CIVICA

2020
CEO's Review

For the year ended
30 September 2020

We will all remember 2020 as a year that no one could have predicted. I'm enormously proud of the way our exceptional team responded with such remarkable resilience and commitment during the year, supporting our customers and communities. I'm equally proud of the results that we have achieved, continuing our stellar record of delivering growth through a period of enormous change and challenge.

As an early signatory to the C-19 Business Pledge, we focused throughout the year on safeguarding our people and communities, as well as responding with new resources and rapid innovations for our customers. This ongoing focus on people and software solutions has underpinned another robust year for Civica.

For more than 25 years our software has been helping to deliver improved public services and better outcomes for people and communities around the world. During 2020 public services and their partners were stretched like never before. Having demonstrated the speed with which new digital and cloud based solutions can be conceived and deployed, organisations are now building on that experience. We remain committed to advancing new and stronger ways of working enabled by digitisation and the application of new technologies.

Business review

Civica demonstrated great resilience and once again performed well during the year despite the disruption of COVID-19. Supported by a balanced investment in our people, our products and our platform, we built on the foundation of our cloud software and our ability to apply local specialist knowledge across multiple markets. This saw us maintain our track record of operational and financial performance while creating new exciting opportunities and adding new capabilities.

During the first six months to March 2020 we continued our uninterrupted growth record with progress across our core markets. Following the Coronavirus outbreak we moved quickly to enable our 5,000 employees around the globe to work from home supported by our established practices and infrastructure. Having worked hard to provide enhanced support for our people and our customers, we were delighted to achieve excellent employee and customer satisfaction ratings across the business.

Following our start to the year we maintained our sales momentum with a record order intake overall. Our cloud software is used to deliver critical activities for the public sector – which is one of the key reasons why we increased the volume of major sales by 18 per cent. With our clear vision, we further progressed the strategy that has underpinned the Group's double-digit compound growth in revenue and profit across nearly two decades.

During the year we were also delighted to receive significant recognition. This ranged from individual awards for our people and as an employer of choice, to our cloud and digital solutions including Best Cloud Finance Solution at the UK Cloud Excellence Awards for our work with South Tees Hospitals NHS Foundation Trust.

I'm enormously proud of the way our exceptional team working alongside our customers, responded with such remarkable resilience and commitment to the challenges of the year.

Resilient markets

Civica's performance is enabled by our scale, focus and track record as a trusted partner across a large, diverse and engaged customer base. Overall revenues for the year were £424.9 million (2019: £425.6 million). EBITDA* increased by 4.6 per cent to £93.1 million (2019: £89.1 million) with continued strong cash generation at 94 per cent of EBITDA.

Civica is focused on the same market sectors across the UK & Ireland, Asia Pacific and North America. UK & Ireland revenues increased to £327.6 million (2019: £327.3 million). This was led by a growing contribution from our health & care, social housing and democracy divisions. Revenues from Asia Pacific and North America made up 23 per cent of Group turnover.

Cross-selling of our software across markets and geographies under our Endeavour programme is a strategic focus and I am very pleased with our systematic approach. With five key UK-developed products now sold into the Asia Pacific market during the year, we are helping our customers benefit from our global investment.

Our markets are characterised by a high level of legislation, increased automation and greater consumer expectations of public services. For our customers the pressures of social and economic change and increasingly stretched resources are driving the acceleration of digitisation and automation. With Civica software at the heart of public services, the Group is well placed to help our customers transform digitally to improve their service delivery and efficiency.

Accelerating cloud and innovation

Already recognised as a foundation for innovation and transformation, cloud technology took on further significance during 2020. As a strategic imperative we have invested significantly in the year to increase our focus on our cloud software, supporting our customers as they move to new and more flexible ways of working. We accelerated the execution of our cloud strategy and the adoption of software-as-a-service solutions. We grew the use of cloud with existing and new customers, including approximately 75 per cent of new customer sales.

During the year we introduced new products and services for customers, delivered large-scale and award-winning digital solutions and added high quality software assets via acquisition, consistent with our strategy.

Rapid new innovations to support the local response ranged from the COVIDCare NI app, a global first developed with the Northern Ireland Department of Health, to a track and trace application for the London Borough of Redbridge. We also delivered updated software to deliver new legislation, such as allowing UK local authorities to deliver £1.6 billion in new grants and supporting the first online voting for UK Members of Parliament.

Through our proven product strategy framework, we continue to apply innovation throughout the business. Our NorthStar lab is driving our position as an innovation leader for public services through the acceleration and application of new ideas and technologies. With a particular focus around automation, data and devices, Civica NorthStar is a catalyst for new products such as Aurum, Civica's AI-based analytics solution for the health sector.

* EBITDA is earnings before interest, tax, depreciation and amortisation.

Complementary acquisitions

Acquisitions are central to tour strategy, complementing organic growth, increasing our capabilities, adding market breadth and depth and expanding our addressable market. With proven processes and a consistent strategy managed by our in-house team, Civica has completed and successfully integrated 35 acquisitions in the last 10 years.

We continued to explore opportunities during 2020 albeit with a more prudent approach in view of the unpredictable events. The Group made two further acquisitions, adding market-leading software assets and expertise aligned to our cloud strategy:

•   Digital health specialist InfoFlex strengthened our position in the health sector, complementing our existing software to support the delivery of integrated health care

•   Software-as-a-service provider Fretwell-Downing added to our compliance portfolio with catering management software in particular for the education sector

During the year we moved swiftly with our acquired capabilities. For example, following the integration of iCasework, we secured new and higher value contracts, sold the product into the Asia Pacific market, built on the platform to deliver Civica's next generation legal and Coroners software and launched Community Helper to support the response to COVID-19.

The Group completed a number of further acquisitions after the end of the financial year. We remain active with the support of our investors in reviewing further opportunities to expand scale and capability in core markets, for which a good pipeline exists.

