs		**(1,381,090)**	–	**(1,205,238)**
Proceeds from borrowings		**1,299,863**	375,000	**–**
Repayment of borrowings		**(1,338,486)**	(484,661)	**–**
Interest paid		**(124,384)**	(86,562)	**(441)**
Net cash flow from financing activities		**8,438,411**	(196,223)	**8,558,138**
Net increase in cash and cash equivalents		**6,694,953**	158,377	**–**
Cash and cash equivalents beginning of period		**245,674**	101,333	**–**
Effect of foreign exchange rate changes		**(54)**	(14,036)	**–**
Cash and cash equivalents at the end of the period		**6,940,573**	245,674	**–**

Consolidated Statement of Changes in Equity

For the year ended 30 September 2018

	Issued capital £	Share premium £	Capital redemption reserve £	Share based payment reserve £	Foreign exchange reserve £	Merger reserve £	Accum-ulated losses £	**Total equity £**
At 1 October 2016	1,417,216	4,086,013	6,468,287	11,789	4,582	–	(14,135,970)	**(2,148,083)**
Loss for the year	–	–	–	–	–	–	(171,415)	**(171,415)**
Other comprehensive income	–	–	–	–	(14,036)	–	–	**(14,036)**
Share based payment expense	–	–	–	11,789	–	–	–	**11,789**
At 30 September 2017	1,417,216	4,086,013	6,468,287	23,578	(9,454)	–	(14,307,385)	**(2,321,745)**
Loss for the year	–	~–	–	–	–	–	(849,806)	**(849,806)**
Transfer to merger reserve	–	(4,085,249)	(6,468,287)	–	–	10,553,536	–	**–**
Transfer to losses	–	–	–	(53,578)	–	–	53,578	**–**
Other comprehensive income	–	–	–	–	(54)	–	(28,529)	**(28,583)**
Issue of share capital	1,539,945	8,461,426	–	–	–	100,345	–	**10,101,716**
Issue costs	–	(1,206,002)	–	–	–	–	–	**(1,206,002)**
Share based payment expense	–	–	–	30,000	–	–	–	**30,000**
At 30 September 2018	2,957,161	7,256,188	–	–	(9,508)	10,653,881	(15,132,142)	**5,725,580**

Company Statement of Financial Position

	Note	30 September 2018 £
Assets		
Non-current assets		
Investments	15	**1,654,770**
		1,654,770
Current assets		
Trade and other receivables	17	**8,379,633**
Cash and cash equivalents	18	**–**
		8,379,633
Total assets		**10,034,403**
Liabilities		
Current liabilities		
Trade and other payables	19	**157,693**
		157,693
Total liabilities		**157,693**
Net assets		**9,876,710**
Equity		
Issued capital	22	**2,957,161**
Share premium		**7,256,188**
Accumulated losses		**(336,639)**
Total equity		**9,876,710**

Company Statement of Changes in Equity

	Issued capital £	Share premium £	Accumulated losses £	**Total equity £**
Incorporated on 20 April 2018	–	–	–	**–**
Loss for the period	–	–	(336,639)	**(336,639)**
Issue of share capital	2,957,161	8,461,426	–	**11,418,587**
Issue costs	–	(1,205,238)	–	**(1,205,238)**
At 30 September 2018	2,957,161	7,256,188	(336,639)	**9,876,710**

Notes to the Financial Statements

For the year ended 30 September 2018

1 General information

i-nexus Global PLC is a public company limited by shares incorporated in England and Wales (registration number 11321642). The registered office and principal place of business is i-nexus, i-nexus Suite, George House, Herald Avenue, Coventry Business Park, Coventry, CV5 6UB.

The principal activity of i-nexus Global plc and its subsidiaries (the Group) is that of development and sale of Enterprise cloud-based software on a software-as-a-service (SaaS) basis and associated maintenance, support, software customisation and professional consultancy services.

2 Significant accounting policies

The following principal accounting policies have been used consistently in the preparation of consolidated financial statements.

Basis of preparation

The financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS") as adopted by the European Union, in accordance with the IFRS Interpretations Committee ("IFRIC") interpretations, and with those parts of the Companies Act 2006 as applicable to companies reporting under IFRS. The financial statements comply with IFRS as issued by the International Accounting Standards Board (IASB).

The financial statements are prepared in sterling, which is the presentational currency of the company. Monetary amounts in these financial statements are rounded to the nearest £1.

Historical cost convention

The financial statements have been prepared under the historical cost convention except for the following:

- The business combination of i-Solutions Global Limited by i-nexus Global plc is accounted for under the merger method
- The use of fair value for financial instruments measured at fair value

Basis of consolidation

The financial statements incorporate the results of i-nexus Global plc and all of its subsidiary undertakings as at 30 September 2018.

i-nexus Global plc was incorporated on 20 April 2018 and on 20 May 2018 it acquired the entire issued share capital of i-Solutions Global Limited by way of a share-for-share exchange. i-Solutions Global Limited has one wholly owned subsidiary, i-nexus (America) Inc.

The accounting treatment in relation to the addition of i-nexus Global plc as a new UK holding company of the Group falls outside the scope of IFRS 3 'Business Combinations'. The share scheme arrangement constituted a common control combination of the entities. This was as a result of all the shareholders of i-nexus Global plc being issued shares in the same proportion, and the continuity of ultimate controlling parties. The Directors believe that this approach presents fairly the financial performance, financial position and cash flows of the Group.

The reconstructed group was consolidated using merger accounting principles, as outlined in Financial Reporting Standard FRS 102 ("FRS"), and the reconstructed Group treated as if it had always been in existence. There was no difference between the nominal value of the shares issued in the share exchange and the book value of the shares obtained.

Going concern

This historical financial information relating to i-nexus Global plc has been prepared on the going concern basis.

Notes to the Financial Statements continued

For the year ended 30 September 2018

2 Significant accounting policies (continued)

After making appropriate enquires, the directors of i-nexus Global plc (the "Directors") have a reasonable expectation that i-nexus Global plc has adequate resources to continue in operational existence for the foreseeable future and for at least one year from the date of this historical financial information. For these reasons, they continue to adopt the going concern basis in preparing i-nexus Global plc's historical financial information.

On 21 June 2018, the Group completed a successful IPO on the AIM market of the London Stock Exchange, raising £9,982,508 less deal costs of £1,206,002. At the balance sheet date the group had cash of £6,940,573.

Subsidiaries

Subsidiaries are all entities (including structured entities) over which the Group has control. The Group controls an entity when the Group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power to direct the activities of the entity.

The financial statements of trading subsidiaries are included in the consolidated financial statements under the merger accounting method until the date that control ceases. The accounting policies of the subsidiaries have been changed when necessary to align them with the policies adopted by the Group.

Transactions eliminated on consolidation

Intra-group balances, and any gains and losses or income and expenses arising from intra-group transactions, are eliminated in preparing the historical financial information. Losses are eliminated in the same way as gains, but only to the extent that there is no evidence of impairment.

