GATTACA

Preliminary results

For the year ended

31st July 2022

Contents

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Presenting today...

Matthew Wragg – CEO

Matt has been with Gattaca for 20 years, most recently as Chief Customer Officer and before this, Group Business Development Director. He has substantial knowledge of the recruitment industry and a deep understanding of Gattaca. He has been a management board member since 2016.

Oliver Whittaker – CFO

Oliver was appointed to the Board in April 2022, having joined Gattaca in January 2018 as Group Director of Financial Planning where he actively supported the Board and worked closely with Matt and the wider management board. Oliver was previously UK Finance Director for Fitness First where he was instrumental in the transformation and return to growth between 2012 and 2018, prior to which he held a number of operational finance roles within Serco and IBM. Oliver trained and qualified as a chartered accountant with RSM Robson Rhodes.

Summary

- Group continuing underlying NFI[1] of £44.1m (+5% YoY), driven by Perm growth of 18%
  - UK growth 7% despite delayed recovery in contract NFI
  - Contract NFI represents 71% of group NFI (2021: 74%)
- Continuing underlying profit before tax £0.3m (2021[2]: £1.8m restated)
- Investment in sales headcount continued through the period, +10% through the year on FY21
- Group statutory net cash £12.3m (31 July 2021: £14.1m). Covenant free
- CEO and CFO succession
- Successful progress against four strategic priorities communicated at interim update
- Demand for STEM skills remains resilient, candidate shortages continue

[1] The presentation is presented on a continuing underlying basis, excluding those operations in South Africa and Mexico which were restated as discontinued in the prior period

[2] Results restated following the March 2021 IFRIC Interpretation Committee agenda decision that resulted in previously capitalised software assets being expensed

Delivery against our strategic priorities:
External Focus

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What we said

- Externally focused CEO; previously Chief Customer Officer
- Simplify the sales process
- Invest in marketing to demonstrate key STEM skills messaging
- Increase client acquisition and expansion

What we did

- Appointed a Chief Sales Officer (CSO) to unite client acquisition and growth across all sectors and geographies
- Substantially increased investment in marketing and social media to rapidly boost brand presence and activity
- Creation of Group-wide Performance Scorecards including targets set for all sales people focused on client engagement and growth
- Delayered sales leadership

FY23 Priorities

- Implement regular client and contractor service feedback surveys
- Implement a structured pricing model and pricing negotiation coaching for our sales teams to be successful in a challenging economic environment
- Continue our investment in front line sales capability and scale
- Complete a review of our go-to-market brand architecture with the aim of simplifying our branding model and focusing future investment

KPIs

	2022	2021
Group Continuing Revenue	403.3	415.7
Group Continuing NFI	44.1	42.1

Delivery against our strategic priorities:
Culture

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What we said

- Bring through our next generation of leadership
- Increase localised accountability
- Embed purpose, vision, mission and values across the business
- Increase staff engagement and participation

What we did

- Better aligned our whole leadership community with the business through
  - delayering sales management
  - implementing engagement-based leadership reward structures
  - making our SLT objectives visible to entire business
- Increased the frequency and authenticity of business communications
- Appointed Head of Engagement, Talent and D&I
- Introduced a Performance Scorecard approach to performance management

FY23 Priorities

- Continue embedding our Values to set standards and expectations of behaviours, underpinned by our new Performance Scorecard process
- Implement targets within the bonus and LTIP remuneration scheme for Executive and Senior Leadership Team partially linked to people KPI's such as attrition and engagement
- Target people engagement score for FY23 of 7.9
- Targeted reduction in our people attrition levels to 37% by the end of FY25

KPIs

	2022	2021
People engagement score	7.6	7.6
Attrition	40%	45%

Delivery against our strategic priorities:
Operational performance

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What we said

- Realise operating model productivity
- Increase efficiency and performance output
- Leverage investment in technology to improve candidate attraction, conversion and client experience

What we did

- Appointed a Chief Operations Officer to focus on internal operational performance and productivity
- Embedded our new technology systems into Group operating processes and procedures
- Deployed an enhanced candidate sourcing tool into our new technology platform
- Leveraged systems to generate improved management information
- Launched 'The Gattaca Way' training program to embed consistent recruitment processes

