CIVICa

Transforming the way you work

Delivering better outcomes
for people and communities

2018
Annual Review

Contents

INVESTORS IN PEOPLE | Gold

Our exceptional team and culture sets us apart.
Investing in our people Civica is recognised as
one of the best places to work.
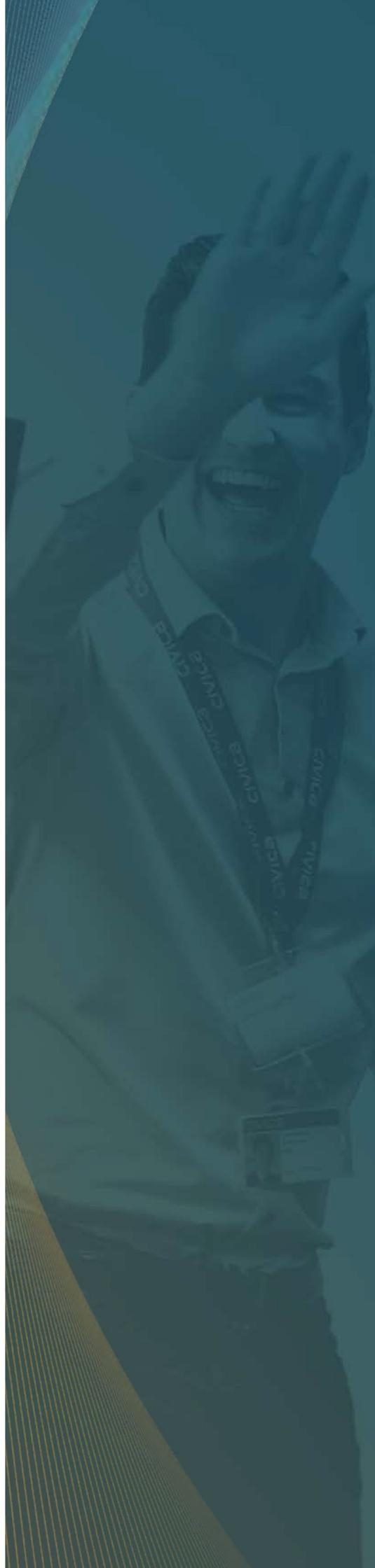
Welcome to Civica

Civica is an international software company and a global leader in public services technology.

We provide the software and automation behind essential every day services, working with our customers to deliver a stronger performance and achieve better outcomes for people and communities.

More than
4,500
colleagues

Supporting essential services for more than
90 million
people

Producing
17 years
of unbroken growth

People and communities

Our purpose is simple. We provide the systems and the technology know-how to help our customers excel, working with them to make a difference for the lives of millions of people and the teams who serve them.

Delivering key outcomes for our customers

We help organisations around the world use digital technology and automation to sustain and improve vital services, achieving the following key outcomes for our customers in response to rising social, demographic and economic pressures.

High quality public services

Improved customer experience

Deeper business insight

Increased operational efficiency

Increased income generation

Increased workforce productivity

Chairman's introduction

"

2018 was another successful year for Civica in which the Group performed strongly and we continue to see a very positive outlook.

"

I am pleased to report a strong year for Civica both financially and operationally, in which we extended our unbroken record of profitable growth into a 17th year.

I am also very pleased with the strategic development of the Group, particularly our progress with cloud and digital solutions, which is underpinned by ongoing investment to enhance our skills and capabilities. We are proud of our distinctive culture and, while adding more than 900 new colleagues, both employee and customer satisfaction ratings have improved globally, with the company continuing to be recognised as the employer of choice in our sector.

As a leading international software company, we continue to grow our business and create new opportunities through the development of specialist software and digital services, with a clear focus on supporting better outcomes through technology-based transformation.

The strategic investment in Civica during October 2017 by global private markets investment manager Partners Group, on behalf of its clients, reflected the scale achieved by the business and provides strong support for the future ambition of the Group.

During the year to September 2018, we increased total revenues for the Group by 15 per cent to £373.2 million, producing 13 per cent EBITDA growth and healthy cash generation. This was driven by sustained organic revenue growth of 12 per cent, and reflects the successful execution of Civica's clear strategy globally, which continues to deliver value for all of our stakeholders.

The business maintained strong momentum and growth across all our core markets, with a record order intake, including our largest contracts to date in both the UK and Australia. As a company we also expanded our customer base with innovative solutions to help meet changing needs within wider government and regulated markets.

During the year we also accelerated our shift to the cloud in response to increasing customer demand and the Group now supplies cloud-based solutions for more than 1,000 customers. We invested almost 20 per cent of revenues into product and service development, and also completed six highly complementary acquisitions. In addition we strengthened Civica's management team and operating platform in order to sustain our leadership position and performance over the coming years.

I would like to take this opportunity on behalf of the Board to thank all of our people for their outstanding contribution and our customers for their ongoing trust and commitment. Our track record of delivery along with continuous product innovation means the company is well positioned to support developing needs, and we continue to see a very positive outlook.

**Simon Downing,
Chairman**

2018 Group financial highlights

During the year to 30 September 2018 the Group extended our long-term record of unbroken growth into a 17th year.

Total Group revenues

£373.2 million

Increased by 15%

(2017: £324.7 million)

International revenues

£109.5 million

Increased by 41%

(2017: £77.5 million)

Recurring revenues

£189.2 million

Increased by 24%

(2017: £152.4 million)

Group EBITDA

£77.7 million

Increased by 13%

(2017: £68.7 million)

Group revenues (£million)

Employees

2532 — £234.1m — 2015
3231 — £267.7m — 2016
3454 — £324.7m — 2017
4389 — £373.2m — 2018
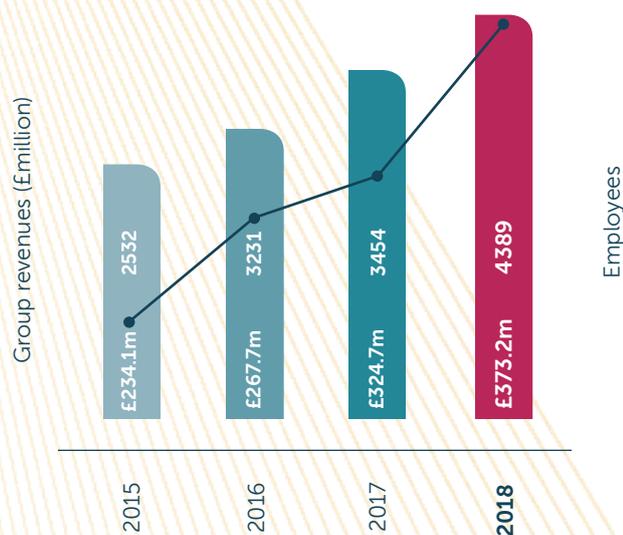
Global strategy, local focus

The Group has a clear and invested strategy to deliver on our vision, highly aligned with evolving customer needs in existing and adjacent sectors, and which we continue to execute successfully.