As we adapt to an evolving situation in 2021 I would like to applaud the tireless efforts of our public services and other providers in responding to the changed needs of people and communities.

People & social value

Our strength lies in Civica's people and purpose-driven culture. With our deep sector and software expertise we build durable long-term relationships based on a shared purpose and commitment, which was undoubtedly highlighted throughout 2020.

Civica's position as an employer of choice continues to be recognised and is supported by strong employee feedback, including an excellent Net Promoter index of +50. A Glassdoor Employees' Choice award winner and one of the top 75 companies in the Financial Times Diversity Leaders list, we work hard to ensure Civica remains a great place to work with a strong focus on employee engagement, development, inclusivity and wellbeing.

During the disruption of this year we have given our people the support and flexibility to meet the needs of remote working with additional support to balance home and work lives. This has been boosted by our focus on positive health, including Employee Assistance and Mental Health Champions programmes.

Our well established programmes for learning, development and leadership are focused through Civica's Learning Academy. During 2020 we delivered 200,000 hours of training, using new online formats to reach our people. With customers and communities at the centre of all we do, we again won and delivered some great projects alongside customers – but with the notable addition of delivering these remotely.

We continue to make progress in creating social value. Through our work Civica helps organisations around the world to deliver better outcomes for communities. During the year we maintained our support for charitable and community initiatives including for Young Enterprise and Action for Children in the UK and Whitelion and Room to Read in Australia. Our people also responded with energy and drive for causes close to their hearts in the response to COVID-19 alongside our normal charitable effort.

Continued investment in our platform

Civica's global operating platform underpins our activities and provides a foundation for scalable growth. We've continued to develop the platform to support our sustainable growth and made strong progress with our structured operational excellence programme, Centum.

Centum is designed to support the Group's strategic development and the way we operate. Supported by an embedded programme office, it comprises a series of continuous improvement initiatives across the company focused on accelerating our growth and enhancing operational efficiency.

We invested in our programmes for development, service delivery, sales and commercial management, and launched a stronger and more distinctive brand. We again grew our team in Vadodara, India, to almost 600 colleagues, providing an outstanding resource to support all parts of the business globally through development productivity and back-office efficiency.
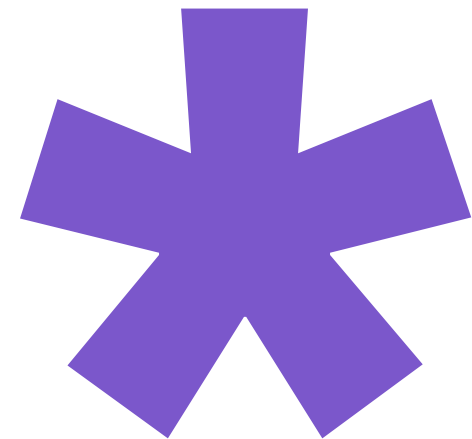
Growth outlook

Civica has a leading position in a large and growing market. We have responded to the challenges of 2020 while making good progress with strategic developments focused around cloud, digital enablement and innovation. We remain committed to the further execution and evolution of our successful strategy, in support of both the needs of customers to transform digitally and to build on the new ideas and innovations conceived out of necessity during this truly unprecedented year.

As we adapt to an evolving situation in 2021 I would like to applaud the tireless efforts of our public services and other providers in responding to the changed needs of people and communities. I would also like to thank all our employees for their continued outstanding response for customers and colleagues and their amazing resilience. Without doubt this has helped ensure our business continuity and our strong performance.

With our track record of product innovation and delivery along with the strategic development of the business, we are confident that Civica is well positioned to support rapidly evolving customer needs and opportunities. We continue to see a very positive outlook for the business.

CIVICA

2020
Markets Review

Building the smart software that
helps improve public services

Civica's software solutions are used to deliver better outcomes and greater efficiency right across the public sector.

Our cloud software is used by over 4,000 customers globally, supporting increasing digitisation and automation, all of which is underpinned by our deep sector expertise and technology know-how.

Local and Regional Government

Civica is helping local authorities around the world to transform community engagement and operational efficiency. We apply local knowledge on a global scale to address the increasing demand and expectations of citizens, which were magnified significantly during 2020.

Responding to COVID-19

We responded rapidly to help authorities support vulnerable people and maintain services while adapting working practices. We updated our software to deliver new capabilities and support new measures. This allowed our UK customers to provide over £1.6 billion in critical grants within weeks of emergency legislation and US customers to distribute funds under the Coronavirus Aid, Relief and Economic Security Act. Our payments software, which is used to process around £2.5 billion in secure transactions, also ensured payments to authorities could be maintained online throughout the pandemic.

Using our flexible iCasework platform, we developed Community Helper and Track and Trace software to enable authorities such as Liverpool City Council and the London Borough of Redbridge to co-ordinate local activity. We also supported council partners directly via our OnDemand contact centre and processing services, handling a high level of enquiries and ensuring provision of the right information and services to local communities.

With a strong performance on remote implementations, the Group maintained project delivery while accommodating movement of our own and council employees to working from home. Examples ranged from the Publica shared service in the UK to Hamilton City Council in New Zealand.

" Civica was the perfect partner for this project. The speed of delivery was absolutely remarkable. **"**

London Borough of Redbridge.

Business review

During the year we grew the use of our products including cross-border sales. Civica signed more than 110 new or extended contracts for our software, from digital engagement and case handling to people and financial management.

In the **UK & Ireland**, we secured excellent new agreements across our product range. These included core revenues and benefits software for Oxford City Council, the London Borough of Barnet and Stroud District Council, and for 4 authorities via shared public company Publica. With ongoing focus on shared services in the sector, we built further on our leading position with new wins also for our financials and HR and payroll software.