FY23 Priorities

- Implement an automation platform to increase customer engagement, operational efficiency and data cleanliness as part of our 'automation first' approach
- Appointment of a Head of Business Improvement, to drive forward our PMO (Project management office) and execute change
- Utilisation of improved management information to support a Group-wide review of low-margin work, identify where our productivity needs to be highest to generate acceptable returns or where work should be exited to make room for more profitable delivery

KPIs

	2022	2021
Conversion %	1.1%	5.3%
Average NFI per head	83k	89k

Delivery against our strategic priorities:
Cost rebalancing

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What we said

- Rebalance the cost base: delayering, infrastructure, estate and other third-party costs
- Improve staff retention (culture, talent acquisition, L&D, performance management and leadership)
- Technology leveraged to automate process and enhance service

What we did

- Delayered our sales leadership, removing unnecessary management duplication
- Optimised our office space and cost
- Provided 5% salary increases for all our people (except board)
- Reduced DSO, improving our working capital position and reducing our borrowing costs

FY23 Priorities

- Ongoing focus on further reduction of third-party costs and elimination of duplicative expenditure
- Focused investment in niche technology solutions as part of our 'automation-first' approach
- Progress the simplification of the Group's corporate structure to reduce cost and transactional inefficiencies
- Focus on migrating clients and candidates to more efficient and technologically advanced online billing and timesheet processes to reduce administration time and costs

KPIs

	2022	2021
Group continuing underlying PBT	£0.3m	£1.8m
Group continuing underlying EPS	0.3p	5.3p
Sales / Support staff mix	71/29	71/29

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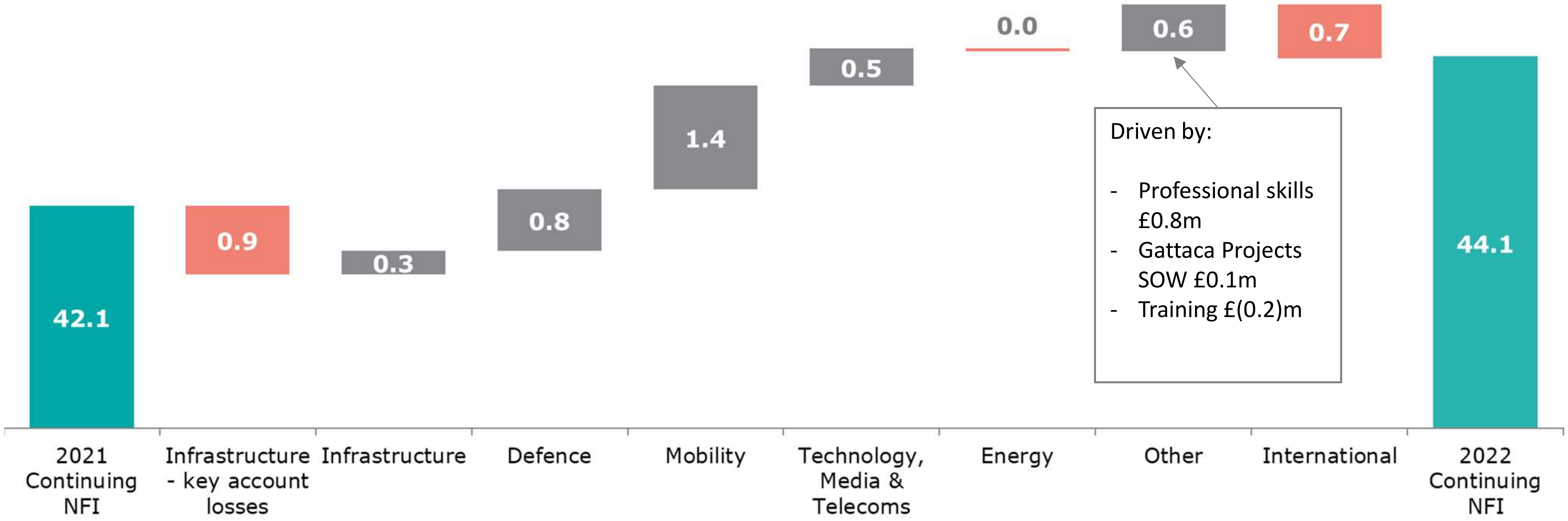
Financial results