Supporting a broad customer base in the UK and Ireland, Australia, New Zealand, South East Asia and North America, the Group's consistent global approach is delivered through market-specialist divisions. Differentiated by extensive local-level domain expertise and customer relationships, the Group has a strong record of out-performing market growth rates through the successful local execution of our global strategy.

Civica operates in a large and growing market, where investment in technology is increasingly critical to meet rising demand and expectations and as a key enabler of cost savings. As well as sustaining our market-leading position and performance through the provision of business-critical software and digital solutions, the company also takes a wider role in major change programmes built on the foundation of our systems and technology.

Our capabilities are aligned to sustained demand and, with a strong global operating platform, the Group is well placed to build on local market opportunities.

Clear growth strategy

Grow the use of Civica software applications with new and existing customers, adding value through ongoing enhancement and innovation

Build on leading position with cloud software and services to accelerate adoption across all markets

Expand Civica digital solutions in all areas to deliver a new generation of modern services and enable transformation

Grow scope and scale of international business activities on existing platform

Drive innovation to deliver better outcomes for customers and communities in particular through intelligent automation and connected data.

"

In a market shaped by the need to digitally transform, there is acute awareness of the need to change behaviour and of the need to innovate and extract value from data.

"

© TechMarketView LLP

Adding capability and scale through acquisition

M&A is a core element of the Group's strategy to complement organic growth and to strengthen our market position. During the year we continued to expand our capabilities and our customer base through acquisition. Since 2015 Civica has acquired and successfully integrated 14 highly complementary businesses, adding deep domain expertise and specialist services which are highly complementary to established activities across shared markets in the UK and internationally. More than half of these were sourced directly by Civica as part of our ongoing successful corporate development activity, for which a significant pipeline of future opportunities exists.

Recent acquisitions timeline

- Dec 2016 Abritas
- Jul 2017 Carval Computing
- Feb 2018 OneStep Solutions
- May 2018 NRS
- May 2018 VisionWare
- Aug 2018 Icon Global Solutions Pty (Carelink)
- Sep 2018 iCasework
- Nov 2018[*] ERS Group
- Dec 2018[*] Trac Systems

The Group also added certain trade and assets from Northgate Public Services during 2018, in respect of its payments systems.

* following the end of the Group's financial year

VisionWare

The acquisition and integration of master data management (MDM) specialist VisionWare strengthened Civica's position particularly in local government and health care markets. Its products and services enable a complete, single view of customers, providing the foundation for improved public services and intelligent automation. The latest version of its innovative MultiVue software includes enhanced data matching, establishing the detailed relationships between people, properties and organisations which underpin digital business platforms.

Carelink

We added to Civica's capability in health & care with the acquisition of community services software specialist Icon Global, trading as Carelink. Its cloud-based digital client management solutions are used by more than 140 customers across the community care sector in Australia. As well as extending our activities within the care sector locally, the combination of Civica and Carelink provides further opportunities for the growth and development of our health sector business internationally.

iCasework

iCasework's specialist cloud software delivers on-demand case management for a variety of purposes, from information request and complaints handling to regulatory compliance. With organisations increasingly looking to automate case management processes, the acquisition expanded Civica's activity in existing and adjacent market sectors, providing software-as-a-service applications used by customers in the UK, Australia and the USA to handle millions of cases annually.

Strategic foundations

The Group has a clear strategic focus to achieve our vision as the leading software partner for our markets. We deliver sustained growth through the development of innovative and cloud-based technology to improve customer outcomes. This is driven by investment in our people, products and operating platform.

A cloud leader

A cloud leader for our markets, we continue strategically to increase our activity organically and via acquisition. While a cloud model is already standard for many of our solutions, adoption and momentum is having a greater impact as more organisations consider cloud first.

Cloud technology is a key enabler of digital transformation and to unlock the enormous value held in data. As a cloud-led business, our vision is to harness the potential of digital, cloud and data together to support our customers' digital ambitions underpinned by flexible modern software.

☁ In the Cloud

1,000+ customers

100+ new sales in 2018

250,000 government employees

20,000 clinicians and 160 care services

4,000 schools & libraries

30 million users of customer-facing platforms

£2.5 billion in secure payments annually

£3.5 million savings for Roehampton University

Year in review

Advancing our strategic priorities for the benefit of all stakeholders and driving future growth.

Best People

4,500 talented specialists

+36 employee Net Promoter result

124,000 hours of learning and development

Top 25 places to work*

*Glassdoor 2019 Employee's Choice

Innovative Solutions

19% of revenues invested in development

1,000+ cloud-based customers

7 Development Tracks including AI and Automation

Innovation Partners programme

Strong Platform

1,600 experienced technologists

£1.8 million central project office investment

117% increase in Vadodara team

6 new acquisitions

Improved Outcomes

2 million professionals rely on Civica systems

Multi-million savings for customers

85%+ customer satisfaction

Social value programmes e.g. Young Enterprise

Sustained Growth

935 colleagues added in 2018

24% increase in recurring revenues

47% revenue growth in ANZ

76% growth in net revenues since 2015

> **This is what we believe digital engagement should look like in the future. Civica has allowed us to be truly transformational in the way we're approaching digital evolution, and more importantly, how we're approaching our citizens.**

CIO, North Lanarkshire Council

Sustained development & growth

*Customer track record prior to current business formation dates back to 1983.

Ownership highlights

2000 — Business formed*

2002 — Civica brand launched

2004 — IPO (London AIM)

2008 — 3i investment

Development highlights

First acquisition

First scale acquisition

Housing division formed

Health & Care division formed

Contract highlights

Momentum established as independent entity*

First contract in Singapore

First major deals in UK Education

First strategic partnership

Profit evolution

2000   2001   2002   2003   2004   2005   2006   2007   2008   2009   2010   2011

*Customer track record prior to current business formation dates back to 1983.