The Group has been consolidated under merger accounting principles as described in 'basis of consolidation' above.

Foreign currencies

Transactions in foreign currencies are converted into the respective functional currencies on initial recognition, using the exchange rates approximating to those ruling at the transaction dates. Monetary assets and liabilities at the end of the reporting period are translated at the rates ruling as of that date. Non-monetary assets and liabilities are translated using exchange rates that existed when the values were determined.

Overseas operations which have a functional currency different from the group presentation currency have been translated using the monthly average exchange rate for consolidation in to the statement of comprehensive income. The amounts included in the group statement of financial position, have been translated at the exchange rate ruling at the statement date. All resulting exchange differences are reported in other comprehensive income.

Pensions

i-nexus Global plc operates a defined contribution plan. A defined contribution plan is a pension plan under which the Group pays fixed contributions into a separate entity. The Group has no legal or constructive obligations to pay further contributions if the fund does not hold sufficient assets to pay all employees the benefits relating to employee service in the current and prior periods. The Group has no further payment obligations once the contributions have been paid. The contributions are recognised as employee benefit expense when they are due. Prepaid contributions are recognised as an asset to the extent that a cash refund or a reduction in the future payments is available.

Short term employee benefits

A liability is recognised for benefits accruing to employees in respect of wages and salaries, annual leave sick leave in the period the related service is rendered at the undiscounted amount of the benefits expected to be paid in exchange for that service.

Revenue recognition

Revenue comprises of fair value of consideration received or receivable, net of sales taxes and discounts. Revenues are recognised to the extent that it is probable that the economic benefits will flow to the Group and the revenue can be reliably measured. The following criteria must also be met before revenue is recognised:

- the amount of revenue can be measured reliably;
- is it probable that the Group will receive the consideration due under the contract;
- the stage of completion of the contract at the end of the reporting period can be measured reliably; and
- the costs incurred and the costs to complete the contract can be measured reliably.

The nature of revenues is license fee income (on a SaaS basis) and professional services.

License fee income

Revenue for annual licenses, support and maintenance is recognised on a straight-line basis over the duration of the contract.

Professional services income

Configuration and software customisation revenue is recognised on a percentage completion basis over the period during which the configuration or software customisation is completed, in line with IAS 18. Setup, deployment, migration and report development revenue are recognised at the point of setup, deployment, migration or report development is completed. In the circumstances where an event spans two or more accounting periods, the entire revenue is recognised in the period when the event is completed, and the software has been accepted by the customer. Revenue for training events is recognised at the point the training event is completed.

Internally generated intangible assets – Research and development costs

Research expenditure is recognised as an expense when it is incurred. Development expenditure is recognised as an expense except that costs incurred on development projects are capitalised as intangible assets to the extent that such expenditure is expected to generate future economic benefits. Development expenditure is capitalised if, and only if an entity within the Group can demonstrate all of the following:

i. its ability to measure reliably the expenditure attributable to the asset under development;

ii. the product or process is technically and commercially feasible;

iii. its future economic benefits are probable;

iv. its ability to use or sell the developed asset;

v. the availability of adequate technical, financial and other resources to complete the asset under development; and

vi. its intention to use or sell the developed asset.

Amortisation

Historically, no development expenditure has been capitalised, as the amount of total research and development expenditure deemed to meet all the criteria above has been immaterial and has therefore been recognised as an expense when it is incurred.

Notes to the Financial Statements continued

For the year ended 30 September 2018

2 Significant accounting policies (continued)

Amortisation is charged to profit or loss on a straight-line basis to administrative costs over the estimated useful lives of each part of an item of property, plant and equipment. The estimated useful lives are as follows:

Development costs	5 years

Property, plant and equipment

Items of property, plant and equipment are stated at cost or deemed cost less accumulated depreciation and impairment losses. Cost includes the original purchase price of the asset and the costs attributable to bringing the asset to its working condition for its intended use. When parts of an item of property, plant and equipment have different useful lives, those components are accounted for as separate items of property, plant and equipment. Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised in the income statement.

Depreciation

Depreciation is charged to profit or loss on a straight-line basis over the estimated useful lives of each part of an item of property, plant and equipment. The estimated useful lives are as follows:

Land and buildings leasehold	20% straight line or lease life if shorter
Fixtures, fittings and equipment	25% reducing balance
Computer equipment	33% straight line

The residual values, useful lives and depreciation methods are reviewed, and adjusted if appropriate, or if there is an indication of a significant change since the last reporting date. Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised within 'other operating income' in the consolidated statement of comprehensive income.

Impairment of non-financial assets

At each reporting date, the Group reviews the carrying amounts of its property, plant and equipment and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss, if any. Where the asset does not generate cash flows that are independent from other assets, the Group estimates the recoverable amount of the cash generating unit to which the asset belongs. An intangible asset with an indefinite useful life is tested for impairment annually and whenever there is an indication that the asset may be impaired.

The recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have been adjusted.

If the recoverable amount of an asset is estimated to be less than its carrying amount, the carrying amount of the asset is reduced to its recoverable amount. An impairment loss is recognised as an expense immediately, unless the relevant asset is carried at a revalued amount, in which case the impairment loss is treated as a revaluation decrease. Where an impairment loss subsequently reverses, the carrying amount of the asset is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset in prior years. A reversal of an impairment loss is recognised as income immediately, unless the relevant asset is carried at a revalued amount, in which case the reversal of the impairment loss is treated as a revaluation increase.

Financial assets

Classification

The Group classifies all of its financial assets as loans and receivables. Management determines the classification of its financial assets at initial recognition.

Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments. They are initially recognised at fair value and are subsequently stated at amortised cost using the effective interest method.

Impairment of financial assets

Impairment provisions are recognised when there is objective evidence (such as significant financial difficulties on the part of the counterparty or default or significant delay in payment) that the Group will be unable to collect all of the amounts due under the terms receivable, the amount of such a provision being the difference between the net carrying amount and the present value of the future expected cash flows associated with the impaired asset.

Fixed asset investments

Equity investments are measured at fair value through profit or loss, except for those equity investments that are not publicly traded and whose fair value cannot otherwise be measured reliably, which are recognised at cost less impairment until a reliable measure of fair value becomes available.

In the parent company financial statements, investments in subsidiaries, associates and jointly controlled entities are initially measured at cost and subsequently measured at cost less any accumulated impairment losses.

Trade receivables

Trade receivables, defined as loans and receivables in accordance with IAS 39 'Financial Instruments: Recognition and Measurement', are recorded initially at fair value and are subsequently measured at amortised cost. A provision for impairment of trade receivables is established when there is evidence that the Group will not be able to collect all amounts due according to the original terms of the receivables. The amount of the provision is the difference between the assets' carrying amount and the present value of future cash flows discounted at the effective interest rate. The movement in the provision is recognised in the consolidated statement of comprehensive income.

Cash and cash equivalents

Cash and cash equivalents include cash in hand, deposits held at call with banks, other short-term highly liquid investments with original maturities of three months or less, and bank overdrafts.