We continued to support accelerating cloud adoption and digitisation and to invest in new technology. Our latest Regulatory Services suite, built on Civica's Cx platform, has now been selected to support more than 25 authorities. This includes Kent County Council which expects time savings of up to 80 per cent in its Trading Standards department. Our award-winning pension administration system also saw Civica secure new contracts worth over £5 million with Essex and Hampshire county councils and the London Borough of Southwark. With good new business supported by our place on the national Local Government Pension Scheme (LGPS) framework, our software now supports around 44% of the LGPS membership, plus police and fire services.

The Group's democracy & engagement business maintained a robust performance including support for the annual canvass of households to update the electoral register. Our Xpress mobile canvasser app became even more relevant, and we provided enhanced support for remote meetings within our paperless meeting app including in-app voting.

We also maintained our track record in strategic partnerships, for example with Hull City Council. Here, the partnership has created more than 150 jobs and £6.4 million in financial benefits while supporting digital transformation across the city.

In **Australia and New Zealand**, we launched our new cloud optimised local government software suite, Authority Altitude. The latest evolution of Civica's Authority system is designed to improve community engagement and streamline council operations, including a range of mobile applications. It was selected by Palmerston North City Council, for example, as part of a wider transformation programme.

The business reinforced its position with existing and new customer programmes, such as at Snowy Monaro Regional Council where the joint project team migrated 1.2 million electronic documents and converted 31 million rows of data. We also extended our software-as-a-service applications for asset inspection and maintenance and road management. We continued to work with the state government of Victoria to develop the software platform and the successful delivery of business process services for the integrated management of infringements, fines and warrants.

Following major natural disasters Civica responded to help the New South Wales Office of Emergency Management. This sped up vital claims processes for bushfire and flood affected councils using our Recover mobile and cloud software, which was also recognised with the 2020 Mobile Innovation Award at the Australian Business Awards.

A preferred partner in **North America** for local governments in the Midwest, our Enterprise Resource Planning solutions form the backbone to operations across core functions of tax, finance and payroll.

Government and Justice

Civica is a trusted digital partner for more than 40 departments and agencies and their local partners. We design, build and deploy responsive digital services and workplace solutions to drive a better experience for the public and improve productivity for customers.

Business review

During the year we expanded our activities to modernise customer engagement and reduce costs for government in response to markedly changing circumstances including Brexit. Despite the disruption brought on by COVID-19, we secured further engagements at the Home Office, Ministry of Justice, DEFRA and Ministry of Defence, and their aligned agencies.

With the digitisation of public services accelerating, the Group secured new digital partnership agreements including with Education Scotland and UK Road Offender Education. We also extended existing products, such as our innovative CRaSH software for road traffic collision management, adding new capabilities including online payments. And recognising the need for systems modernisation we launched a new Application and Platform Health Assessment.

Civica continued to build on our strong position in Northern Ireland. Together with new engagements for the Department of Finance and the Department for Communities, we developed the global first COVIDCare NI app with the Department of Health. Our Coding for Kids work with schools was also shortlisted for the Tech for Good project of the year.

The Group's growing range of products and services are available through the UK's Digital Marketplace, under the G-Cloud and Digital Outcomes and Specialists frameworks.

iCasework is our leading AI-assisted Software as a Service (SaaS) solution for intelligent case management. It is used by 130 organisations including the Home Office, HM Courts & Tribunals Service and the Commission for Equality & Human Rights. During the year we expanded sales into the Australian market including to the Government of South Australia.

As well as providing the capability to deliver our Community Helper and Track and Trace applications to support the response to COVID-19, we built on the iCasework platform to deliver Civica's next generation legal management system and new software for Coroners. Almost 50 customers have already selected these innovative products.

As organisations look to become more data driven, Civica is also helping customers like the Bank of England and Ministry of Defence turn data into usable insights. We provide a broad range of services to help organisations turn data into actionable outcomes, using our trusted data platform and intelligence tools including embedded and predictive analytics. We also continued our work supporting critical infrastructure and national security.

Civica delivers democratic processes for a wide range of customers. Successful large-scale programmes included the UK's general election and the Labour Party leadership contest. With the advent of COVID-19 we enabled the switch to online and remote voting with our CESvotes platform, including the first ever online ballot for MPs in the UK Parliament.

Building on our software capability we also run complementary business process services and during the year extended our work with Network Rail and secured a new contract with the Health & Safety Executive.

Public Safety

In the **UK and Ireland** we provide software and digital solutions used by more than 100 police and emergency services. These range from automatic number plate recognition (ANPR), for which Civica is one of the delivery partners for the Home Office National ANPR Service, to digital enablement such as for the Police Service of Northern Ireland.

Our fire risk management software is used by more than half of UK Fire & Rescue Services, with the latest new contract signed with Essex County.

In **the USA** Civica is established in the justice market in Ohio. Partnerships with the State of Ohio Department of Public Safety, and the Ohio Supreme Court have positioned Civica as a trusted partner in the sector. Products include next generation 911 and emergency dispatch together with Authority RedHawk which provides officers with person or vehicle checks.

Health and Care

Civica works with 500 health and care providers in the UK, Australia and North America. Our cloud software is used to help improve clinical, financial and workforce outcomes and, while 2020 brought unprecedented challenges, we delivered a strong performance with double-digit revenue growth.

Responding to COVID-19

While maintaining business as usual, we immediately diverted resources to support the national response including new software capabilities. Our COVIDCare NI app, developed with the Northern Ireland Department of Health in just 10 days, was a global first and, with more than half a million downloads, reduced pressure on call centres.

Innovations included a new app to update frontline health care workers in the UK together with extending our CarelinkGo mobile software to provide alerts for carers in Australia. The Group's practical support also ranged from assisting NHS recruiters via our Trac platform, to using the Civica Experience platform to gain patient feedback.

Having shown the speed at which new digital solutions can be conceived and deployed, we remain focused on more agile and innovative ways of working to safeguard public health.

Civica brought everything to the table to help us with our public health intervention.

Dept of Health, Northern Ireland.