2013

OMERS PE
investment

2017

Partners Group
investment

**AU Education
unit formed**

**First digital
acquisition**

**Digital division
formed**

**Democracy & Engagement
division formed**

**OnDemand
launched**

**Central
government
expansion**

**Largest UK & AU
contracts to date**

2012 2013 2014 2015 2016 2017 2018
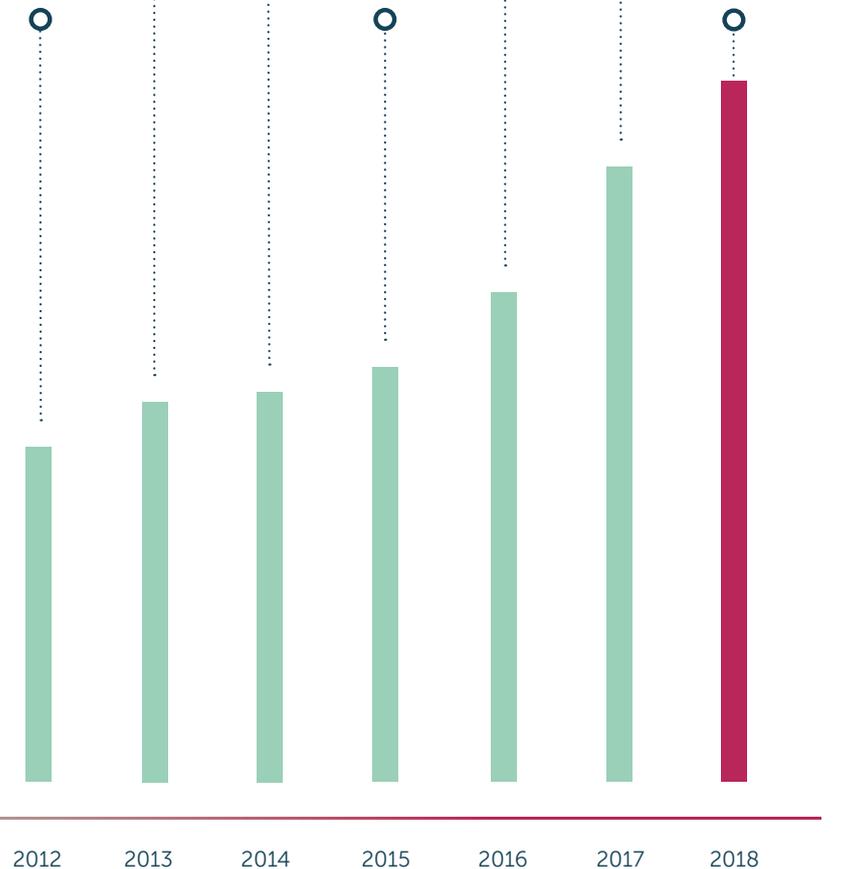
> "
> **Civica's unbroken
> record of growth
> reflects the
> successful execution
> of our strategy to
> support the needs
> of our customers
> and the long-term
> development of
> our business.**
> "

**Wayne Story
Chief Executive Officer**

Business review

Wayne Story
Chief Executive Officer

> ❝
> **During 2018 we delivered a strong performance, maintaining excellent momentum with our clear strategy underpinned by investment in our people and products.**
> ❞

2018 was another successful year for the Group. We maintained excellent momentum with a strong operational and financial performance underpinned by ongoing investment in our people, our products and our platform.

Civica is the leading software-based technology partner for our markets worldwide, providing the cloud software, digital solutions and automation behind vital services for over 90 million people. During the year we extended our prominent position organically and through acquisition to support the needs of our customers and the long term development of the business, including progress with our cloud strategy and technology innovation.

Overall we added 935 new colleagues in 2018. We acquired 6 great new businesses. We increased our employee and customer satisfaction ratings. And we secured a record number of new contracts including our largest to date. Civica has now grown net revenues by 76 per cent over the last 3 years, reflecting sustained demand for our products and services and the commitment of our team in the successful execution of our strategy.

Trading results

Group revenues in the year to 30 September increased 15 per cent to £373.2 million (2017: £324.7 million), led by a strong organic performance across UK software and managed service divisions and significant growth in our international business. EBITDA* increased to £77.7 million (2017: £68.7 million).

Our strategy to deliver ambitious growth through the provision of innovative digital and cloud-based solutions which deliver better outcomes for Civica's customers is aligned with evolving market needs. During the year we increased the Group's scale of activity with a robust trading performance including more than 290 major sales and our largest contracts to date in each of local government, health care and education.

We extended our product portfolio with the launch of innovative developments and new cloud-based software in keeping with our strategy and alongside provision of core customer requirements. Driven by long-term customer retention and successful delivery, including going live on time for our 3 largest contracts, proprietary software revenues increased by 20 per cent.

Cross-selling our products across markets and geographies remains a key strategic focus and during the year we saw improved momentum. Progress included sales of our platform financials software also into social housing and education sectors, together with the first wins for our UK-developed Cx Housing software in Australia and digital solutions for multiple sectors. We will build on this with further excellent opportunities via our latest acquisitions.

Civica's Digital business continued to respond to market focus on an improved customer experience and more effective digital services. Progress combined delivery of government and commercial programmes together with new engagements such as at the Home Office, Rail Delivery Group, the Police Service of Northern Ireland and The National Lottery Heritage Fund.

In our large platform-based managed service partnerships, existing contracts performed strongly while new wins included a seven-year agreement to operate shared services for East Kent Services and a contract worth approximately AUD200 million to deliver business services via the Civica-built fines administration system for the Victoria state government.

*Earnings before interest, taxation, depreciation and amortisation.

"

Reflecting sustained demand for our products and services, the ongoing successful execution of our strategy and the investments we continue to make, Civica has now grown net revenues by 76 per cent over the last 3 years.

"

Markets

Focused on the public sector and regulated services, the Group performed well across our major country markets. UK & Ireland revenues increased 7 per cent to £263.7 million (2017: £247.2 million) led by good growth in local & regional government and community protection.

Within this the Group continued to strengthen operations based in Northern Ireland, supported by local scholarship programmes. The team secured new contracts in devolved government, police and emergency services, social housing and health care, and won an innovation award as part of the Belfast Smart Cities programme.

International activities made up approximately 29 per cent of overall revenues. A very strong performance in Australia and New Zealand, including our largest contracts in government, education and health care, drove market share gains in the region and an impressive organic revenue growth of 47 per cent. The result strengthened our position to build further on the Group's established platform.

People & social value

Our strength lies in Civica's people and culture. With deep domain expertise we create long-lasting customer relationships underpinned by a shared vision and commitment. Recognising this, we focus on recruiting, developing, supporting and rewarding great people and

maintaining our culture, underpinned by our 'Gold' Investors in People accreditation.

Adding more than 900 new colleagues in 2018 while also integrating prior acquisitions, we were very pleased with the further increase in our employee Net Promoter index to +36. We were also delighted to be recognised as one of the top 25 places to work in the 2019 Glassdoor Employees' Choice Awards, and as an employer of choice in the Australian Business Awards.