Financial liabilities – Trade and other payables

Trade and other payables are initially recognised at fair value and subsequently measured at amortised cost. Accounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities.

Notes to the Financial Statements continued

For the year ended 30 September 2018

2 Significant accounting policies (continued)

Financial liabilities – Borrowings

Borrowings are recognised initially at fair value, net of transaction costs incurred. Borrowings are subsequently carried at amortised cost; any difference between the proceeds (net of transaction costs) and the redemption value is recognised in the income statement over the period of the borrowings using the effective interest method.

Borrowings are derecognised from the balance sheet when the obligation specified in the contract is discharged, is cancelled or expires. The difference between the carrying amount of a financial liability that has been extinguished or transferred to another party and the consideration paid, including any non-cash assets transferred or liabilities assumed, recognised in profit or loss as other operating income or finance costs.

Borrowings are classified as current liabilities unless the Group has an unconditional right to defer settlement of the liability for at least 12 months after the reporting period.

Net finance costs

Finance costs

Finance costs comprise interest payable on borrowings, direct issue costs and foreign exchange losses, and are expensed in the period in which they are incurred.

Finance income

Finance income comprises interest receivable on funds invested, and foreign exchange gains. Interest income is recognised in profit or loss as it accrues using the effective interest method.

Share capital/equity instruments

Ordinary shares are classified as equity. Equity instruments issued by the Company are recorded at the proceeds received, net of direct issue costs.

Share based payments

Equity settled share based payments to employees and others providing similar services are measured at the fair value of the equity instruments at the grant date. Details regarding the determination of the fair value of equity settled share based transactions are set out in note 23.

The fair value determined at the grant date of the equity settled share based payments is expensed on a straight-line basis over the vesting period, based on the Group's estimate of the number of equity instruments that will eventually vest, with a corresponding increase in equity. At the end of each reporting period, the Group revises its estimate of the number of equity instruments expected to vest. The impact of the revision of the original estimates, if any, is recognised in the income statement such that the cumulative expense reflects the revised estimate, with a corresponding adjustment to other reserves.

Current and deferred income tax

Income tax comprises current and deferred tax. Income tax is recognised in profit or loss except to the extent that it relates to items recognised directly in equity, in which case it is recognised in equity.

Deferred income tax is recognised on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts.

The following temporary differences are not recognised if they arise from a) the initial recognition of goodwill, and b) for the initial recognition of other assets or liabilities in a transaction other than a business combination that at the time of the transaction affects neither accounting nor taxable profit or loss. The amount of deferred tax provided is based on the expected manner of realisation or settlement of the carrying amount of assets and liabilities, using tax rates enacted or substantively enacted at the balance sheet date.

A deferred income tax asset is recognised only to the extent that it is probable that future taxable profits will be available against which the asset can be utilised. Deferred tax assets are reduced to the extent that it is no longer probable that the related tax benefit will be realised.

Deferred income tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets against current tax liabilities and when the deferred income taxes assets and liabilities relate to income taxes levied by the same taxation authority on either the taxable entity or different taxable entities where there is an intention to settle the balances on a net basis.

Provisions

Provisions are recognised when the Group has a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources will be required to settle the obligation and a reliable estimate of the amount can be made. If the effect is material, provisions are determined by discounting the expected future cash flows at an appropriate pre-tax discount rate.

The provision for liabilities comprises the dilapidation provision for the lease, which is included in land and buildings in property, plant and equipment.

Compound Financial Instruments

Compound financial instruments issued by the Group comprise venture debt which entitles the lender to warrant shares in i-nexus Global plc at the drawdown of the loan. The liability component of compound financial instruments is initially recognised at the fair value by discounting the cash flows to net present value. The equity component would be initially recognised as the difference between the fair value of the compound financial instrument as a whole and the fair value of the liability component, however the i-nexus Directors have concluded that the equity component is immaterial and therefore not recorded separately. Any directly attributable transaction costs are allocated to the liability and equity components in proportion to their initial carrying amounts. Subsequent to initial recognition, the liability component of a compound financial instrument is measured at amortised cost using the effective interest method. The equity component of a compound financial instrument is not remeasured. Interest related to the financial liability is recognised in profit or loss. On conversion at maturity, the financial liability is reclassified to equity and no gain or loss is recognised.

Leases

Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee. All other leases are classified as operating leases. Assets held under finance leases are recognised as assets of the Group at their fair value or, if lower, at the present value of the minimum lease payments, each determined at the inception of the lease. The corresponding liability to the lessor is included in the balance sheet as a finance lease obligation. Lease payments are apportioned between finance expenses and reduction of the lease obligation so as to achieve a constant rate of interest on the remaining balance of the liability. Finance expenses are recognised immediately in profit or loss, unless they are directly attributable to qualifying assets, in which case they are capitalised in accordance with the Group's general policy on borrowing costs (see below). Contingent rentals are recognised as expenses in the periods in which they are incurred. Leases in which a significant portion of the risks and rewards of ownership are retained by the lessor are classified as operating leases. The costs associated with operating leases are taken to the income statement on an accruals basis over the period of the lease.

Notes to the Financial Statements continued

For the year ended 30 September 2018

2 Significant accounting policies (continued)

Standards, amendments and interpretations to existing standards that are not yet effective and have not been early adopted by the Group

The following relevant standards, interpretations and amendments to existing standards have been published by the IASB but are yet to be endorsed by the EU or are not effective for the period presented in the financial statements and the Group has decided not to early adopt them.

Standard	Effective date, annual period beginning on or after
IFRS 9 Financial instruments	1 January 2018
IFRS 15 Revenue from contracts with Customers	1 January 2018
IFRIC 23 Uncertainty over Income Tax Treatments	1 January 2019
IFRS 16 Leases	1 January 2019

Management have considered the effect of the future changes in accounting standards and have surmised the impacts to be as follows:

IFRS 9

The Group is currently assessing the impact of IFRS 9 Financial Instruments ("**IFRS 9**") to ensure compliance with the new standard. IFRS 9 includes a logical model for classification and measurement, a single forward looking expected loss impairment model, and a substantially reformed approach to hedge accounting. There may be potential additional impairment provisions for long term receivables in the future from the transition to an "expected loss model" however, as the Group currently has no history of material aged receivables or bad debts, there is no material impact of transitioning to IFRS 9 expected.

IFRS 15

IFRS 15 introduces a five step approach to revenue recognition based on the delivery of performance obligations and an assessment of when control is transferred. This differs from existing IAS 11 and IAS 18 which focus on the transfer of "risk and reward" as the point of recognition. the Group is currently in the process of assessing the impact of implementation of the standard and therefore the full effect of the standard has not yet been determined. In order to determine the impact, the Group is currently in the process of reviewing all of its customer contracts to ascertain how the new requirement will impact the identification of distinct goods and services and the allocation of consideration to them.

IFRS 16

IFRS 16 Leases requires lessees to recognise a lease liability reflecting future lease payments and a "right of use asset" for virtually all lease contracts. The Group is currently in the process of assessing the impact of implementation of the standard and therefore the full effect of the standard has not yet been determined.