Business review

While recognising the huge demands on our customers during the pandemic, we secured more than 40 contracts in the **UK and Ireland**, underpinned by our cloud-first strategy. We also progressed our product roadmap and were delighted to be awarded Best Cloud Finance Solution in conjunction with South Tees Hospitals NHS Foundation Trust at the Computing Cloud Excellence Awards.

Good progress for our clinical information systems included agreements with Guy's & St Thomas', Pennine Care and Coventry & Warwickshire Partnership NHS Trusts. We advanced our growth strategy with the acquisition of Infoflex, adding highly complementary software for integrating care and treatment processes in the NHS used by 130 Trusts. We also gained momentum with Civica Prescribing software to modernise medicines administration.

Following the end of the financial year, we signed our largest deal to date in the sector to provide an integrated digital platform for Greater Manchester Mental Health NHS Trust. The deal, which builds on our Cito software, is worth more than £10 million. Earlier, the Greater Manchester Digital Platform adopted Civica's MultiVue software to provide a single view of citizen identity.

Increasing cloud adoption for our market-leading CostMaster software has led to exciting new innovations, included AI-based analytics solution Aurum. Developed in conjunction with our NorthStar lab, Aurum identified £40 million of potential savings from patient-level data in just 24 hours, in a pilot project with 6 NHS Trusts.

We also expanded Civica's workforce solutions to a unified capability for people management and performance. With the acquisitions of Agylia and Equiniti HR Solutions following the end of the financial year, our cloud suite is now used by 800 organisations to manage the recruitment, engagement, development, remuneration and wellbeing of employees.

In the residential care sector we continued to support customers through a very difficult environment, including new agreements. Following the end of the year, we acquired Medical Billing and Collection, the UK's leading medical billing provider to the independent care sector.

In **Australia and New Zealand**, the Group provides leading software for aged care, disability, mental health and family services. We won new customers for our Carelink cloud software including Simply Helping, Midway Community Care and Latrobe Community Health Service, and added new capability. Following take-up of CarelinkAir we launched our new Roster application, in support of an increasingly mobile workforce.

NewHealth is used by many of Australia's largest health insurers, including HCF, to engage customers through multiple channels. During the year we launched our latest cloud software, Ensure, to manage the complete customer journey together with a new claims platform.

Focused through our Endeavour programme, we continued to expand the use of Group products into Australia including our CostMaster and Civica Experience software.

We provide customers in the USA and Canada with our Paris patient record system and our Enterprise Master Patient Index (EMPI) software, which matches data across systems to ensure an accurate single view. The acquisition of learning technologies specialist Agylia, following the end of the financial year, added further to our activity in the USA.

Social Housing

Civica is the leading software partner for social housing, working with 400 housing groups, local authorities and their partners. Our cloud software is used to deliver more responsive and cost-effective services and an improved experience for 5.3 million tenants.

Responding to COVID-19

As in other sectors, we assisted customers in re-focusing resources to support tenants in their communities, such as software to manage provision of emergency accommodation to those in need. We also adapted software to enable repairs staff to deliver food and other services to vulnerable people and to direct hardship credits directly to tenants struggling with payments.

Business review

We continued Civica's strong momentum with Cx Housing, our innovative cloud software for social housing management. The customer-centric system supports priority areas of cloud deployment, self-service and staff mobility to drive the digitisation of housing services. Since launch more than 50 organisations have now chosen Cx and during the year we were successful with 75 per cent of new customer bids.

In the **UK and Ireland** we secured excellent new contracts including with the London Boroughs of Harrow and Redbridge, Your Housing Group and Places for People, the UK's largest provider of social housing. Worth more than £11 million, the latter programme will enhance the management of more than 90,000 homes on the foundation of an integrated property management solution.

The introduction of Cx into **Australia and New Zealand**, has expanded our addressable market, and we also gained new sales in the region including Unison Community Housing and Mission Australia.

Our Cx suite includes asset and contractor management applications to manage operations, workforce and finances more efficiently and meet compliance and safety requirements. Demonstrating the potential of the Cx platform, the same framework has also been used to develop our latest Regulatory Services software for local government.

Following the move to home-based working, we successfully switched to deploying new customer systems remotely, supported by our resilient infrastructure.

As well as enabling more flexible and efficient services and a better online experience, the greater adoption of cloud solutions provides a stronger foundation for future innovation. Civica is also providing customers with wider business solutions including the Group's financials, payment and HR and payroll software, as well as supporting tenant engagement and administering resident ballots through our democracy solutions.

Housing providers are increasingly recognising the benefits of better data management to enhance tenant services and efficiency and to drive innovation. Drawing on our deep data and business intelligence expertise we are helping the likes of top-ten housing association Sovereign to harness advanced data insights and reporting. Civica's MultiVue master data management software is also helping customers such as the Wheatley Group to create a single trusted view of its tenants.

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Education

Civica works with thousands of schools and colleges around the world to improve teaching, learning and administration, while helping library services to fulfil a vital educational, social and cultural role.

Business review

With the education sector suffering major disruption throughout 2020, we focused on areas of practical support including our cloud solutions. Following launch of our latest Spydus software, we also helped libraries to maintain services via our digital platform when physical branches were closed. Civica continued to support young people through our social programmes, including UK partnership with Young Enterprise, Civica's Coding for Kids initiative in Northern Ireland and Room to Read in Asia Pacific.

In the **UK and Ireland** Civica's broad portfolio includes education and resource management, financial management, HR and payroll, cashless catering and parent payments. We added new and complementary software assets with the acquisition of Fretwell-Downing in March 2020 and, following the end of the financial year, Parago Software.

Parago Software as a Service (SaaS) applications support more than 2,000 education customers around the world, helping to manage estates and assets and share resources between multiple sites. The addition of Fretwell's Saffron cloud suite extended our support in schools into catering management and food compliance. It enhances activities from child nutrition and allergies through to food waste reduction, and has enabled paperless working.