Continuing Group NFI up 5% year on year

Net Fee Income (NFI)[1] £'m	2022	2021 (restated)	Change
Infrastructure	13.6	14.2	-4%
Defence	6.7	5.9	15%
Mobility	4.6	3.1	46%
Technology, Media & Telecoms	4.2	3.7	14%
Energy	3.9	3.9	-1%
Other	8.4	7.7	9%
UK	**41.4**	**38.6**	**7%**
International	2.7	3.5	-21%
Continuing Total Group NFI[2&3]	**44.1**	**42.1**	**5%**
Contract	31.3	31.3	0%
Perm	12.8	10.8	18%
Continuing	**44.1**	**42.1**	**5%**
Discontinued	0.2	1.0	-77%
Total Group NFI	44.3	43.1	3%

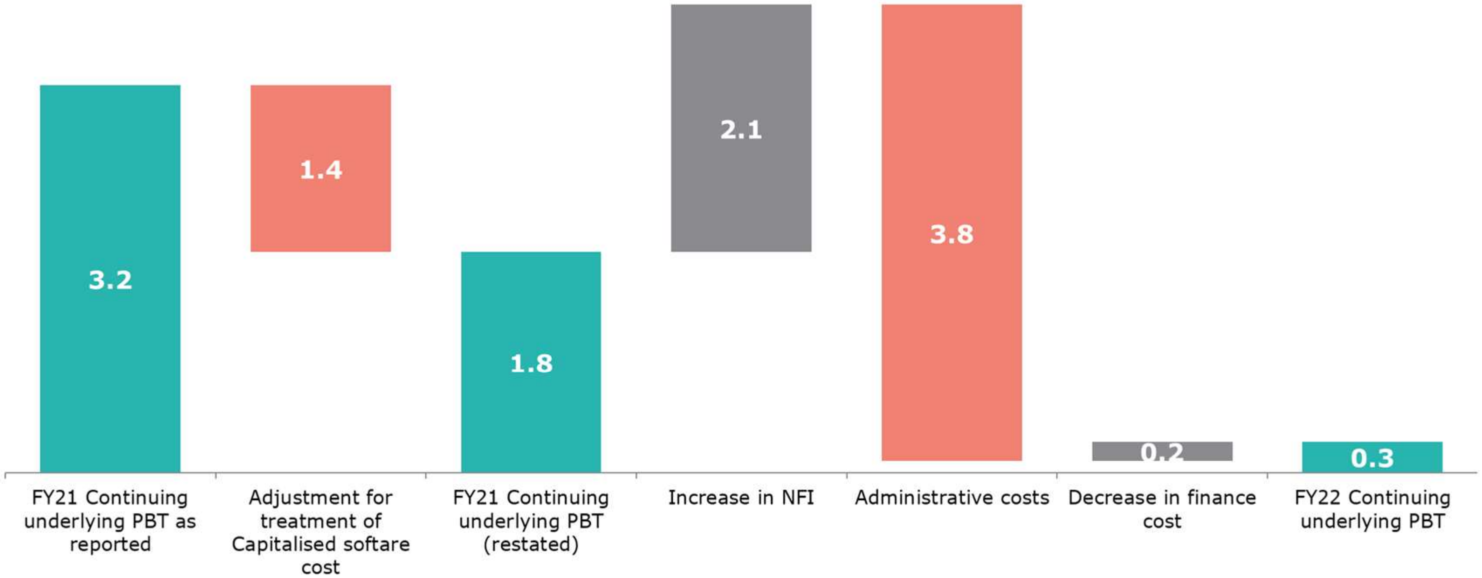
1 Net Fee Income ("NFI") is calculated as revenue less contractor payroll costs, on a like for like constant currency basis
2 Continuing results exclude the results of the South Africa and Mexico business which were discontinued in 2021
3 On a continuing basis there is no material impact from constant currency adjustment