IFRIC 23

This interpretation covers how the Group accounts for taxation, where there is some uncertainty over whether treatments in the tax return will be accepted by HMRC or the relevant overseas jurisdictions. Each uncertain treatment (or combination of treatments) is considered for whether it will be accepted, and if probable taxable profits/losses, tax bases, unused tax losses, unused tax credits and tax rates are accounted for consistently with the tax return. Otherwise the Group accounts for each treatment using whichever of the two allowed measurement methods is expected to best predict the final outcome – the single most likely outcome or a probability weighted average value of a range of possible outcomes. The new standard allows for two different transition approaches, fully retrospective and modified retrospective. The Group has not yet concluded on a transition method and as such it is not possible to fully quantify the impact of IFRIC 23 at this stage, though it is not expected to be material.

Adjusted EBITDA

Adjusted EBITDA is earnings before interest, tax, depreciation, amortisation, share based payment expense and non-underlying items and is set out in note 6.

Adjusted EBITDA is not a measure recognised under IFRS. The Directors consider that this measure may be helpful to potential investors and so it is shown.

3 Critical accounting judgements and estimates

The preparation of the Group's historical financial information under IFRS as endorsed by the EU requires the directors to make estimates and assumptions that affect the reported amounts of assets and liabilities at the statement of financial position date, amounts reported for revenues and expenses during the year, and the disclosure of contingent liabilities, at the reporting date. However, uncertainty about these assumptions and estimates could result in outcomes that could require a material adjustment to the carrying amount of the assets or liabilities affected in the future.

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

In preparing the financial statements the Group has selected and applied various accounting policies which are described in the notes to the financial statements. In order to apply these accounting policies the Group has made estimates and judgements concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results.

Key areas of judgement and estimation uncertainty are disclosed below:

Share based payment charges

The charge related to equity settled transactions with employees is measured by reference to the fair value of the equity instruments at the date they are granted, using an appropriate valuation model selected according to the terms and conditions of the grant. Judgement is applied in determining the most appropriate valuation model and in determining the inputs to the model. Third-party experts are engaged to advise in this area where necessary. Judgements are also applied in relation to estimations of the number of options which are expected to vest, by reference to historic leaver rates and expected outcomes under relevant performance conditions.

Research and Development expenditure

Development expenditure is recognised as an expense except that costs incurred on development projects are capitalised as intangible assets to the extent that such expenditure is expected to generate future economic benefits. Significant judgement is applied in determining if development costs meet the criteria to be capitalised as intangible assets. Historically, no development expenditure has been capitalised, as the amount of total research and development expenditure deemed to meet all the criteria has been immaterial and has therefore been recognised as an expense when it is incurred.

Notes to the Financial Statements continued

For the year ended 30 September 2018

4 Financial risk management

The Group's activities expose it to a variety of financial risks: market risk (including cash flow interest rate risk), liquidity risk, credit risk and foreign exchange risk. Risk management is carried out by the board of directors. The Group uses financial instruments to provide flexibility regarding its working capital requirements and to enable it to manage specific financial risks to which it is exposed.

(a) Market risk

i. Interest rate risk

Interest rate risk is the risk that the value of a financial instrument or cash flows associated with the instrument will fluctuate due to changes in market interest rates. Interest bearing assets including cash and cash equivalents are considered to be short term liquid assets. It is the Group's policy to settle trade payables within the credit terms allowed and the Group does therefore not incur interest on overdue balances. As the interest rates on both venture debt and shareholder loans are fixed, interest rate risk is considered to be very low and no sensitivity analysis has been prepared as the impact on the historical financial information would not be significant.

The interest rate profile of the Group's borrowings is shown below:

Interest rate profile of interest bearing borrowings

		30 September 2018		30 September 2017
	Debt £	**Interest rate £**	Debt £	Interest rate £
Fixed rate borrowings				
Venture debt	**702,228**	**11.5%**	478,059	11.5%
Shareholder loans	**–**	**–**	382,000	12.0%
Weighted average cost of fixed rate borrowing		**11.5%**		11.7%

(b) Liquidity risk

The Group seeks to maintain sufficient cash balances. Management reviews cash flow forecasts on a regular basis to determine whether the Group has sufficient cash reserves to meet future working capital requirements and to take advantage of business opportunities.

A maturity analysis of the Group's borrowings is shown below:

	30 September 2018	30 September 2017
Less than one year	**298,998**	310,831
One to two years	**159,730**	188,821
Two to five years	**243,500**	360,407
	702,228	860,059

Capital risk management

The Group is both equity and debt funded and these two elements combine to make up the capital structure of the business. Equity comprises share capital, share premium and retained losses and is equal to the amount shown as 'Equity' in the balance sheet. Debt comprises various items which are set out in further detail above.

The Group's current objectives when maintaining capital are to:

- Safeguard the Group's ability as a going concern so that it can continue to pursue its growth plans;
- Provide a reasonable expectation of future returns to shareholders; and
- Maintain adequate financial flexibility to preserve its ability to meet financial obligations, both current and long term.

The Group sets the amount of capital it requires in proportion to risk. The Group manages its capital structure and makes adjustments to it in the light of changes in economic conditions and the risk characteristics of underlying assets. In order to maintain or adjust the capital structure, the Group may issue new shares or sell assets to reduce debt.

(c) Credit risk

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in financial loss to the Group. In order to minimise the risk, i-nexus Global endeavours only to deal with companies which are demonstrably creditworthy and this, together with the aggregate financial exposure, is continuously monitored. The maximum exposure to credit risk is the carrying value of its financial receivables, trade and other receivables and cash and cash equivalents as disclosed in the notes.

i-nexus Global plc does not consider that there is any concentration of risk within either trade or other receivables and any debt bad provisions in the years presented are not for significant amounts. The Group holds no collateral or other credit enhancements. The receivables' age analysis is also evaluated on a regular basis for potential doubtful debts. It is the i-nexus Directors' opinion that no further provision for doubtful debts is required. Credit risk on cash and cash equivalents is considered to be very low as the counterparties are all substantial banks with high credit ratings.

(d) Foreign currency risk

Foreign currency risk refers to the risk that the value of a financial commitment or recognised asset or liability will fluctuate due to changes in foreign exchange rates. The Group is also exposed to foreign exchange risk as a result of transactions denominated in US Dollars and Euros. The Group maintains bank accounts in US Dollars and Euros in order to mitigate this risk.

Notes to the Financial Statements continued

For the year ended 30 September 2018

5 Revenue and segmental reporting

The Group has one single business segment and therefore all revenue is derived from the rendering of services as stated in the principal activity. The group operates four geographical segments, as set out below. This is consistent with the internal reporting provided to the chief operating decision maker. The chief operating decision maker, who is responsible for allocating resources and assessing performance, has been identified as the management team comprising the executive directors who make strategic decisions.