While education activity was impacted by continued uncertainty and restrictions, the experience reinforced the increasing focus on cloud adoption and digital enablement. Progress included adoption of our cloud financials platform by Northern Education Trust and Orchard Hill Academy Trust. And we continued to develop the use of Civica HR and Payroll software and services, with new customers including Bath and Wells Academies Trust, Babington School and South West Essex Academies Trust.

New digital engagements more widely included a transformation programme with Education Scotland to provide new digital tools and services to support its work alongside schools on quality and improvement in education.

Civica Assessments provides a cloud-based on-screen marking platform for high volume tests. It is used by awarding bodies, certifying authorities, testing organisations and other educational institutions, processing 2.5 million papers annually. Following the end of the financial year we extended our capability more widely for online assessments with the acquisition of Calibrand Ltd.

In **Australia and New Zealand** Civica software is used by more than a third of the schools market. Our cloud Education Suite brings together essential information management and teaching tools to provide the systems foundation to drive school improvement and efficiency. During the year the business continued to work closely with customers from individual independent and jurisdictional schools to large scale programmes, such as for the Department for Education South Australia.

Civica's customer-centric library software Spydus is at the forefront of library innovation, helping libraries embrace their role as modern day digital public spaces while improving services and efficiency. Take up of the latest software included, among others, two of Victoria's largest library services Eastern Regional and Yarra Plenty Regional Libraries, which manage combined loans of 9 million items annually, together with Queensland Technical and Further Education (TAFE). Use of AI in Spydus saw Civica win the 2020 Cloud Innovation Award at the Australian Business Awards.

We maintained our strong track record in **Singapore**, and extended our involvement with the Ministry of Education winning a new 5-year contract worth up to $95.7 million. The agreement sees Civica providing our latest library management software in the cloud together with library collection and professional services for over 350 schools, to support the Ministry's Learn for Life strategy.

CIVICA

[Our people in 2020

Rising to the challenge, showing team spirit

In a year like no other, our people around the globe proved to be resilient, dedicated and compassionate. Our continuous investment in our people and culture underpinned this and continues to make us a leading partner and employer of choice.

We're proud of our exceptional team and genuine culture which has shared values with the public sector – to improve the lives of citizens.

50+
Employee Net Promoter index

INVESTORS IN PEOPLE™
We invest in people Gold

Focusing on our people

During COVID-19, we quickly adapted many employee programmes to meet the needs of remote working. We ran a range of engagement initiatives: through our internal YourVoice programme, we maintained an excellent employee Net Promoter Score of +50, up 18 points on the previous year. Regular Pulse surveys during 2020 helped us understand the feelings and needs of our employees during the pandemic.

Additionally, we renewed our accreditation to the Investors in People Gold standard which Civica has held since 2019 and were acknowledged as a **2021 Financial Times Diversity Leader** for the second year running. In Asia-Pacific we were awarded as an **Employer of Choice** in the Australian Business Awards for the third year running.

THE AUSTRALIAN **BUSINESS** AWARDS®

E O C **EMPLOYER OF CHOICE** WINNER 2020

FT FINANCIAL TIMES statista | LEADER IN **DIVERSITY** 2020

Growing our strength and capability

Our global team grew by 760 people during the year, to more than 5,300 colleagues. Supported by the Group's consistent platform for workforce planning and talent acquisition, we welcomed new colleagues directly, as well as through the successful integration of five new acquisitions.

During 2020, we invested 200,000 hours in learning and development, including new online formats to reach more people. We ran a series of webinars and support groups to help our colleagues move to homeworking, including managing virtual teams and extra coaching for leaders.

Our **Civica NorthStar** innovation lab continued to encourage new ideas, tech innovations and virtual collaboration across the business supported by 100+ NorthStar ambassadors.

As a member of the 5% Club, we remain committed to our goal to make up 5% of Civica's workforce with apprentices and graduates.

5,300
global colleagues

760
new colleagues

200k
hours of learning and development

An inclusive, balanced workplace

We've taken further steps in 2020 to improve diversity and inclusion (D&I), raising awareness of the challenges people may face while ensuring we foster a culture of inclusivity and belonging. A signatory to the Tech Talent Charter since 2019, we're committed to inclusive recruitment and benchmarking progress against industry best practice.

In recruitment, we've worked towards reducing opportunities for unconscious bias. This includes anonymising CVs, using a decoder to ensure our adverts use gender neutral language and making sure that diverse interview panels represent all candidates.

We continue to champion women in technology, increasing the number of female employees through both development and recruitment of talented individuals. We were delighted that eight colleagues were shortlisted for the **Computing Women in Tech Excellence Awards**, with a winner in the Outstanding Transformation category.