Continuing business NFI bridge £'m



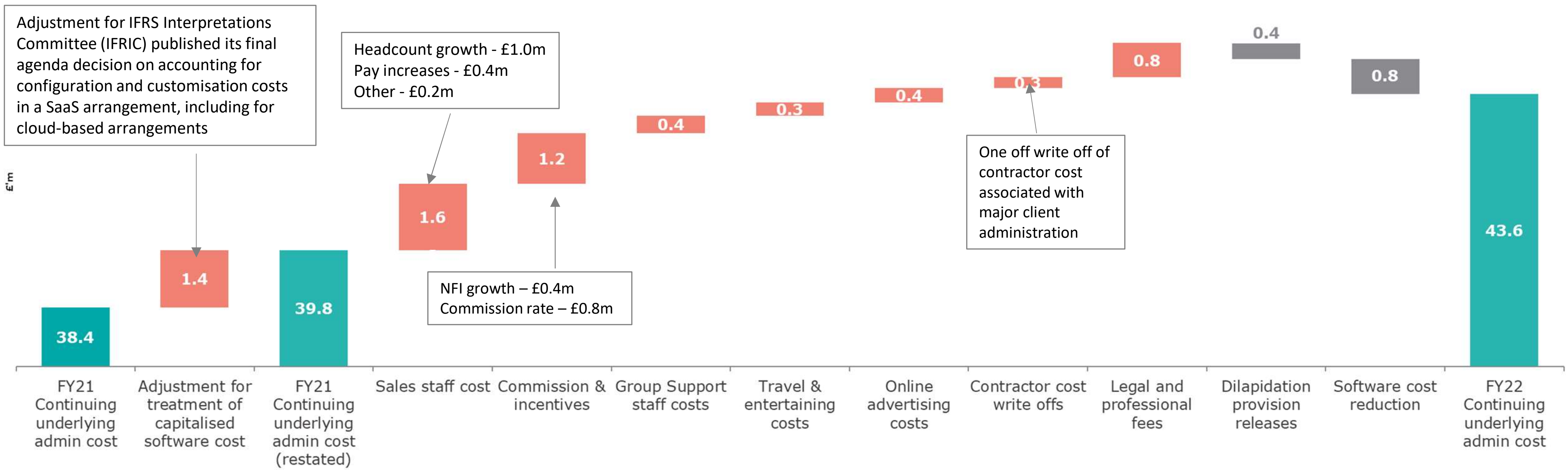
- Continuing underlying Group NFI 5% higher, UK up 7%
- Client Solutions NFI for 2022 represented £13.7m (2021: £11.6m), 18% higher
- Contract NFI for 2022 was 71% (2021 restated: 74%)