During the year we added to our leadership team. Julie Chell succeeded Wendy Merry as our new chief people officer and Harold de Neef arrived from SAP to drive our Cloud strategy. Mark Owens and Jenny Yow joined to head our Northern Ireland and Singapore operations respectively, and following the end of the financial year we were delighted to welcome Steve Thorn, as executive director for our Digital division.

Civica's team in Vadodara, India, has grown significantly to more than 340 colleagues, providing an excellent resource to support our activities globally. The majority of our business units have team extensions in Vadodara, and we opened a new office during the year to accommodate further growth.

Through our Academy, which provides a focus for learning & development and talent management, we delivered 124,000 hours of training, including new leadership programmes. With customers at the centre of all we do, we again delivered some great results alongside our customers with increased satisfaction ratings overall.

Through our work Civica helps organisations around the world to deliver better outcomes for communities and to improve lives. During the year we also proceeded to contribute through charitable and community initiatives, including support for Action for Children in the UK and Whitelion in Australia, and launch of a new partnership with Young Enterprise.

Cloud & innovation

Across our business cloud adoption is having a greater impact through cloud-delivered functionality and as a foundation for digital transformation and technological innovation.

Civica is a cloud leader for our markets, supplying cloud software and solutions for more than 1,000 customers. Already the standard in many areas, in 2018 we continued strategically to increase our scale of activity organically and via acquisition. We introduced new products and services to support customers with migration, delivered large-scale digital solutions and signed more than 100 new agreements overall, with cloud-based solutions making up more than 80 per cent of major new deals for our international business.

Overall investment in developing our products and capabilities amounted to almost 20 per cent of Group revenues, and we strengthened Civica's focus on emerging technology through a common framework to engage customers and evolve our solutions. We also progressed innovation through CodeIT and CoderDojo initiatives, ahead of the 2019 launch of Civica's Innovation Partners initiative focused around machine intelligence and automation.

Acquisitions

Acquisitions are an integral part of our strategy to strengthen our capability to support customers and to complement organic growth. Civica completed six highly complementary acquisitions in the year, adding specialist software capability and expanding our activity in current markets aligned with our cloud-centric strategy.

These included the following, adding strong new technologies and expertise:

▶ OneStep Solutions – cloud-based software for debt recovery and enforcement
▶ NRS – payment & cashless catering systems including identity management
▶ VisionWare – master data management and single customer view solutions
▶ Carelink – cloud-based software for community care services
▶ iCasework – software-as-a-service applications for case management

Acquisitions opened up new market opportunities for the Group, such as in the care sector in Australia for which Carelink provides a foundation for the further development of our international Health sector business.

Following the end of the fiscal year, we completed two further highly complementary acquisitions: democracy and engagement solutions leader ERS Group, and e-recruitment software provider Trac Systems. ERS, which employs over 200 people and works with public and private sector customers internationally, formed a new Democracy & Membership Services division for Civica, with chief executive Sian Roberts joining our executive team.

With a proven model and the support of our investors we remain active in reviewing further opportunities to expand scale and capability in core markets, for which a good pipeline exists.

Global operating platform

We made further investments during 2018 to strengthen our operating capability and ensure a scalable platform to support our sustained growth. Initiatives are focused on driving a consistent approach globally for people and talent management, product management, sales and marketing, service delivery and business support, underpinned by a central project office.

Outlook

In 2018 we sustained strong momentum with a record order intake underpinned by a stronger capability and consistent delivery.

Civica serves a large, diverse and growing market. With sustained social, economic and demographic pressures from housing and health care to high streets, organisations are critically dependent on technology and automation to provide efficient services and deliver a better customer experience. We remain committed to delivering the cloud software, digital solutions and innovation to transform their business activities.

Through continued investment in our products and people and our strong underlying earnings visibility we are confident that the Group has a strong foundation supporting our growth and strategic development. Underpinned by the combination of an outstanding team, market-leading capability, deep longer term customer relationships and continued financial investment, I believe Civica remains well placed as the partner of choice for the future as the leading provider of our kind.
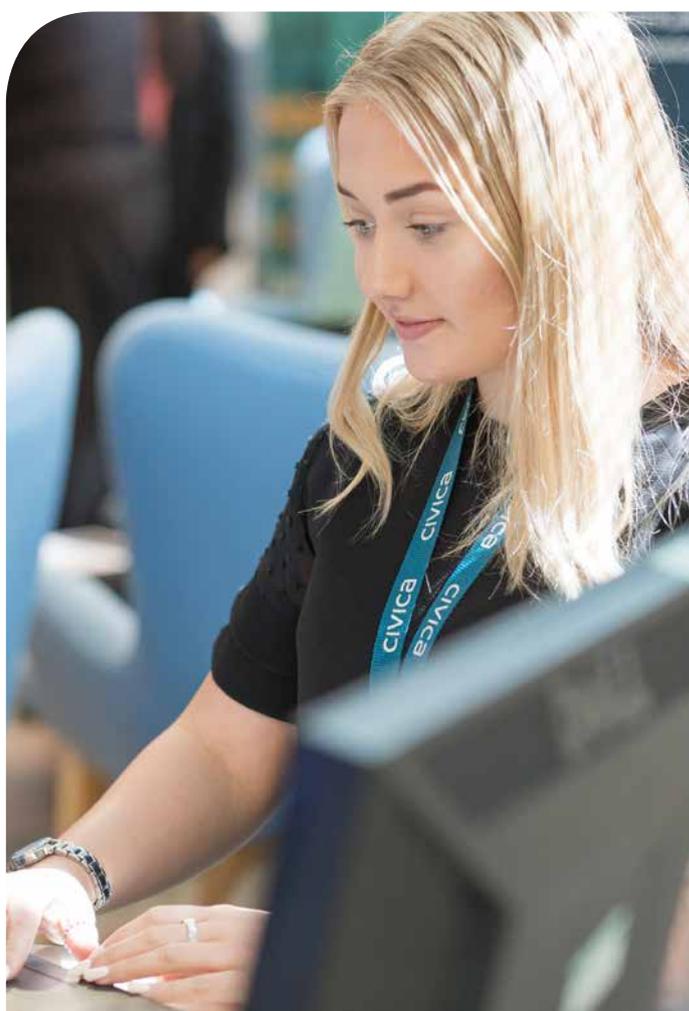
Our people & values

We take great pride in our people and culture — supporting and celebrating the talents, qualities and vital contributions of everyone in our global team. It's this approach, and the investment to support it, which underlies our position as a trusted partner for our customers worldwide.

Our core values

Knowledge

We develop, apply and share our expertise to turn business needs into positive outcomes. Through our in-depth experience and informed capability we seek to anticipate requirements and stay ahead of challenges. We are committed to creating innovative solutions to help our customers and colleagues improve their overall performance.