As at 31 December 2020

	Female	Male
Number of employees	2,306	2,762
Of which managers	360	660
Of which senior managers	79	184
Of which Group directors	1	6
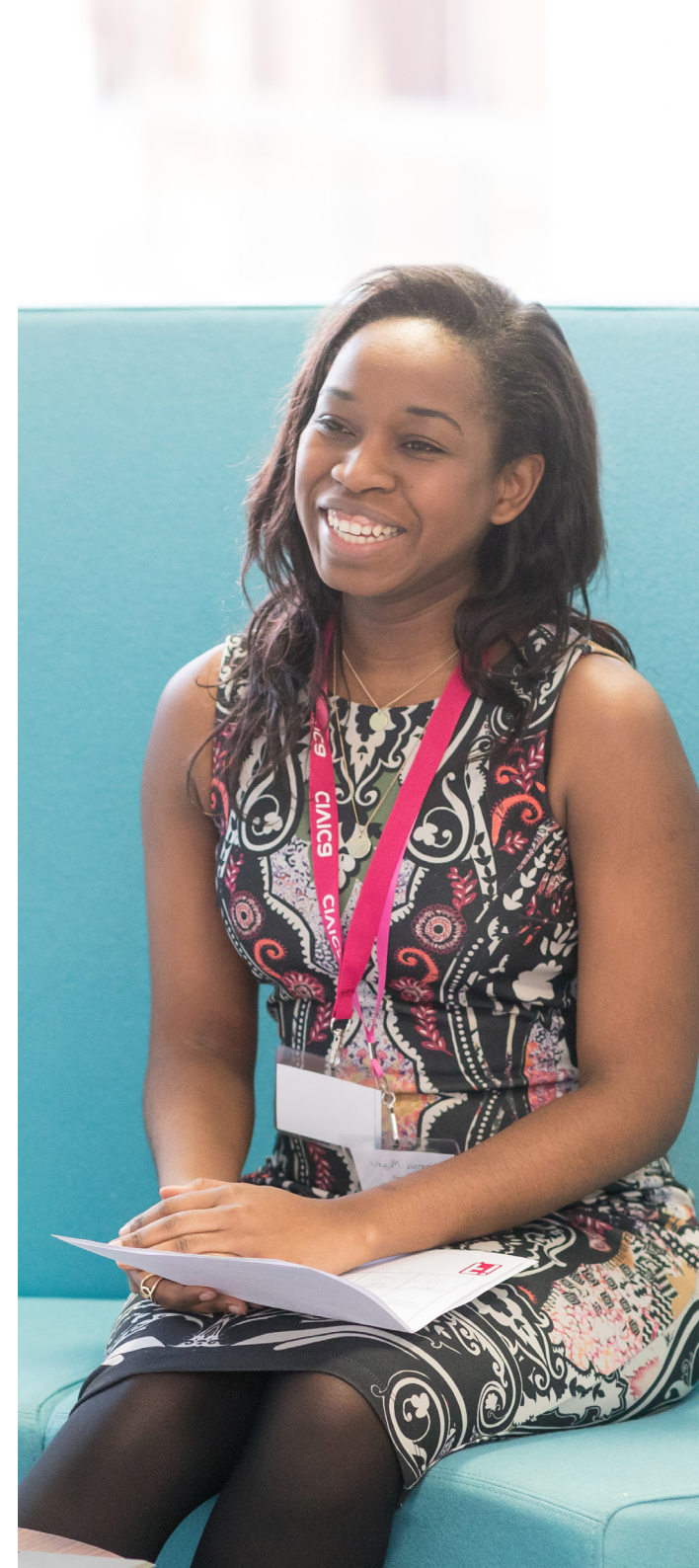
A charitable workplace

During 2020, Civica continued to support regular fundraising events in aid of its partner charities. Spearheaded through our Civica Foundation, these include Young Enterprise, Action for Children and the **#BoycottYourBed** campaign, Shelter and Water for Kids in the UK, and Room to Read and Whitelion in Australia. A wide range of further charitable events during the year included support for the Australian bush fires response, STEPtember for the Cerebral Palsy Alliance and the Movember Foundation, alongside a global charitable effort to help communities affected by COVID-19. Civica is also now a **White Ribbon Accredited workplace** in Australia, supporting victims of domestic abuse.

Focusing on our people

During COVID-19, we quickly adapted many employee programmes to meet the needs of remote working. We ran a range of engagement initiatives: through our internal YourVoice programme, we maintained an excellent employee Net Promoter Score of +50, up 18 points on the previous year. Regular Pulse surveys during 2020 helped us understand the feelings and needs of our employees during the pandemic. Additionally, we renewed our accreditation to the Investors in People Gold standard which Civica has held since 2019 and were acknowledged as a 2021 Financial Times Diversity Leader for the second year running. In Asia-Pacific we were awarded as an Employer of Choice in the Australian Business Awards for the third year running.

Recognising and rewarding

Our annual Civica Employee Awards, designed to recognise and reward our people who are actively going above and beyond were held in the UK, Australia and India, with more than 2,100 nominations received in 2020. Our 'Praise' scheme allowed people to share their gratitude for colleagues online and our Civica Special Thanks and Recognition (CSTAR) programme rewarded employees who had gone the extra mile.

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As a Civica NorthStar ambassador, it's a pleasure to work with colleagues across the business on truly innovative projects. They defy the norms and aim to create true value for our customers.

Mahin Sonia,
Head of Software Development, Australia

Even during the pandemic, I've seen both Civica and my own career blossom. It's a privilege to work with such passionate and visionary colleagues who are improving the world's digital landscape together.

Ashish Nath,
Associate Delivery Manager, India

Joining Civica via acquisition opened so many opportunities for me. It's rewarding to support colleagues in my role as a mental health first aider, particularly over lockdown. Despite the pandemic, Civica supports and communicates with its people superbly.

Clive Rawlings,
Internal Delivery Manager, UK

The support and recognition I've received from Civica have allowed me to develop in unimaginable ways. I feel fortunate to work in such a collaborative and nurturing environment and excited to see where I go next.

Mariah Edwards,
Business Analyst, UK

Civica is always looking to the future. Helping our customers adapt to changes in technology and solving issues is very rewarding. I look forward to growing my skills to help in any way that I can.

Alex Hope,
Scrum Master, USA

Civica puts employee wellbeing at the forefront, encouraging everyone to bring their true selves to work. As Group lead for diversity and inclusion, I've seen how we genuinely value an inclusive workplace.

Andrea Rowe,
Principal People Consultant, UK

"

Julie Chell,
Chief People Officer

"In a challenging and unpredictable year, our people's resilience and community spirit shone through. I'm so proud to work with such a passionate and dedicated team. Their genuine desire to support our customers and give back to local communities is making a real difference."

CIVICA

{Combining exceptional customer focus, experience and commitment, it is the people at Civica that set us apart.

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CIVICA

2020
Financial Review

For the year ending
30 September 2020

Phill Rowland,
Chief Financial Officer.

"I am delighted to report continued strong results in what has been an extraordinary year, demonstrating our resilience and clear focus as a Group.

I'm also proud of how our software has supported the delivery of critical activities for public services around the world."