	Year ended 30 September 2018 £	Year ended 30 September 2017 £
United Kingdom	**773,694**	591,180
Rest of Europe	**1,963,760**	1,860,000
United States	**1,885,539**	1,288,000
Rest of the World	**90,437**	374,000
	4,713,430	4,113,180

The Group has one customer that represented more than 10 percent of revenue in either 2018 or 2017 as detailed below:

	Year ended 30 September 2018 £	Year ended 30 September 2017 £
Customer 1	**604,906**	636,000

The Group has two main revenue streams in each of the years presented, as detailed below:

	Year ended 30 September 2018 £	Year ended 30 September 2017 £
Licence Fees	**3,844,551**	3,365,180
Professional Services	**868,879**	748,000
	4,713,430	4,113,180

6 Adjusted EBITDA

	Year ended 30 September 2018 £	Year ended 30 September 2017 £
Operating loss	**(914,226)**	(375,877)
Add back:		
Depreciation and profit/loss on disposal	**53,737**	38,173
Share based payment expense	**30,000**	11,789
Non-underlying items (see note 7)	**175,088**	50,227
Adjusted EBITDA	**(655,401)**	(275,688)

7 Loss on ordinary activities before taxation

Profit or loss before taxation is arrived at after:

	Year ended 30 September 2018 £	Year ended 30 September 2017 £
Depreciation of property, plant and equipment	**54,511**	38,173
Profit on disposal of fixed assets	**(774)**	–
Operating minimum lease rentals	**86,004**	93,070
Auditor's remuneration (note 8)	**202,437**	27,183
Loss on foreign exchange transactions	**12,726**	43,724
Research and development expenditure	**549,212**	688,353
AIM IPO costs expensed	**175,088**	–
Ex-gratia payments	**–**	50,227

8 Auditor's remuneration

	Year ended 30 September 2018 £	Year ended 30 September 2017 £
Fee payable to the company's auditors and its associates for the audit of consolidated financial statements	**30,000**	18,600
Fee payable to the company's auditors and its associates for other services:		
Corporate finance (As Reporting Accountant at IPO)	**129,500**	–
Taxation services	**19,927**	4,583
Other services	**23,010**	4,000
	202,437	27,183

9 Directors and employees

	Year ended 30 September 2018	Year ended 30 September 2017
Wages and salaries	**3,571,080**	2,869,161
Social security costs	**370,092**	307,087
Other pension costs	**28,844**	37,380
Share based payment expense	**30,000**	11,789
	4,000,016	3,225,417

Notes to the Financial Statements continued

For the year ended 30 September 2018

9 Directors and employees (continued)

The average number of employees during the year was:

	2018 Number	2017 Number
Senior Management	**8**	7
Development global services and other	**52**	41
	60	48

Details of emoluments (including pension) paid to the key management personnel are as follows:

	Year ended 30 September 2018 £	Year ended 30 September 2017 £
Total emoluments paid to:		
Directors		
Salaries and fees	**571,009**	524,600
Post-employment benefits	**2,931**	3,644
Share based payment expense	**27,860**	10,713
	601,800	538,957
Key management personnel including directors		
Salaries and fees	**725,771**	524,600
Post-employment benefits	**3,463**	3,644
Share based payment expense	**27,860**	10,713
	757,094	538,957

Remuneration disclosed above include the following amounts paid to the highest paid directors:

Remuneration for qualifying services	**179,796**	161,904

The number of directors for whom retirement benefits are accruing under defined contribution schemes amounted to 3 (2017: 3).

10 Finance costs

	Year ended 30 September 2018 £	Year ended 30 September 2017 £
On loans and overdrafts	**124,384**	86,562
On loans repayable after five years	**–**	–
	124,384	86,562

11 Taxation

	Year ended 30 September 2018 £	Year ended 30 September 2017 £
Domestic current period tax		
UK Corporation tax	**(183,162)**	(278,876)
Adjustment for prior years	**(264)**	(16,650)
	(183,426)	(295,526)
Foreign corporation tax		
Foreign corporation tax	**(3,531)**	4,647
Adjustments for prior years	**–**	–
	(3,531)	4,647
Total current tax credit	**(186,957)**	(290,879)
Factors affecting the tax charge for the period		
Loss before tax	**(1,036,763)**	(462,294)
Loss before tax multiplied by standard rate of UK Corporation tax of 19.0% (2017: 19.5%)	**(196,985)**	(90,147)
Effects of:		
Non-deductible expenses	**1,094**	687
Adjustments to tax credit in respect of prior years	**(264)**	(16,650)
R&D enhancement	**135,655**	296,592
Surrender R&D for tax credit	**(240,006)**	(375,395)
Deferred tax asset not recognised	**90,553**	–
Other tax adjustments	**22,996**	(105,966)
Current tax credit	**(186,957)**	(290,879)

Changes in the applicable tax rate arose due to the April 2016 Budget which amended the corporation tax charge to 19%. The corporation tax rate will reduce to 17% from 1 April 2020.

12 Loss per share

The loss per share has been calculated using the loss for the year and the weighted average number of ordinary shares outstanding during the year, as follows:

	Year ended 30 September 2018 £	Year ended 30 September 2017 £
Loss for the period attributable to equity holders of the company	**(849,806)**	(171,415)
Weighted average number of ordinary shares	**18,495,089**	1,417,216
Loss per share	**(0.05)**	(0.12)

Note that at 30 September 2018 the share capital of the company are Ordinary Shares of £0.10 each and at 30 September 2017 the share capital is made up of Ordinary shares of £1 each, see Note 22.

Notes to the Financial Statements continued

For the year ended 30 September 2018

13 Intangible assets

Group

	Development costs £	Total £
Cost		
At 1 October 2017	–	–
Additions	55,011	55,011
At 30 September 2018	**55,011**	**55,011**
Amortisation/impairment		
At 1 October 2017	–	–
Charge for the year	–	–
At 30 September 2018	**–**	**–**
Net book value		
At 30 September 2018	**55,011**	**55,011**
At 30 September 2017	–	–

14 Property, plant and equipment

Group

	Short Leasehold £	Fixtures, fittings & equipment £	Computer equipment £	Total £
At 1 October 2017	68,328	144,335	262,306	474,969
Additions	40,000	5,158	112,983	158,141
Disposals	(13,000)	–	(1,188)	(14,188)
At 30 September 2018	**95,328**	**149,493**	**374,101**	**618,922**
At 1 October 2017	36,494	123,086	219,137	378,717
Charge for the year	9,371	5,812	39,328	54,511
On disposals	(13,000)	–	(528)	(13,528)
At 30 September 2018	**32,865**	**128,898**	**257,937**	**419,700**
Carrying value				
At 30 September 2018	**62,463**	**20,595**	**116,164**	**199,222**
At 30 September 2017	31,834	21,249	43,169	96,252

The figures for the previous period are as follows:

Group

	Short Leasehold £	Fixtures, fittings & equipment £	Computer equipment £	Total £
At 1 October 2016	68,328	143,926	228,079	440,333
Additions	–	409	34,227	34,636
At 30 September 2017	68,328	144,335	262,306	474,969
At 1 October 2016	27,124	116,130	197,290	340,544
Charge for the year	9,370	6,956	21,847	38,173
At 30 September 2017	36,494	123,086	219,137	378,717
Carrying value				
At 30 September 2017	31,834	21,249	43,169	96,252
At 30 September 2016	41,204	27,796	30,789	99,789

The company had no property, plant or equipment during the current or comparative period.