Integrity

We take integrity seriously and we consistently maintain our high professional standards in all of our business activity, remaining clear, fair and transparent at all times. Via our corporate and financial behaviour, we ensure that we are trusted to deliver on our promises and to respond to the needs of our customers, partners and colleagues.

Action

We are focused on delivering effective and timely results. We strive to do our best while constantly looking for new and improved ways of working, to help our colleagues and customers achieve their goals and fulfil their potential.

Our people

We are passionate about what we do, and we actively encourage and continually invest in employee development and engagement, together with initiatives to make Civica a great place to work. Through our Learning Academy, we aim to sustain and grow our distinctive workplace culture.

We are also committed to providing equal opportunities and building an inclusive and diverse culture, aiming to attract and retain those who share our purpose and our core values of knowledge, integrity and action.

The continued success of our people and their ability to succeed for our customers is a key focus for Civica. We celebrate diversity, support inclusion and actively develop leadership to encourage everyone to strive to be their best and to build a lasting and rewarding career with us.

A leading international employer

Our people, their qualities and their commitment to colleagues, customers and wider communities sets us apart. To keep ahead, we remain focused on building and retaining the best team with the values and expertise to make a difference.

As we grow we strive to ensure Civica remains a great place to work with a strong brand to attract new and talented people as a leading international employer. During 2018 we progressed with new initiatives, and through our internal "YourVoice" survey saw our employee Net Promoter score increase to an excellent +36, including new acquisitions.

Civica was again ranked as one of the top places to work in the 2018 Glassdoor Employees' Choice awards, with our approach to inclusion and diversity contributing to recognition among the best companies for work/life balance. We were also named an Employer of Choice in the Australian Business Awards, which recognise organisations that maximise the full potential of their workforce through effective employee recruitment, engagement and retention.

We continuously review and update our policies and procedures to support our culture as a people-centric and diverse employer. As an Investors in People 'Gold' organisation, Civica is committed to supporting and rewarding high performance, which underpins our strong growth and development.

Delivering growth

Maintaining the Group's record of sustained growth, we added an impressive 900 people during the year, bringing the total to more than 4,500. Supported by our best practice approach, we welcomed new colleagues through recruitment, transfers and acquisitions.

Successes included the rapid take-on of more than 450 employees in two major programmes, namely our long-term contract with the Victorian state government

and those joining with the East Kent Services partnership. We also strengthened Civica's exceptional capability and culture with the acquisitions of OneStep, National Retail Systems, VisionWare, Carelink and iCasework.

In conjunction with new skills, we continued to appoint and promote employees and managers into new roles across the Group, to develop and retain key skills while promoting collaboration and supporting our strategy globally. We also remain committed to our goal to make up 5% of our workforce with apprentices and graduates by 2020, with more than 60 introduced in the year.

We also invested in further office improvements to support agile and collaborative working. These included opening our new London headquarters, expansion in Melbourne and Vadodara, and completion of a new hub office in the south of England.

Regular communication is a vital part of our business, from ensuring teams understand how their roles contribute to our strategy to sharing ideas and feedback. Our Group communications team runs a continuous programme of formal and informal activity across multiple channels, ranging from business updates and management briefings to innovation sessions and our new 'Boomerang' back-to-the-floor initiative run by our leadership team.

Diversity and inclusion

During the year we increased our focus and commitment to ensure that our diverse and inclusive culture develops as the company grows, including appointment of a Diversity and Inclusion lead. All training materials promote and reflect the importance of diversity throughout our business activities both in growing a successful business and ensuring a fair and inclusive organisation.

The Group also adapted recruitment processes to encourage a diverse range of applicants and to ensure selection is fair and unbiased, including new targets to challenge the status quo.

as at 31 Dec 2018	Female	Male
Employees	2,108 (47%)	2,399 (53%)
of which managers	351 (41%)	515 (59%)
of which senior managers	77 (33%)	157 (67%)
of which Group directors	1 (17%)	5 (83%)

> **We're committed to providing equal opportunities and building an inclusive and diverse culture.**

Learning and development

Aligned with our Investors in People accreditation, we are committed to continuous learning and development. We encourage our colleagues to explore new skills and pursue their full potential, and through Civica's Learning Academy we provide a consistent programme of training, development and talent management to support our people throughout their careers.

Tailored to our people and business activities, internal and external training programmes are regularly reviewed and updated globally. During 2018, our people benefitted from 124,000 hours of learning and development to help build the skills needed to deliver for our customers.

Recognising the importance of succession planning for our longer term growth, we expanded our eXel and Potential programmes for senior and junior management respectively. The success of these initiatives has included an increase in roles filled through promotion within Civica to 1 in 4, ensuring we are able both to bring in new expertise whilst maintaining our unique culture.

New initiatives included a Senior Leaders Forum and the launch of our CodeIT programme, a series of technology innovation 'hackathons' for both internal colleagues and undergraduates at our partner universities.

Reward and recognition

The Group provides a highly competitive benefits package, including flexible elements which people can tailor to their specific needs such as life insurance, additional holiday and cycle-to-work schemes.

We continued to develop our health and wellness activities with a focus on providing support for our employees' mental health and physical wellbeing. In addition to an Employee Assistance Programme, we have launched a new scheme to train and equip our leaders to recognise and support employees with mental health needs and put in place designated champions across the organisation to provide individual support on demand. Our trusted partners also continue to provide health assessment and advice.

Civica continues to recognise the exceptional efforts of our colleagues and their contribution to our performance. Initiatives include a 'Praise' scheme where employees share appreciation of colleagues and our CSTAR programme, rewarding employees who have gone the extra mile. Our annual Employee Awards are held in Australia, the UK and India, and in 2018 we received more than 1,000 nominations.

Civica Foundation

The Civica Foundation provides a focal point for corporate responsibility and charitable support, overseeing our commitment to creating social value through a range of charities and community projects.

In 2018 Civica launched a new partnership with Young Enterprise, reflecting our commitment to the future development of school-age children. Other nominated charities include Action for Children, Shelter, Water for Kids and the Whitelion group, which focuses on helping at-risk youths in major cities. Along with 'Donate-a-day', which gives employees a free day for volunteering, we organise many activities including the Tour De Civica, sleeping rough for Byte Night and the 'Tales of S' creative writing competition to showcase the talents of young Singaporeans.

Sustainability

We continuously review and seek to improve our environmental credentials, working with employees, customers and suppliers to recognise and reduce the impact of our operations including the use of modern digital and automation solutions.