2020 Highlights

57%

Recurring net revenues*

21.9%

EBITDA margin
improved to 21.9%

94%

Cash flow from operations
at 94% of EBITDA

18%

Volume of major orders
increased by 18%

£424.9m

Group revenues

£220.3m

Recurring revenues

£93.1m

Group EBITDA

* Net revenue defined as gross revenue
less third-party costs of delivery.

Group Overview

£ millions	Year Ended 30 Sep 20	Year Ended 30 Sep 19	Pro Forma** Year Ended 30 Sep 18
Total Revenue	**424.9**	**425.6**	**373.2**
Cost of sales	(78.5)	(80.5)	(52.6)
Gross Profit	346.4	345.1	320.6
Administrative expenses	(253.3)	(256.0)	(242.9)
EBITDA	**93.1**	**89.1**	**77.7**
Operating cash flow	87.8	77.9	68.3
Employees	4,815	4,776	4,389

**On 12 October 2017 the Group was acquired by Partners Group on behalf of its clients. To provide a better understanding of the trading results, comparative unaudited pro forma information has been shown above for the Group for the full 12 months period to 30 September 2018.

Consolidated financial statements for the Group are available at Companies House.

Demonstrating our resilience

Despite the extraordinary events of 2020, we showed our resilience and strength and delivered a strong performance across the year.

Having taken steps to ensure business continuity following the advent of COVID-19, we maintained Civica's track record of robust operational and financial delivery and extended our history of strategic development.

This was underpinned by our ongoing and balanced investment in our people, products and platform.

During the year to 30th September 2020 the Group produced revenues of £424.9 million (2019: £425.6 million). Total net revenues* increased to £346.4 million.

The business has now produced compound annual revenue growth of 13 per cent and EBITDA growth of 15 per cent across the five years 2015-2020 as we continue to create value for all stakeholders through our position as a leader in software for public services.

Across the longer term, Civica and its customers have benefited from two decades of sustained expansion.

Accelerating cloud and innovation

This performance reflects the strong foundation of the business and further progress in the successful execution of our clear strategy. This is focused on increasing adoption of our cloud software and accelerating digitisation and automation across the public sector to help our customers address rising consumer expectations and complex challenges.

The Group's performance is underpinned by our focus and investment in employee and leadership development, with further investments in the year to strengthen capability, resources and management.

With a leading product portfolio and a track record of technology innovation, we maintained our investment in product development amounting to almost 19 per cent of revenues. We also launched our Civica NorthStar innovation lab to accelerate the application of new ideas and technologies for customers.

We secured a strong order intake across the year. The volume of major sales increased by 18 per cent with approximately three quarters of new customer sales being cloud-based.

Cross-selling of our products across markets and geographies remains a strategic focus and we secured initial sales for new products introduced to Australia and New Zealand under our Endeavour programme.

Recurring revenues grew to £220.3 million, accounting for 57 per cent of net revenues and supporting our continued excellent visibility and predictability of earnings.

Gross margins amounted to 82 per cent of revenue. Earnings before interest, taxation, depreciation, amortisation and exceptional charges (EBITDA) rose by 4.6 per cent to £93.1 million (2019: £89.1 million), representing a 21.9 per cent margin on sales.

The Group generated cash flow from operations of £87.8 million, an increase of 13 per cent on the prior year.

We maintained tight discipline on operational and financial management including capital allocation, ending the year with cash in the bank of £48.4 million (2019: £37.8 million).

* Net revenue defined as gross revenue less third-party costs of delivery.

Clear market focus

We have a clearly defined and platform-based business model focused around core markets and capabilities. Globally-consistent operations are organised into market-oriented software divisions supported by our platform services division.

Revenues in the UK & Ireland increased to £327.6 million led by good performance from our health and care, social housing and democracy divisions. We continued to build on our Australia and New Zealand platform and international activities overall accounted for 23 per cent of global revenues.

Acquiring high quality software assets

Civica has a successful history of finding, acquiring and integrating complementary high quality businesses, and has completed more than 35 acquisitions in the last ten years.

Our sustainable mergers and acquisitions (M&A) are underpinned by established processes and we continue to strengthen our capability, adding excellent new software assets and expanding our addressable market.

The Group completed two new acquisitions in 2020 aligned with our core strategy and markets, in particular the UK healthcare and education sectors.

In March 2020 we acquired Fretwell-Downing Hospitality Holdings Limited, which provides Software as a Service (SaaS) solutions for catering management. The business complements our compliance capabilities - in particular in the education sector; and supporting a complete process from food standards compliance to cashless and online payments.

In August we added Healthcare specialist Chameleon Information Management Services Limited, trading as InfoFlex.

Managing clinical workflow and treatment processes, InfoFlex added to Civica's capability and presence in the NHS and advanced the Group's strategy to support the increased need for more integrated care.

Acquisitions are rapidly integrated to deliver greater value through our combined expertise. Following prior acquisitions, during the year we established a stronger position in workforce solutions with a complete capability to recruit, engage, develop and support employees.

With a strong pipeline of future opportunities we expect to support the growth of the business with ongoing strategic developments. Indeed, following the end of the financial year we made a number of further acquisitions including Parago Software Limited, Agylia Group Limited, Equiniti HR Solutions Limited, Ntropy Data, Inc, Thelma-EU Ltd trading as Medical Billing and Collection, Calibrand Limited and Arborsafe Holdings Pty Ltd.

Continued investment in our platform

Our global operating platform underpins the Group's activities and ensures a scalable growth foundation.

During the year we made strong progress with our structured operational excellence programme, Centum. This is used to drive improvement initiatives across the business supported by an embedded programme office and a single set of internal systems.

During 2020 we invested in a series of programmes, including development, service delivery, sales and commercial management initiatives, and also delivered refreshed brand and positioning on existing strong advocacy.

We grew our team in Vadodara, India, to almost 600 colleagues providing an outstanding resource to support all parts of the business globally including back office and Group functions.

" The business has now produced compound annual revenue growth of 13% and EBITDA growth of 15% across the five years 2015-2020. "

Phill Rowland,
Chief Financial Officer.