15 Non-current asset investments

	Group £	Company £
Cost		
At 30 September 2018	**–**	**1,654,770**
At 30 September 2017	–	n/a
Net book value		
At 30 September 2018	**–**	**1,654,770**
At 30 September 2017	–	n/a

Non-current asset investments consist of investments in subsidiaries, measured at cost.

Details of non-current asset investments in equity

Name of entity	Principal activity	Country of Incorporation	% of Ordinary Shares held by parent company	% of Ordinary Shares held by group
i-Solutions Global Limited	The development and sale of Enterprise cloud-based software on a software-as-a service (SaaS) basis and professional consultancy services.	England and Wales	100	–
i-nexus (America) Inc	Sale of computer software and associated maintenance, support, software customisation and services	USA	–	100

Notes to the Financial Statements continued

For the year ended 30 September 2018

15 Non-current asset investments (continued)

i-nexus (America) Inc is owned by i-Solutions Global Limited. The company is included in the list above according to the control exercised over it by i-nexus Global plc. All subsidiaries have prepared their financial statements to 30 September 2018.

There are no restrictions on i-nexus Global plc's ability to access or use the assets and settle the liabilities of subsidiary companies.

The aggregate amount of capital and reserves and the results of these undertakings for the last relevant financial year were as follows:

	Capital and reserves 2018 £	**Loss for the year 2018 £**
i-Solutions Global Limited	439,904	**(623,645)**
i-nexus (America) Inc	(3,019,873)	**(1,668)**

16 Financial instruments

	At 30 September 2018 £	At 30 September 2017 £
Financial assets held at amortised cost	**1,478,754**	1,481,083
Financial liabilities held at amortised cost	**1,457,108**	1,588,787
Financial liabilities held at fair value	**28,529**	–

The Group's exposure to various risks associated with the financial instruments is discussed in note 4. The maximum exposure to credit risk at the end of the reporting period is the carrying amount of each class of financial assets mentioned above.

17 Trade and other receivables

	Group	
	At 30 September 2018 £	At 30 September 2017 £
Trade receivables	**1,000,144**	1,102,659
Corporation tax receivable	**183,162**	278,876
Other receivables and prepayments	**751,812**	398,352
	1,935,118	1,779,887

	Company At 30 September 2018 £
Other debtors and prepayments	**28,139**
Amounts owed by group undertakings	**8,351,494**
	8,379,633

An analysis of trade receivables is shown below:

	30 days or less £	Between 31 and 60 days £	Between 61 and 90 days £	Over 90 days £	Bad debt provision £	Total £
2018	**554,290**	**267,053**	**46,926**	**164,953**	**(33,078)**	**1,000,144**
2017	852,626	86,516	102,032	61,485	–	1,102,659

All other receivables outside of general terms of business are immaterial to the Group and within the Company.

18 Cash and cash equivalents

	Group At 30 September 2018 £	At 30 September 2017 £
Cash at bank and in hand	**6,940,573**	245,674
	6,940,573	245,674

	Company At 30 September 2018 £
Cash at bank and in hand	**–**
	–

Notes to the Financial Statements continued

For the year ended 30 September 2018

19 Trade and other payables (current)

	Group	
	At 30 September 2018 £	At 30 September 2017 £
Trade payables	**443,316**	386,794
Taxes and social security costs	**121,258**	259,074
Accruals	**340,094**	341,934
	904,668	987,802

	At 30 September 2018 £	At 30 September 2017 £
Deferred income	**1,716,746**	2,554,995
	1,716,746	2,554,995

	Company At 30 September 2018 £
Trade payables	**64,682**
Taxes and social security costs	**16,229**
Accruals and other creditors	**76,782**
	157,693

Trade payables are non-interest bearing and are normally settled on 60 day terms. The Group has a financial risk management policy in place to ensure that all payables are paid within the pre-agreed credit terms.

20 Borrowings

	Group	
	At 30 September 2018 £	At 30 September 2017 £
Current		
Venture debt	**298,998**	202,228
Shareholder loans	**–**	108,603
	298,998	310,831
Non-current		
Venture debt	**403,230**	275,831
Shareholder loans	**–**	273,397
	403,230	549,228
Total borrowings	**702,228**	860,059

Venture debt

The venture debt is secured by way of a fixed and floating charges over the title of all assets held by i-Solutions Global Limited.

All prior year shareholder loans were repaid at IPO.

The Group borrowings are repayable as follows:

	At 30 September 2018 £	At 30 September 2017 £
Within 1 year	**298,998**	310,831
Between 1 year and 2 years	**403,230**	549,228
Between 2 years and 5 years	**–**	–
	702,228	860,059

The directors consider the value of all financial liabilities to be equivalent to their fair value.

Venture debt

The venture debt has a fixed interest rate of the higher of 11.5 per cent per annum or LIBOR plus 8 per cent per annum.

Shareholder loans

The shareholder loans had fixed interest rates of between 11 per cent and 12 per cent per annum.

Notes to the Financial Statements continued
For the year ended 30 September 2018

21 Provisions

	Group Leasehold dilapidations £
At 1 October 2017	40,702
Capitalised in Short Leasehold assets (Note 14)	40,000
Release of provision	–
At 30 September 2018	**80,702**
Due within one year	–
Due after more than one year	80,702
	80,702

The provision relates to the estimated cost of returning leasehold properties to their original state at the end of the lease in accordance with the lease terms. The cost is recognised as depreciation of leasehold improvements over the remaining term of the lease. There are no provisions in the company balance sheet at 30 September 2018.

22 Share capital

	Group	
	At 30 September 2018 £	At 30 September 2017 £
Authorised, allotted, called up and fully paid		
29,571,605 Ordinary shares of £0.10 each	**2,957,161**	–
1,417,216 Ordinary shares of £1 each	**–**	1,417,216
	2,957,161	1,417,216

Fully paid shares, which have a par value of £0.10, carry one vote per share and carry rights to a dividend.

Reconciliation of movement in shares during the year

	Group	
	Ordinary number £1 shares	Ordinary number £0.10 shares
At 1 October 2017	1,417,216	10
Subdivision of shares	(1,417,216)	14,172,160
Exercise of options	–	2,186,920
Conversion of loan notes	–	188,620
IPO share issue	–	13,023,895
At 30 September 2018	**–**	**29,571,605**

	Company At 30 September 2018 £
Authorised, allotted, called up and fully paid	
29,571,605 Ordinary shares of £0.10 each	**2,957,161**
	2,957,161

Fully paid shares, which have a par value of £0.10, carry one vote per share and carry rights to a dividend.

