

TrustPortal Crowdfunding “Series B” Information for Investors

Note: if you’re new to TrustPortal see Appendix B, for a glossary of terms and links to help explain the background to TrustPortal and RPA.

Background

In April-June 2021 we went through our first external funding round via Crowdfunding (effectively a “Series A” round), which was a great success and raised £1.18m. This investment was targeted primarily on increasing sales, pre-sales and marketing capability.

Since then, we’ve been extremely busy, with key highlights as follows:

- On-boarding 5 new sales and marketing hires, all with deep experience and a track record of success in the RPA industry:
 - Stephen Tickhill, Chief Revenue Officer; Senior Sales Director at Blue Prism
 - Nick Hall, Head of Marketing; Highly experienced marketer from Blue Prism
 - Hugh Pelling, Account Director; Blue Prism sales
 - Faye Bonsing, Account Director; Blue Prism sales
 - Deven Khandhadia, Senior Pre-Sales; Over 10yrs Contact Centre experience
- Launch of our TrustPortal V2 product in Nov 2021 with over 300 improvements, among the most important being:
 - New support for all the most widely used global RPA platforms including UiPath, Automation Anywhere and Microsoft PowerAutomate. This is in addition to our existing Blue Prism support
 - Introduction of our new Software as a Service (“SaaS”) platform including new TrustPortal Application Programming Interface (“API”) and Tasks “MiniBot”. This higher-productivity robots, performance is enhanced, as well as reducing the need for Business Process Management/Workflow tools
 - Provision of higher staff productivity through support for multiple robots/MiniBots dynamically updating multiple forms in parallel
 - Enhanced support for digital channels (e.g. Interactive Voice Response, chatbot, web etc), integration into other enterprise tools (e.g. Salesforce, ServiceNow, Microsoft Dynamics), simpler AI integration, and support for end-to-end process digitisation and automation
 - Introduction of a simplified “per-user” pricing model for TrustPortal SaaS services
- A major overhaul of TrustPortal Marketing:
 - A full re-branding and re-positioning of TrustPortal as the enterprise HyperAutomation platform, delivering HyperAutomation without the hype, and “better work, smarter”
 - A full rebuild of our website (www.trustportal.org), including compelling new videos showing how TrustPortal transforms the multi-channel contact centre,

end-to-end digitisation, employee self-service/back-office and shared services/BPO (Business Process Outsourcing)

- A full market 'hard' launch of TrustPortal, effectively reiterating our strong position in the market, including:
 - Very positive Analyst commentary from Bloor and TechMarketView with more commentary expected from other analysts soon
 - Great press commentary from Information Age, Computer Weekly, Digitisation World and others to come soon
 - A significantly enhanced LinkedIn campaign focussing on delivering HyperAutomation without the hype, including new videos on "This is what HyperAutomation looks like..."
- Great outcomes with our clients and partners:
 - 100% of our key clients have renewed and increased their use of TrustPortal, and significant new wins include Bell Canada and a large South African bank
 - Our flagship client, Telefonica, quickly and easily went live on TrustPortal V2 within weeks of its availability, as part of Phase 2 of its digital transformation programme. This proves the stability and scalability of our V2 platform.
 - Significant increase in focus and investment from Blue Prism, one of the market leaders in RPA, including joint propositions with Amazon Connect and our SaaS offering to enhance the original Service Assist on-premise go-to-market approach. We have also had a significant increase in interest from existing and new resellers, especially on the back of our support for UiPath, Automation Anywhere and Microsoft, as well as our MiniBots.
 - New Value Added Reseller - VAR agreements - in process with NTT Data, Digital Workforce and Robiquity.

In summary, the new TrustPortal sales team, combined with the launch of TrustPortal V2, and TrustPortal's new market positioning as "The Enterprise HyperAutomation Platform" has caused a very significant increase in interest with clients and partners and this is already having a strong impact on our sales pipeline.

The competitive marketplace for talent means our key sales hires were 3 months later than planned. However, despite this we are still on track to hit our first-year revenue targets (see Appendix A).

In summary, despite Covid and hiring headwinds we are extremely pleased with what we have achieved in only six months.

Given the significant growth of interest and pipeline from Trustportal v2, combined with the timelines involved in hiring, we've decided we need to get ahead of this demand, and are now looking at a "Series B" investment round to:


- 1) help us scale even more quickly, enabling partners more quickly and assist them to capturing more new clients
- 2) continue our focus on world class retention rates to underpin organic client expansion.

Overview of our “Series B” round

The most significant change for us as a business has been the introduction of TrustPortal V2, the new SaaS and MiniBots, and our support for all the market-leading RPA tools, in addition to our existing Blue Prism support.

This increases our total addressable market (TAM) by a factor of 5-10x, providing opportunity with clients and prospects that already have the newly supported RPA tools, and also through the systems integrators/resellers that are seeing double digit growth with RPA tools other than Blue Prism.