Our Environmental Management Team provides a focus for Civica's environmental policy and to ensure consideration in our decision making. Through virtual meetings we aim to avoid unnecessary travel, with ongoing initiatives including a company-wide car sharing scheme. During 2018 we improved our paper reduction and increased our recycling provision.

Operational standards

Civica is committed to sound and fair business practices including zero tolerance on anti-corruption. Prevention, deterrence and detection of fraud or bribery is the responsibility of all and the company encourages employees to report any suspicions in confidence. We are also committed to identifying and assessing any potential risks and eliminating the possibility of modern slavery and human trafficking occurring in our business, including within our supply chains.

Hear from some of our people about life at Civica

"

In my role I get to do what I love, translating business requirements into technical solutions. I find fulfilment in working out difficult puzzles, but most of all I get to make people's lives easier with each day.

Hiren Tataria
Head of Tech
& Support Services

Investing in people is really what Civica is all about! Since joining as an Apprentice I'm still amazed at the camaraderie. From mentoring to hackathons, there's always someone who understands what I need to reach my full potential. While some projects I've worked on have been daunting, I get to 'play' with new technologies with my team's support.

Laura Soutar
Software Engineer

At Civica we're goal-oriented and there's always an opportunity to stretch our capabilities. If I want to progress I feel acknowledged, which tends to lead to great opportunities. This year I created one single development team spanning two continents who act as if we're in the same room! That 'One Company' feeling is really instilled in these kinds of results.

Emily Douglin
Director of
Regulatory Services

This year I was nominated for the Business Support Award. However, being rewarded and recognised doesn't just happen at the Awards, but throughout the year. You're noticed for a job well done, despite the challenges.

Lee Sullivan
System Support
Team Member

I feel privileged to work with a team so passionate about delivering the best possible service for our customers. Reaching the right outcome and receiving great feedback when supporting a customer gives our team a buzz, because we genuinely want to go the extra mile.

Sevgi Hassan
Head of Service Delivery
– Civica Digital

"

At Civica, I enjoy the camaraderie of working as part of a team to achieve common goals and the knowledge and experience of my colleagues that make it happen. Opportunities to learn and grow within Civica are excellent, and my recent move from Local Government to Civica Health division is a perfect example. I feel privileged to work with a wonderful group of people in a fast-paced working environment.

Hafezur Rahman
Senior Systems
Analyst, Health

Operational review

Civica is a global leader in public services technology. We work closely with customers to develop existing products and innovative new solutions, connecting digital, cloud and data insights to enable modern services, improved regulation and greater efficiency.

Capability overview

Business-critical software

Digital solutions

Managed services
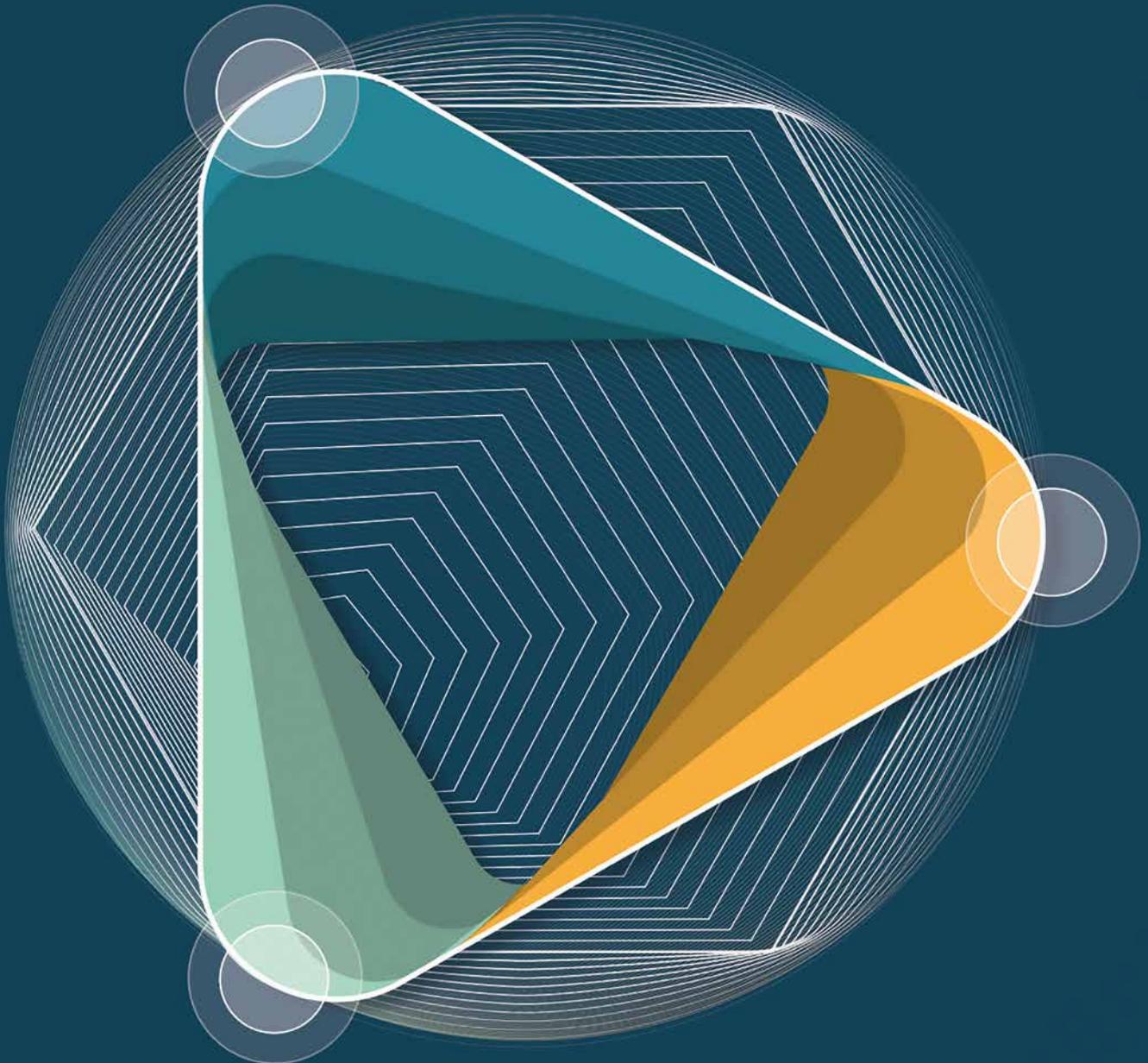
Download **Civica AR** from the app store and scan the trimarks above to activate an augmented reality overview.

Review of operations

Business-critical software

With almost 20 per cent of Group revenues invested into development, Civica continued to respond to customer needs during the year from core requirements and support for new legislation to sustained product innovation.