Reconciliation of movement in shares during the year

	Company	
	Ordinary number £1 shares	Ordinary number £0.10 shares
At 1 October 2017	–	–
Issued on incorporation		
(1 Ordinary share of £1 each, subsequently sub divided)	–	10
Share for share exchange	1,417,216	–
Subdivision of shares	(1,417,216)	14,172,160
Share for share exchange	–	2,375,540
IPO share issue	–	13,023,895
At 30 September 2018	**–**	**29,571,605**

The company was incorporated on 20 April 2018 issuing 1 ordinary share of £1.

On 20 May 2018 1,417,216 £1 ordinary shares were issued in a share for share exchange at par value.

On 18 June 2018 the company subdivided its shares from £1 ordinary to £0.10 ordinary shares.

On 18 June 2018, the subsidiary company i-Solutions Global Limited issued a further 237,554 ordinary £1 shares in closing its share options scheme and conversion of shareholder debt. These shares were immediately exchanged for 2,375,540 £0.10 ordinary shares in i-nexus Global plc at par value.

On 21 June 2018 the company issued a further 13,023,895 £0.10 ordinary shares as a result of the IPO. Total share premium on this issue was £8,461,426, and incurred issue costs of £1,205,238.

Notes to the Financial Statements continued

For the year ended 30 September 2018

23 Share based payments

Share options

i-Solutions Global Limited has granted share options at its discretion to directors and employees. These are accounted for as equity settled options. Details for the share options granted, exercised, lapsed and outstanding at the end of each year are as follows:

	Number of share options 2018	**Weighted average exercise price £ 2018**	Number of share options 2017	Weighted average exercise price £ 2017
Outstanding at the beginning of the year	**262,184**	**1.45**	264,284	1.47
Granted during the year	**27,337**	**1.00**	–	–
Forfeited /lapsed during the year	**(2,730)**	**3.36**	(2,100)	3.36
Exercised during the year	**(286,791)**	**1.39**	–	–
Outstanding at the end of the year	**–**	**–**	262,184	1.45
Exercisable at the end of the year	**–**	**–**	99,408	2.20

Options arrangements that exist over i-Solutions Global Limited's shares at the end of each year are detailed below.

Date of grant	2018	2017	Exercise price (£)	Vesting
6 March 2012	–	1,255	1.00	30/01/2015
30 November 2013	–	16,227	3.36	01/11/2015
30 November 2013	–	18,799	3.36	31/12/2013
30 November 2014	–	15,370	3.36	01/02/2016
1 September 2016	–	191,355	1.00	Note 1
1 September 2016	–	19,178	1.00	Note 2
21 December 2017	–	–	–	Note 3

Note 1 – 25 per cent. vested on 1 September 2016, 25 per cent. vested on 1 September 2017, 25 per cent to vest on 1 September 2018 and 25 per cent to vest on 1 September 2019, however the Directors agreed to accelerate the vesting ahead of the share for share exchange with i-nexus Global plc.

Note 2 – These options to vest on 1 October 2019, however the Directors agreed to accelerate vesting ahead of the share for share exchange with i-nexus Global plc.

Note 3 – 27,337 options were granted on 21 December 2017 with an exercise price of £1 per share. The Directors agreed to accelerate the vesting ahead of the share for share exchange with i-nexus Global plc.

The Group uses a Black Scholes model to estimate the cost of share options. The following information is relevant in the determination of the fair value of the above options. The assumptions inherent in the use of this model, at the time of issue, are as follows:

- The option life is the estimated period over which the options will be exercised. The options have no expiry date to discount so 5 years has been considered a reasonable expected life.
- No variables change during the life of the option (such as the dividend yield remaining zero).

- Volatility has been considered low for the unlisted company with limited data available. The volatility rate used was 25%.
- The risk-free interest rates of 1.16% (2012), 1.544% (2013), 1.265% (2014), 0.211% (2016) and 0.766% (2017) have been used.

The total recognised share based payment expense during the year by the Group was £30,000 (2017: £11,789). All options have been exercised or forfeited by the end of the year. The vesting conditions attached to the share options are considered to have been met in the year so the share based payment charge has been accelerated in the Statement of Comprehensive Income.

24 Financial commitments

The operating lease expenditure charged to the statement of comprehensive income during the year is disclosed in note 7.

The future aggregate minimum lease payments under non-cancellable operating leases are as follows:

	Group	
	At 30 September 2018 £	At 30 September 2017 £
Land and buildings		
Within 1 year	**89,000**	89,000
Within 2 - 5 years	**133,500**	222,500
After 5 years	**–**	–
	222,500	311,500

On 7 March 2016 the group entered into a 5-year lease for the premises at Herald Avenue. The break date of this lease is 1 April 2019.

There were no capital commitments at 30 September 2018 or 30 September 2017.

25 Related parties

At 30 September 2017, i-Solutions Global Limited owed loans amounting to £382,000 to shareholders and directors. By 30 September 2018 all of the loans had either been repaid or converted into shares (£119,208).

During the year the company was charged marketing support costs of £18,107 by Napkin Jack Limited, a company in which James Davies, a director of i-nexus Global plc, is a director. At the year end, £10,270 of this cost was unpaid.

At 30 September 2018, the group owed the directors £26,640 (2017: £130,749) of remuneration.

26 Events after the reporting period

Post IPO the following Directors have resigned their positions on the Board:

Paul Docherty – 11 February 2019
James Davies – 1 January 2019

27 Control

There is no ultimate controlling party of i-nexus Global plc.

Company Information

Registered Office

i-nexus
i-nexus Suite
George House
Herald Avenue
Coventry Business Park
Coventry
CV5 6UB

Company number

11321642

Directors

Richard Cunningham
Simon Crowther
Nigel Halkes
Alyson Levett

Company Secretary

Alyson Levett

Company Website

www.i-nexus.com

Notice of Annual General Meeting

Notice is given that the first annual general meeting of i-nexus Global Plc ("**Company**") will be held at 11.00 am (GMT time) on Tuesday 26 March 2019 at N+1 Singer, 1 Bartholomew Lane London EC2N 2AX for the following purposes:

To consider and, if thought fit, to pass the following resolutions as ordinary resolutions:

1. To receive the Company's annual accounts and the strategic, directors' and auditor's reports for the year ended 30 September 2018.
2. To reappoint Simon Crowther, who retires by rotation, as a director of the Company.
3. To reappoint Alyson Levett, who retires by rotation, as a director of the Company.
4. To reappoint Richard Cunningham, who retires by rotation, as a director of the Company.
5. To reappoint Nigel Halkes, who retires by rotation, as a director of the Company.
6. To reappoint Saffery Champness LLP as auditors of the Company.
7. To authorise the Audit Committee to determine the remuneration of the auditors.
8. That, pursuant to section 551 of the Companies Act 2006 ("**Act**"), the directors be generally and unconditionally authorised to allot Relevant Securities:

   8.1 up to an aggregate nominal amount of £985,720; and

   8.2 comprising equity securities (as defined in section 560(1) of the Act) up to a further aggregate nominal amount of £985,720 in connection with an offer by way of a rights issue:

   8.2.1 to holders of ordinary shares in the capital of the Company in proportion (as nearly as practicable) to the respective numbers of ordinary shares held by them; and

   8.2.2 to holders of other equity securities in the capital of the Company, as required by the rights of those securities or, subject to such rights, as the directors otherwise consider necessary,

   but subject to such exclusions or other arrangements as the directors may deem necessary or expedient in relation to treasury shares, fractional entitlements, record dates or any legal or practical problems under the laws of any territory or the requirements of any regulatory body or stock exchange,

   provided that these authorities shall expire at the conclusion of the next annual general meeting of the Company after the passing of this resolution or on 26th June 2020 (whichever is the earlier), save that, in each case, the Company may make an offer or agreement before the authority expires which would or might require Relevant Securities to be allotted after the authority expires and the directors may allot Relevant Securities pursuant to any such offer or agreement as if the authority had not expired.