Positive outlook

Civica continues to increase its global profile and is valued for its combination of people, technology and business process expertise.

With a resilient business and well developed strategy, we believe the Group is extremely well placed as a strong and trusted partner for our customers as they continue to respond to rapid and significant change, including the accelerating digitisation of public services.

Strong governance framework

The Civica Group is majority owned by funds managed and/or advised by Partners Group, and is controlled by a Board comprising Partners Group-nominated non-executive directors and Civica management.

The Group continues to operate a strong framework of corporate governance across the business to ensure the successful delivery of business outcomes in line with our strategy and priorities, our management of risk and focus on delivery of excellent service to our customers. This framework is managed through the following components.

Group Board

The Board is responsible for the overall strategy of the Group and the effective management of risk and performance.

It meets on a monthly basis to review business performance from a strategic, financial and operational perspective and to ensure that risks are appropriately managed, including major bids and investments.

The performance review is closely aligned to the key priorities in respect of financial performance, products and services, people, customer service and operational efficiency.

Business planning is conducted on an annual basis, again in line with the strategy and key priorities, and is approved by the Board. The Board has an effective balance of executive (2) and non-executive (5) directors.

Audit Committee

The purpose of the Audit Committee is to review the financial statements and controls of the Group on behalf of the Group Board.

The committee is responsible for being assured that the principles and policies comply with best practice and account standards.

The committee will also consult with the external auditors reviewing key risk areas, seeking to satisfy itself that the internal control and compliance environment is adequate and effective, and recommending to the Group Board the appointment and remuneration of the external auditors.

The Audit Committee is chaired by the Group's non-executive chairman, and comprises the chief executive officer and Group Board members from Partners Group. The chief financial officer is invited to attend but is not a member of the Audit Committee.

Remuneration Committee

The function of the Remuneration Committee is to provide oversight of the terms and conditions and remuneration of senior employees on behalf of the Group Board.

The Remuneration Committee is chaired by the Group's non-executive chairman, and in addition comprises the chief executive officer and Group Board members from Partners Group.

Executive Management Board

The Executive Management Board consists of the chief executive and chief financial officers, the executive directors for the operating divisions and the Group function directors for people, marketing, business development, product strategy, technology and infrastructure.

It meets on a monthly basis to discuss strategic issues and the effective management of people and culture, opportunity, risk and business improvement.

Monthly business reviews

Each unit within the Group is subject to a monthly business review by Executive Management Board members to assess the financial and operational performance and business risks, review the financial projections and review working capital management and cash flow performance.

Financial and operational key performance indicators in each unit are aligned to the key priorities of the Group as highlighted above. Specific business risks are identified and mitigated through this process.

Commercial, legal and project management controls

All acquisition, capital investment and business development activity is controlled through a methodical process of qualification, review and approval, which is dependent upon both value and complexity to ensure appropriate management of business risk and effective use of business resources.

Operational processes

As Civica continues to grow organically and through acquisition, we constantly review operational processes across the Group to support effective product and service development and efficient delivery to customers as well as our internal administration.

This is enhanced by a sustained cross-company improvement programme to strengthen our operating platform and to drive consistent best practice globally.

This is underpinned by a wide range of management accreditations including ISO 9001 (quality), ISO 14001 (environmental), OHSAS 18001 (Health & Safety), ISO 22301 (business continuity), ISO 20000 (IT service management) and ISO 27001 (information security).

Principal risks & uncertainties

The Board is responsible for the Group's approach to assessing risk and accepts that in creating value for Civica, the Group must take on and accept some risk.

The executive directors are responsible for implementing the Board's policies on risk and control and monitoring compliance with these policies across the Group.

The system is designed to manage, rather than eliminate, the risk of failure to achieve corporate objectives. Accordingly, it can only provide reasonable but not absolute assurance against material misstatement or loss.

As with all other entities providing similar specialist software, digital solutions and associated services, the main risks and uncertainties facing the Group surround the level of public sector funding available in future periods, the risks of technological advancement and the threat of competition.

Post Brexit

Under Civica's governance framework we consistently review risks and uncertainties and as such we monitor and assess market and legislative developments, which included Brexit.

As a UK-headquartered business with operations in the UK, Australia, New Zealand, Singapore, India and North America, the Group is not reliant on labour or product supply from within the European Union.

We benefit from a highly transferable skills base such that there is minimal impact in resourcing or recruitment. We continue to monitor the situation, to review regulatory developments and to take appropriate action as the need arises.

We believe the company is very well placed to support customers and remain committed and look forward to working with customers to mitigate any risk.

Pensions

The Group operates a number of defined contribution pension schemes, as well as operating a defined benefit scheme and being a participating employer in two further defined benefit pension schemes.

All of the defined benefit pension schemes are closed to new entrants.

Trading performance

* Project Centum is a non-core investment programme to build a stronger platform for future growth.

For the year ended 30 September	2020 £ millions	2019 £ millions
Sales		
Software and related services	346.7	337.5
Managed services	78.2	88.1
	424.9	**425.6**
Cost of sales	(78.5)	(80.5)
Net revenues		
Software and related services	297.7	287.1
Managed services	48.7	58.0
	346.4	**345.1**
Direct employee costs		
Technical and management	(176.9)	(186.2)
Sales	(20.7)	(21.7)
	(197.6)	(207.9)
Contribution	**148.8**	**137.2**
Central costs	(63.3)	(56.8)
EBIT	**85.5**	**80.4**
Depreciation	5.8	5.2
Project Centum*	1.8	3.5
EBITDA	**93.1**	**89.1**

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CIVICA

INVESTORS IN PEOPLE
We invest in people Gold

ISOQAR REGISTERED
UKAS MANAGEMENT SYSTEMS 0026

Certification No. 663

ISO 9001, ISO 27001, ISO 22301,
ISO 14001, OHSAS 18001, ISO 20000

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