In the original “Series A” round we were very conservative in our revenue projections and excluded several significant revenue-drivers from our projections in order to simplify the model:

Included in Plan	Excluded from plan
 Initial License Sales from New Customers	Selling further licenses to existing/new customers Software-as-a-Service revenues Consulting Revenues Revenues from New Modules avail Q2 2021 Revenues from supporting non-Blue Prism RPA Extra-Large deals over 250 robots (e.g. BPO deals)

In Nov 2021, we employed the ScaleUp Group to create a far more detailed plan, which included some of the revenue-drivers excluded from the “Series A” plan – specifically the move to SaaS and the opportunity of selling to new prospects and upselling existing customers.

This new plan has shown that without changing the number and size of projects as originally planned in the first round, we are very confident of **being able to double our revenues over the next three years** (see Appendix A).

This represents approximately a 100% improvement over the original plan. It is worth noting this new plan continues to exclude selling more deals or larger deals, even though we fully expect this based on our V2 support for the major enterprise RPA tools.

Scale of Raise / Use of Investment

We have therefore decided to raise £2m (with a maximum of £2.5m), initially with existing shareholders, followed by crowdfunding and/or Venture Capital, if necessary.

The main uses for the £2m investment are:

- Enhancing the Customer Success and Partner Enablement team (~25%)

Given the significant increase in interest from partners given our support for multiple RPA tools, we need to increase our training and support capability

Similarly we need to enhance our customer success team, to help both customers and partners make the most of TrustPortal, and drive successful programmes

- Increasing the SaaS support team (~25%)

At the moment ~70% of our pipeline is for our improved SaaS version of TrustPortal. Hence we need to increase the support for this platform, especially for larger mission-critical clients

- Enhancing the sales and pre-sales support to partners (~50%)

Given the increased demand from partners, we need to increase the number of sales and pre-sales to assist them to scope and close new deals

Note that as TrustPortal v2 is already built and live we don't need any further investment to increase the development team

Note: At the time of writing, we have 8 VC's positively engaged via the support of the ScaleUp Group. **However, given that all the support to date has been provided by Crowdfunding shareholders, we're keen they should have the first opportunity to invest.**

Timing of Raise

We are in the fortunate position of not needing investment for cashflow reasons – we have £1m in the bank and existing costs being covered for ~12months even with no new sales

And in our initial crowdfunding plan, we didn't need any further funding, with growth being funded organically by new deal revenue ...

So why do a new raise now?

The increase in demand from v2, combined with the time it takes to get new staff on board and productive, means we believe we need to invest further to address two main risks:

- Upside risk; we are seeing significant increase in interest from resellers and clients and if we don't have sufficient resources to effectively support and enable them, our market perception and revenues could be negatively impacted.
- Downside risk; Given the significant increase in potential revenues and hence valuation from our new modelling, we need to ensure that sufficient resources are dedicated to delivering or exceeding our existing sales plan.

If we waited until deals are signed and cash in the bank, combined with the lead time to find and make new staff productive, we believe this will cause unnecessary stress on the business, with the potential to have brand damage if we cannot sufficiently support this demand

Valuation for “Series B”

In our original crowdfunding “Series A” round, we used a very simple valuation:

$$\begin{aligned}\text{Company Value} &= \text{Annual Revenues} \times 8 \\ &= \text{£1.65m} \times 8 \\ &= \text{£13.2m}\end{aligned}$$

The use of a 8x multiple was based on the minimum average enterprise value/revenue multiple that BluePrism had achieved in the prior year, as Blue Prism was the only RPA tool we supported.

In this Series B we are using an updated valuation:

$$\begin{aligned}\text{Company Value} &= (\text{H1 Sales} \times 2) \times 12 \\ &= (\text{£1.6m} \times 2) \times 12 \\ &= \text{£38.4m}\end{aligned}$$

The rationale for this increased valuation is:

- Halfway through our investment year (1/8/21-31/7/21) our contracted sales are ~£1.6m – hence just extrapolating this to the rest of the year, we should have doubled sales (i.e. £3.2m)

(Note: Based on our pipeline we believe we should achieve revenues very close to our original projections of £4.1m, but are being conservative)

- As we now support multiple market leading RPA tools, including UiPath, these tools currently have a much higher revenue multiple. UiPath’s enterprise value/revenue multiple is currently over 20x, so we’ve been conservative in using 12x

(Note: Also based on the customer base of different RPA tools then an increase from 8x to 12x times revenue is conservative. Previously we only supported Blue Prism which has ~2000 customers, but UiPath has ~7000, AA ~3000 and Microsoft have 100,000s)

- Our projected revenues based on improved modelling by ScaleUp Group have approximately doubled (See Appendix A)

Enterprise Investment Scheme (EIS)

We have already received “advanced notice” from HMRC that this investment should be covered by the EIS scheme and investors should be able to get the substantial tax reliefs that this scheme provides

Investment Offer

Current shares issued to date = 4,360,480

New valuation (see above) = £38,400,000

Share value = £8.81

Hence £2m will be raised through the issuing of **227,015 new shares @ £8.81/share**, taking the total number of shares to 4,587,495