   In this resolution, "**Relevant Securities**" means shares in the Company or rights to subscribe for or to convert any security into shares in the Company; a reference to the allotment of Relevant Securities includes the grant of such a right; and a reference to the nominal amount of a Relevant Security which is a right to subscribe for or to convert any security into shares in the Company is to the nominal amount of the shares which may be allotted pursuant to that right.

   These authorities are in addition to all existing authorities under section 551 of the Act.

To consider and, if thought fit, to pass the following resolutions as special resolutions:

9. That, subject to the passing of resolution 9 and pursuant to section 570 of the Act, the directors be and are generally empowered to allot equity securities (within the meaning of section 560 of the Act) for cash pursuant to the authorities granted by resolution 9 as if section 561(1) of the Act did not apply to any such allotment, provided that this power shall be limited to the allotment of equity securities:

Notice of Annual General Meeting continued

9.1 in connection with an offer of equity securities (whether by way of a rights issue, open offer or otherwise, but, in the case of an allotment pursuant to the authority granted by paragraph 8.2 of resolution 9, such power shall be limited to the allotment of equity securities in connection with an offer by way of a rights issue):

9.1.1 to holders of ordinary shares in the capital of the Company in proportion (as nearly as practicable) to the respective numbers of ordinary shares held by them; and

9.1.2 to holders of other equity securities in the capital of the Company, as required by the rights of those securities or, subject to such rights, as the directors otherwise consider necessary,

but subject to such exclusions or other arrangements as the directors may deem necessary or expedient in relation to treasury shares, fractional entitlements, record dates or any legal or practical problems under the laws of any territory or the requirements of any regulatory body or stock exchange; and

9.2 otherwise than pursuant to paragraph 9.1 of this resolution, up to an aggregate nominal amount of £295,716,

and this power shall expire at the conclusion of the next annual general meeting of the Company after the passing of this resolution or on 26 June 2020 (whichever is the earlier), save that the Company may make an offer or agreement before this power expires which would or might require equity securities to be allotted for cash after this power expires and the directors may allot equity securities for cash pursuant to any such offer or agreement as if this power had not expired.

This power is in addition to all existing powers under section 570 of the Act.

10. That, pursuant to section 701 of the Act, the Company be and is generally and unconditionally authorised to make market purchases (within the meaning of section 693(4) of the Act) of ordinary shares of £0.10 each in the capital of the Company ("**Shares**"), provided that:

10.1 the maximum aggregate number of Shares which may be purchased is 2,957,161;

10.2 the minimum price (excluding expenses) which may be paid for a Share is £0.10;

10.3 the maximum price (excluding expenses) which may be paid for a Share is an amount equal to 105 per cent. of the average of the middle market quotations for a Share as derived from the Daily Official List of the London Stock Exchange plc for the five business days immediately preceding the day on which the purchase is made,

and (unless previously revoked, varied or renewed) this authority shall expire at the conclusion of the next annual general meeting of the Company after the passing of this resolution or on 26 June 2020 (whichever is the earlier), save that the Company may enter into a contract to purchase Shares before this authority expires under which such purchase will or may be completed or executed wholly or partly after this authority expires and may make a purchase of Shares pursuant to any such contract as if this authority had not expired.

By order of the board

....
Secretary

26 March 2019

Registered office
George House
Herald Avenue
Coventry Business Park
Coventry
CV5 6UB

Registered in England and Wales No. 11321642

Notes

Entitlement to attend and vote

1. The right to vote at the meeting is determined by reference to the register of members. Only those shareholders registered in the register of members of the Company as at close of business on 22 March 2019 (or, if the meeting is adjourned, close of business on the date which is two working days before the date of the adjourned meeting) shall be entitled to attend and vote at the meeting in respect of the number of shares registered in their name at that time. Changes to entries in the register of members after that time shall be disregarded in determining the rights of any person to attend or vote (and the number of votes they may cast) at the meeting.

Proxies

2. A shareholder is entitled to appoint another person as his or her proxy to exercise all or any of his or her rights to attend and to speak and vote at the meeting. A proxy need not be a shareholder of the Company.

   A shareholder may appoint more than one proxy in relation to the meeting, provided that each proxy is appointed to exercise the rights attached to a different share or shares held by that shareholder. Failure to specify the number of shares each proxy appointment relates to or specifying a number which when taken together with the numbers of shares set out in the other proxy appointments is in excess of the number of shares held by the shareholder may result in the proxy appointment being invalid.

   A proxy may only be appointed in accordance with the procedures set out in note 3 and the notes to the proxy form.

   The appointment of a proxy will not preclude a shareholder from attending and voting in person at the meeting.

3. A form of proxy is enclosed. When appointing more than one proxy, complete a separate proxy form in relation to each appointment. Additional proxy forms may be obtained by contacting the Company's registrar on [•] or the proxy form may be photocopied. State clearly on each proxy form the number of shares in relation to which the proxy is appointed.

   To be valid, a proxy form must be received by post or (during normal business hours only) by hand at the offices of the Company's registrar, Share Registrars Limited, The Courtyard, 17 West Street, Farnham, Surrey, GU9 7DR, no later than 11.00 am on 22 March 2019 (or, if the meeting is adjourned, no later than 48 hours (excluding any part of a day that is not a working day) before the time of any adjourned meeting).

Corporate representatives

4. A shareholder which is a corporation may authorise one or more persons to act as its representative(s) at the meeting. Each such representative may exercise (on behalf of the corporation) the same powers as the corporation could exercise if it were an individual shareholder, provided that (where there is more than one representative and the vote is otherwise than on a show of hands) they do not do so in relation to the same shares.

Documents available for inspection

5. The following documents will be available for inspection during normal business hours at the registered office of the Company from the date of this notice until the time of the meeting. They will also be available for inspection at the place of the meeting from at least 15 minutes before the meeting until it ends.

   5.1 Copies of the service contracts of the executive directors.

   5.2 Copies of the letters of appointment of the non executive directors.

6. Biographical details of all those directors who are offering themselves for reappointment at the meeting are set out in the accompanying letter from the Company's chairman.

Designed and produced by Perivan 252175

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www.i-nexus.com