We achieved excellent organic growth in software-based activities, with owned software IP and implementation revenues increased by 20 per cent on the previous year. This was led by a strong performance in Australia, including our largest contracts in health and education, supported by growth in UK local government and community protection, and greater focus on sales across geographies.

Civica continued to accelerate the introduction and adoption of cloud software, with initial take up for new applications across local government, health care and education. The Group maintained good momentum with new and existing customers, signing more than 100 agreements for cloud-based software, again with a strong performance in Australia and New Zealand where more than 80 per cent of sales in the year comprised cloud solutions.

The Group advanced development and innovation roadmaps for all product areas, focused around a common set of 'Development Tracks' informed by current and emerging technologies. Activities were boosted by acquisitions during the year, while further expansion of our centre in Vadodara helped accelerate our development effort globally through team extensions.

Customer priorities to achieve efficient modern services continue to sustain the requirement for enabling technologies. With a strong record of product innovation and delivery, Civica remains well placed to support improved software-led outcomes for our customers.

Digital solutions

Following the launch of Civica's digital business in 2017, the Group concentrated on bringing together our combined resources into a single integrated division.

With activities focused around design and development of fully digital services, we secured innovative new business. This included programmes with, among others, the Home Office, Department for Transport, Police Service of Northern Ireland, the Rail Delivery Group and a leading international prepaid services provider, to support its next generation of digital ready, cloud-based card processing and management systems.

The Group also made progress in local and regional government, such as at Cheshire West and Chester Council which awarded Civica a seven-year contract for a digital customer platform using our Workflow360 technology to support service improvement and deliver cost savings.

From chatbots to connected devices, the business continued to harness new technology and to add new skills in support of exciting opportunities to create high-value digital services across the wider business. In the area of workplace productivity, using technologies such as robotic process automation and other techniques, Civica has also been able to help customers save money and free up skilled people to focus on higher-value work.

Managed services

Building on our software and digital foundation, Civica's specialist business services include platform-based delivery of back office functions and contact centre operations. Our distinctive partnership model continued to prove successful with customers looking to sustain and improve performance while delivering major savings.

New contracts underpinned by Civica technology included a 7-year agreement to operate shared front-facing services for the East Kent partnership of Canterbury City, Dover and Thanet councils, to protect vital services while saving up to £5.3 million. A rapid transition on this and other new contracts including for the state government of Victoria saw smooth take on of more than 450 colleagues in total.

We also expanded our flexible OnDemand processing services, used by 125 authorities to address resource gaps or workload peaks in processing and administration. Contract highlights included extended agreements with the London Borough of Enfield and Leicester City Council.

The Group delivered a strong performance with technology managed services, to support assured and efficient operations from business-critical application hosting and cloud services to software asset management.

▶ Hull City Council

Civica's strategic partnership with Hull harnesses the company's full range of software, digital and service capabilities to drive overall performance and efficiency. Underpinned by core software, Civica runs revenues and benefits services and contact centre operations on behalf of Hull, together with a digital enablement programme. The distinctive model has allowed Hull to achieve multi-million savings, while improving claims assessment, and the partnership has secured more than £1 million for the council through improved council tax administration.

Markets review

A unique breadth and depth of domain expertise, capability and customer relationships makes Civica the leading supplier to our markets. Every day our products and services help 2 million professionals around the world to deliver responsive services and better outcomes.
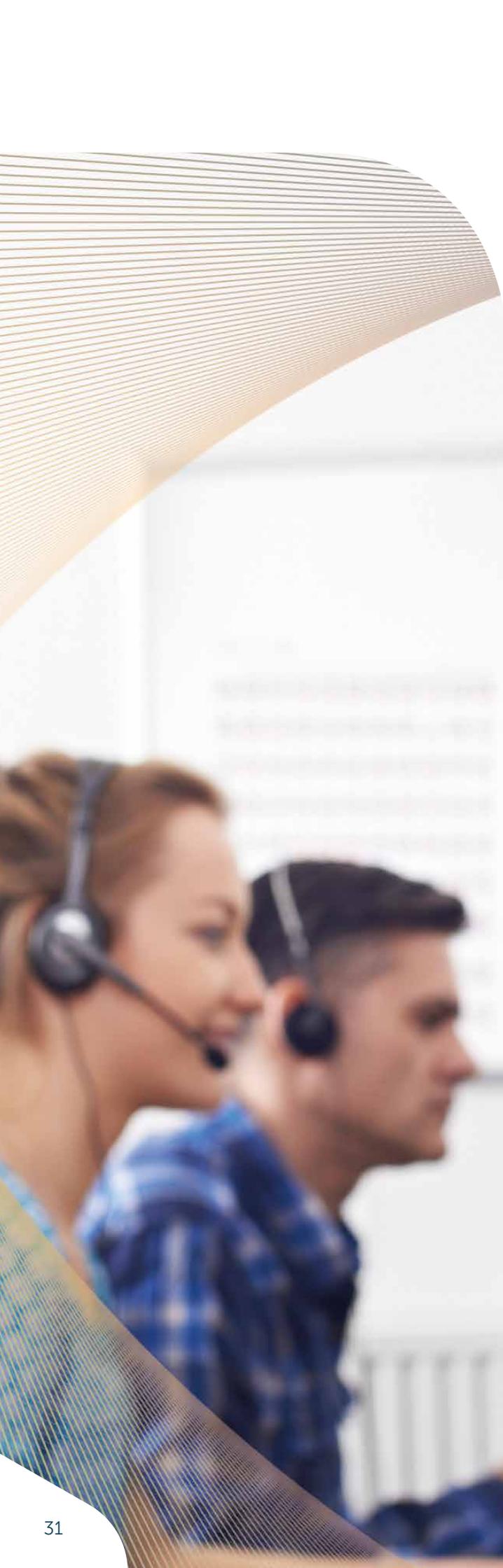
Local & regional government

North Lanarkshire Council

Civica's master data management solution, MultiVue, has enabled North Lanarkshire Council to improve the online experience for citizens through its award-winning portal. Creating a single and complete view of each citizen across previously fragmented and disparate data sources has ensured the council can provide simplified and seamless access to services with citizen data instantly available and automatically updated. The availability of enriched data is also helping to create innovative services such as an artificial intelligence-powered chatbot.

State of Victoria Department of Justice and Regulation

Civica's integrated infringement and fines management software is helping the Department of Justice and Regulation to streamline verification, processing and monitoring operations across the state of Victoria following introduction of the Fines Reform Act. Transition to the new system together with integrated business services included the transfer of more than 20 million live records, and during the year underpinned the processing of more than 2 million payments.