Underlying PBT bridge

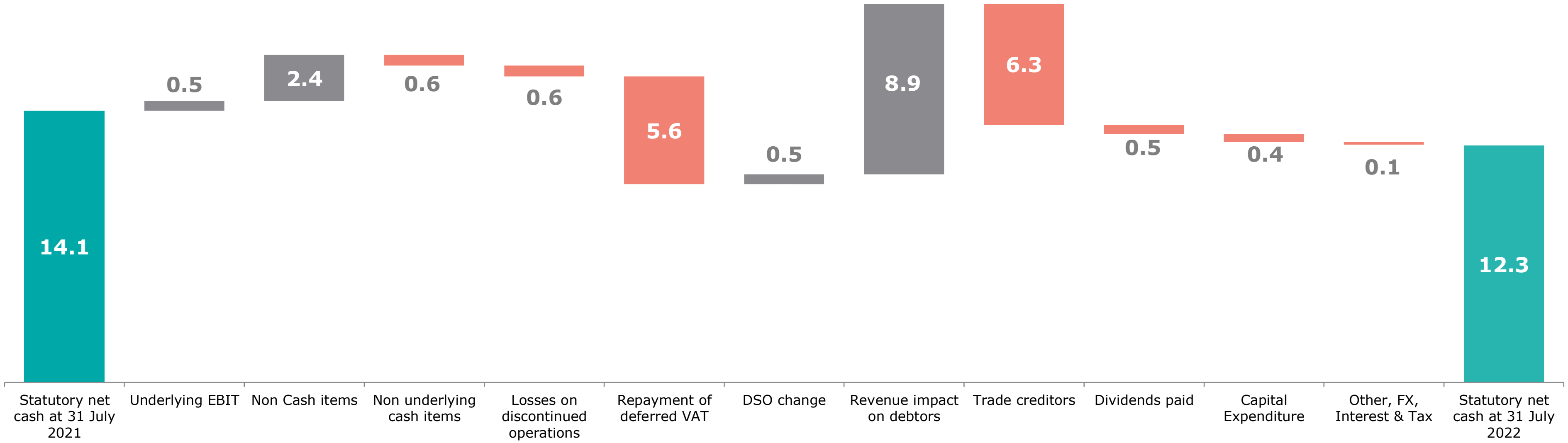


- Continuing underlying profit before tax £0.3m (2021 restated: £1.8m)
- South Africa and Mexico are treated as discontinued from closure in 2021
- £1.4m additional cost in prior year related to expensing of Cloud based software development cost previously capitalised (see Appendix, slide 28)
- Admin cost detail, see slide 14

Administrative cost bridge £'m



Net cash bridge £'m



- Group reported net cash of £12.3m at 31 July 2022 (31 July 2021: £14.1 net cash). Adjusted net cash (excluding IFRS lease liabilities) was £16.0m (31 July 2021: £19.9m)
- DSO (days sales outstanding) at 31 July 2022 was 51 days (2021: 52 days), a recovery of the DSO position from 62 days reported at 31 January 2022, and a return to the long term trend
- £9.6m of non-recourse working capital facility drawn (July 2021: £14.2m)

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Summary and outlook

Summary of key initiatives delivered in 2022

- New and delayered leadership team
- Group Purpose, Vision, Mission and Values launched Sept 21. Engagement and staff retention moving in a positive direction across the group
- Embedded new global technology platform across the Group
  - Market leading AI sourcing tech now integrated, enabling enhanced candidate attraction and engagement
  - Data & MI platform live
- Continued to embed new headcount (sales headcount +10%), with ongoing investment in L&D and marketing
- Overhead cost quick wins executed for new financial year
- ESG and D&I ambitions established and progress being made

Outlook

- Whilst conscious of the uncertain macro-economic environment, we are better set up for success than 12 months ago and have a roadmap for further improvement.
- STEM skills remain in demand with a shortage of candidates
- We expect 2023 continuing underlying PBT to be £2.5m previously indicated, biased towards H2
- We expect to see the benefits of our investment in headcount and the technology platform come through, delivering increased NFI per head and a return to profitable and sustainable long-term growth
- Ongoing key priorities remain:
  - Increased external focus
  - Obsessing around our culture
  - Operational performance
  - Cost rebalancing

Appendices

Gattaca at a glance

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WHO WE ARE:

- A leading STEM recruiter & workforce solutions provider
- Aligned to eight growth markets, with expert fulfilment by skill, client and projects
- Deep expertise in our niches
- HRO Today's Bakers Dozen Top RPO provider, EMEA, 2020
- Winner of 'Best Candidate Experience', TIARA Talent Solutions Awards 2020

WHAT WE DO:

Technical recruitment services

MATCHTECH | Resourcing Solutions | NETWORKERS | BARCLAYMEADE | ALDERWOOD

Workforce solutions & consultancy

GATTACA SOLUTIONS | GATTACA PROJECTS

SKILLS WE RECRUIT:

Engineering

MATCHTECH | Resourcing Solutions

- Electrical, Mechanical & Civil Design
- Software
- Build & Commissioning
- Concept Design
- Manufacturing & Assembly
- Installation
- Test & Development
- Project & Programme Management
- Quality, H&S & Environment
- Construction, Site, Trackside

Training & Assessment

ALDERWOOD

- Training & Instruction
- Assessment

Technology

NETWORKERS

- Cloud & Support Infrastructure
- AI
- Data Scientists & analysts
- Fibre & communications
- Project Management & Business Change
- Cyber Security
- ERP

Professional

BARCLAYMEADE

- Sales & Marketing
- Finance & Accounting
- HR
- Procurement & Supply Chain

MARKETS WE SERVICE:

Our Purpose-Driven Approach

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Purpose — Providing the skills needed to build a better future, one job at a time

Achieved through an ambitious Vision that will require us to outgrow the market

Vision — To be **the** STEM talent partner of choice

and a Mission that ensures trust is at the heart of our actions

Mission — Every day we deliver a service that is so trusted that our clients, candidates, colleagues and suppliers recommend us without hesitation