This share issuance will dilute existing shareholders by **~5.2%**

Appendix A

Performance to Date

Our revenue projections for the “Series A” raise were based on the concept of the “investment year” – i.e. the year following investment hitting our bank. Hence our investment year is 1st August – 31st July

Revenues	End-Jan (H1)	End-July (H2)	Comments
Projected Sales from “Series A” plan	£1,488,000	£4,139,250	
Contracted Sales/ Current Pipeline	£1,624,000	£ 4,730,000	From salesforce.com extract @ 29/1/22

Detailed Pipeline View

This is a current view of pipeline at end of January 2022 (end of H1)

Type	Amount	Description
Won	£1,624,000	Includes new wins and contracted renewals
Negotiating	£1,127,000	Existing customers buying more or new customers selected TP and in commercial negotiations
Proof-of-Concept	£845,000	Delivering proof-of-concepts and/or waiting for first use case
Needs Analysis	£1,545,000	Scoping requirement with clients
	£ 4,730,000	

Notes:

- This is the weighted pipeline 6 months into the financial year – i.e. there’s 6 months to add new opportunities on top of this existing pipeline, including with new go-to-market opportunities with UiPath, Automation Anywhere, Microsoft and/or their resellers
- This excludes the pipeline from the Blue Prism resell of TrustPortal (“Service Assist”) as well of other partners
- This excludes c50-100 opportunities that we did not have sales capacity to follow up over that last 12-18 months, and are now actively being targeted by our new sales team

New Revenue Projections over Time

As discussed above, with the help of the ScaleUp Group, we re-modelled our revenues to include SaaS and 20% upsell per year on new clients, our revenue projections changed significantly.

Note that we have still excluded:

- increased number of sales due to having multi-RPA (UiPath, AA, MS) support, even though we've had a significant increase in interest from resellers because of this capability
- large deals over 250 robots (e.g. for contact centres over 2,500 users), even though we have several deals bigger than this in the pipeline already

Note the original projections were based on revenue, whereas new projections are based on the more strict/recognised ARR metric (Annual Recurring Revenue):

	Original "Series A" Projections (Revenue)	Revised "Series B" Projections (ARR)
1/8/21 – 31/7/22	£4.14m	£4.42m
1/8/22 – 31/7/23	£9.15m	£12.45m
1/8/23 – 31/7/24	£18.47m	£31.05m
1/8/24 – 31/7/25	£34.74m	£68.76m

Appendix B – Glossary of Terms

References:

Main website: <https://www.trustportal.org>
 Demos of TrustPortal: <https://www.trustportal.org/demos>

External Commentary/TrustPortal in the press:

[TechmarketView \(Detailed Report requires free registration\)](#)
[Bloor Research](#)
[Information Age](#)
[Digitalisation World](#)
[Computer Weekly](#)

Terms Used

Term	Description
TrustPortal HyperAutomation	<p>Software that works across the enterprise to transform end-to-end processes from the front-office to the back-office, and across all channels</p> <p>Combines the best of people, RPA, AI and digital to deliver “hyper”-levels of digitisation and automation, irrespective of the complexity of an organisations legacy IT estate</p>
RPA	<p>Robotic Software Automation (aka “software robots” or “digital workers”).</p> <p>RPA is software that emulates humans accessing systems, going through defined processes</p> <p>Examples of RPA software support by TrustPortal include UiPath, Automation Anywhere, Blue Prism, Microsoft PowerAutomate</p> <p>For an example of RPA in action, see a younger Chris explaining this in this video: RPA in action</p>
Minibot	<p>A TrustPortal service that acts like a “mini” RPA digital worker, serving one specific purpose, typically offloading work from “full” digital workers</p> <p>NB. The TrustPortal Minibots are only available on the TrustPortal SaaS</p>
API Minibot	<p>A TrustPortal Minibot that provides high-throughput, concurrent access to systems via Application Programming Interfaces (API’s)</p>

	<p>The API Minibot is used to increase the productivity of existing “full” RPA digital workers by removing all work related to accessing data via API’s, including accessing multiple API’s in parallel</p> <p>For simple scenarios, the API Minibot can sometimes replace the need for RPA robots entirely (e.g. get data from API’s, put data into pre-defined form, send to TrustPortal)</p>
<p>Tasks Minibot</p>	<p>A TrustPortal Minibot that provides task management, similar to a workflow system.</p> <p>An RPA digital worker defines a task, then sends it to the TrustPortal Minibot that handles sending it to all users in a group, locking/unlocking tasks, reallocating tasks, reporting etc.</p> <p>For simple workflows the Tasks Minibot may mean that a separate BPM system may not be required to hand-off work to staff</p>
<p>TrustPortal SaaS</p>	<p>The TrustPortal Software-as-a-Service (SaaS) is a highly-scalable, highly resilient deployment of TrustPortal accessed via the internet</p> <p>Using the TrustPortal SaaS removes the need for clients to setup their own infrastructure, and support and manage a TrustPortal service. Also the TrustPortal SaaS allows clients to “start small” but seamlessly grow to support the who organisation in a simple, cost-efficient way</p>