Bringing our Vision and Mission into being through our strategic priorities

Strategic priorities

- External Focus
- Culture
- Operational Performance
- Cost Rebalancing

Driving a powerful investment case

underpinned by our Values

Values

- Trust
- Professional
- Ambition
- Fun

Investment case

- Market-leading solutions with a trusted reputation
- Defined, long-term high-growth markets
- Deep expertise with revitalised leadership
- Focused growth strategy
- Resilient business model

Our History

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1984
Matchmaker Personnel established

1990
Matchtech Engineering Ltd

2002
Matchmaker Personnel and Matchtech Engineering merge forming Matchtech Group plc

1984 | 1985 | 1986 | 1987 | 1988 | 1989 | 1990 | 1991 | 1992 | 1993 | 1994 | 1995 | 1996 | 1997 | 1998 | 1999 | 2000 | 2001 | 2002 | 2003 | 2004 | 2005

2006
Matchtech Group plc floats on the AIM market of the London Stock Exchange

2010
Matchtech Group splits and launches Barclay Meade & Alderwood

2011
Matchtech engineering services

2013
Matchtech Group launches Connectus and acquires Provanis

2015
Matchtech Group acquires Networkers International

2016
Matchtech Group rebrands to Gattaca plc with two leading brands

2017
Acquisition of RSL

2006 | 2007 | 2008 | 2009 | 2010 | 2011 | 2012 | 2013 | 2014 | 2015 | 2016 | 2017 | 2018 | 2019 | 2020 | 2021 | 2022

Solutions recognition:
– 2021 TIARA Talent Solutions highly commended "Best Client Service" and "Best Long-Term Partnership"
– 2020 TIARA Talent Solutions 'Best Candidate Experience'

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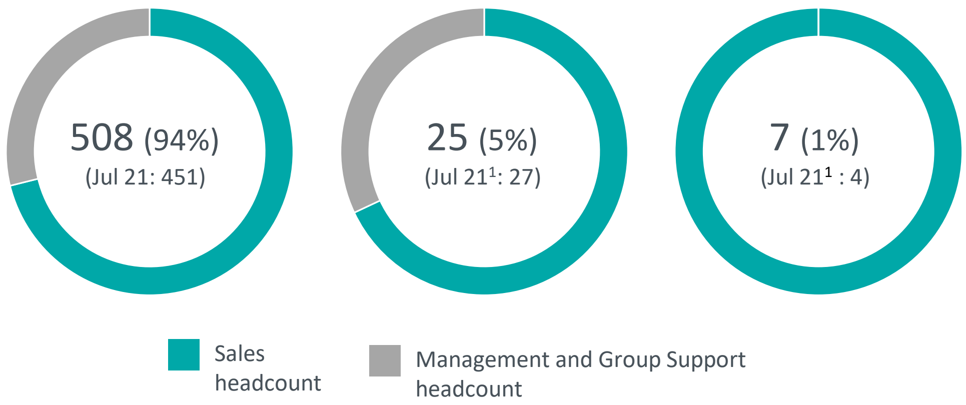
Group total headcount at 31 July 22

United Kingdom
(£41.4m, 94% of Group NFI)

Americas
(£2.4m, 5% of Group NFI)

EMEA
(£0.3m, 1% of Group NFI)



GLOBAL HEADCOUNT[1]
540
(Jul 21: 482[1])
12% higher than prior year

SALES
386 (71%)
(Jul 21: 344 71%)
12% higher

MANAGEMENT & SUPPORT
154 (29%)
(Jul 21: 138 29%)
12% higher

[1]Headcount as presented above is as at July 2022 and relates to group headcount excluding all discontinued operations in Mexico, South Africa and China

Continuing underlying PBT

Period to 31 July	2022			2021 (restated)				
	Continuing Reported £m	Adjustments £m	Continuing underlying[2] £m	Continuing Reported £m	Adjustments £m	Continuing underlying[2] £m	Continuing reported change %	Continuing underlying change %
Revenue	403.3	-	403.3	415.7	-	415.7	-3%	-3%
Contract NFI	31.4	-	31.4	31.3	-	31.3	+0%	+0%
Contract gross margin (%)	*7.8%*		*7.8%*	*7.5%*		*7.5%*		
Permanent fees	12.8	-	12.8	10.8	-	10.8	+18%	+18%
Gross profit (NFI)[1]	44.1	-	44.1	42.1	-	42.1	+5%	+5%
Gross margin (%)	*10.9%*		*10.9%*	*10.1%*		*10.1%*		
Admin expenses	(49.2)	5.6	(43.6)	(40.2)	0.4	(39.8)	+23%	+10%
EBIT	(5.1)	5.6	0.5	1.9	0.4	2.2	n/a	-78%
NFI conversion (%)	*-11.6%*		*1.1%*	*4.5%*		*5.3%*		
Operating margin (%)	*-1.3%*		*0.1%*	*0.5%*		*0.5%*		
Financing	0.3	(0.6)	(0.2)	(1.1)	0.7	(0.4)	-129%	-40%
(Loss) / Profit before tax	(4.8)	5.0	0.3	0.8	1.0	1.8	-690%	n/a

1. NFI is calculated as revenue less contractor payroll costs
2. Continuing underlying results exclude the NFI and profits / (losses) before taxation of discontinued businesses predominantly being operations in Mexico and South Africa (2022: £(0.3)m, 2021: £(1.2)m), non-underlying items within administrative expenses in 2022 primarily relating to employee restructuring and fees associated with exiting properties (2022: £0.6m, 2021: £(0.2)m), amortisation of acquired intangibles (2022: £0.4m, 2021: £0.5m), impairment of acquired intangibles and right of use assets (2022: £4.6m, 2021: £0.2m) and exchange (losses) / gains from revaluation of foreign assets and liabilities (2022: £0.6m, 2021: £(0.7)m).
3. NFI commentary is on a continuing underlying like for like basis

Profit after tax and EPS

Period to 31 July	2022			2021 (restated)			
	Total reported group	Continuing reported	Continuing underlying	Total reported group	Continuing reported (restated)	Continuing underlying (restated)	Underlying change
	£m	£m	£m	£m	£m	£m	%
(Loss) / Profit before tax	(5.2)	(4.8)	0.3	(0.4)	0.8	1.8	*-86%*
Taxation	0.5	0.5	(0.2)	(0.0)	(0.0)	(0.1)	*+17%*
(Loss) / Profit after tax	(4.7)	(4.3)	0.1	(0.4)	0.8	1.7	*n/a*
Earnings per share							
	pence	pence	pence	pence	pence	pence	
Basic	(14.5)	(13.4)	0.3	(1.4)	2.4	5.3	*-94%*
Diluted	(14.5)	(13.4)	0.3	(1.4)	2.4	5.3	*-94%*
Dividend per share			0.0			1.5	

- Basic continuing underlying EPS 0.3 pence per share (2021: 5.3 pence per share)
- No proposed final dividend (2021: 1.5 pence)

Pro forma underlying loss before tax reconciliation

Period to 31 January (£'m)	2022	2021 (restated)	Change
Group Loss before tax	(5.1)	(0.4)	(4.7)
Add back: discontinuing Loss before tax	0.4	1.2	(0.9)
Continuing (Loss) / Profit before tax as reported	**(4.8)**	**0.8**	**(5.6)**
Non-underlying Items	0.6	(0.2)	0.8
Amortisation of intangibles	0.4	0.5	(0.1)
Impairment of goodwill & right of use leased assets	4.6	0.0	4.6
Foreign exchange differences	(0.6)	0.7	(1.2)
Continuing underlying Profit before tax	**0.3**	**1.8**	**(1.6)**

Cloud-based Software: Treatment of Implementation Costs

Following the IFRS Interpretation Committee's agenda decision published in April 2021, the Group changed its accounting policy relating to the capitalisation of certain software costs, specifically relating to the capitalisation of implementation costs such as configuration and customisation costs for cloud-based software under Software-as-a-service (SaaS) arrangements. This change in accounting policy has been applied to all relevant capitalised intangible asset costs held on the balance sheet, restating prior period information.

	Underlying profit before tax	Net assets	
	FY 2021	01/08/2020	31/07/2021
	£m	£m	£m
As previously reported			
Restatement of discontinued operations			
As previously reported	3.2	39.8	40.9
Adjustments relating to cloud-based implementation costs	(1.4)	(4.7)	(5.8)
Restated	1.8	35.0	35.1

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