▶ East Kent Services Partnership

Our software platform for local government revenues and benefits has provided the foundation for the East Kent Services partnership of Thanet, Dover and Canterbury City councils to deliver a high level of service and savings of more than £6 million. Enabled by this software foundation and our specialist expertise, Civica also operates shared front-facing citizen services for the three councils in a strategic partnership designed to sustain and improve services while achieving new cost savings of up to £5.3 million.

With an unrivalled portfolio of market-leading software, digital solutions and managed services, Civica is helping authorities around the world to transform customer engagement and streamline service delivery.

Review of operations

UK & Ireland

During 2018 Civica grew the scope and scale of activity across our largest market and delivered a strong performance in the UK & Ireland. Driven by changing customer needs, the company made good progress underpinned by successful product and service delivery.

The Group signed more than 60 contracts for core business systems including our leading revenues and benefits, payments, financial and asset management software. New agreements included, among others, Stockport, East Ayrshire and North Warwickshire councils, the latter to provide a shared self-service platform which will see the authority working together with Nuneaton & Bedworth to enhance service delivery and efficiency.

We advanced our cloud strategy across the sector, with new product introductions and customer migrations. Following the launch and initial sales of Civica's latest managed financials software, FinancialsLIVE, the platform solution was also successfully introduced to both social housing and education sectors.

Cloud payment systems provide a critical platform. With more than 20 new deals, and having also added

certain trade and assets from Northgate Public Services in the year in respect of its payments systems, Civica's payments technology is used by more than 175 authorities.

With a customer base comprising more than 90 per cent of local authorities, the business continued to expand the use of our products with existing customers through additional software and services. These ranged from digital platforms, transformation projects and support for new policies including Making Tax Digital, to OnDemand processing services, with new contracts for the London Borough of Enfield and Leicester City Council together worth more than £5 million.

We maintained an excellent track record in the delivery of strategic service partnerships across the country. New contracts included an innovative partnership built on Civica's software capability, to operate shared citizen and business services for the East Kent Services consortium of Canterbury City Council, Dover District Council and Thanet District Council. The agreement is helping to sustain high levels of service while saving up to £5.3 million for the councils.

Successes also included expansion of our activities in Hull with take on of OnDemand services for Network Rail which, following the end of the year, was awarded a Best
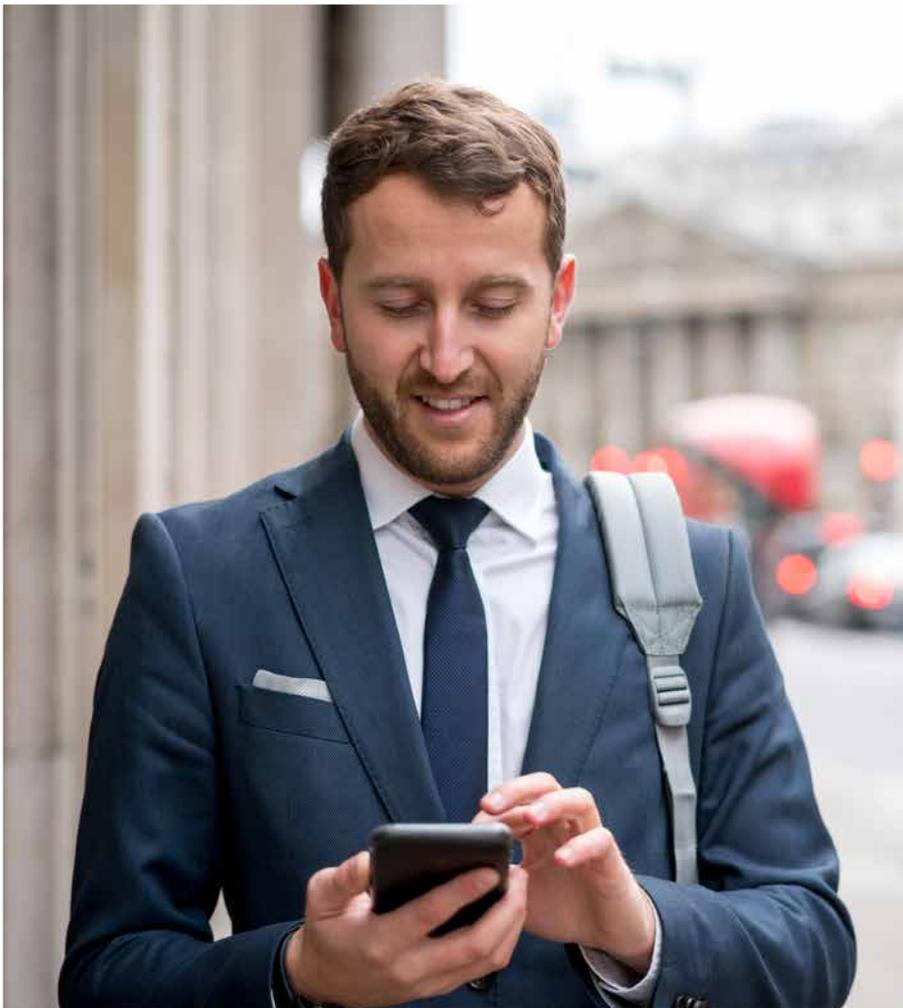
Supporting services for

50m
people

£15bn
of income and expenditure processed annually

300
councils using cloud-based solutions

in Public Sector 2018 accolade in the Top Companies for Customer Service survey.

During 2018 the Group acquired several complementary businesses, including debt recovery software specialist OneStep Solutions, master data management company VisionWare, and case management expert iCasework, whose cloud software is used to handle millions of cases annually. The acquisitions consolidated Civica's position as the leading partner for the sector with a stronger capability to help customers extract maximum business value through cloud software and automation.

Australia & New Zeland

Civica's Authority suite is an enterprise-wide system built for local government to streamline service delivery and transform customer engagement. Progress during the year combined support for a large customer base, investment in new product capabilities including our new cloud-based Authority 7.1 software, and new wins, such as to support Strathfield Council's smart city vision.

Following the signing of the company's largest agreement to date, with the Victorian state government to support administration of new fines legislation, a rapid transition saw operations begin with the new

Civica-built system on 1 January 2018. During the year more than 2 million payment transactions were completed.

In addition to also developing public and hybrid cloud offerings, we advanced our technology strategy for the sector including building on automation and analytics capability.

USA

A preferred partner for local governments in the Midwest, Civica's Enterprise Resource Planning solutions form the backbone to operations of medium to large agencies. The company has a successful record of helping improve revenue collections for customers through effective technology and citizen engagement applications, including data migration for competitive replacements.

During 2018 the business combined the delivery of upgraded systems for existing customers with installations at new customer sites, including Logan County Auditor's Office in a competitive win again including data conversion.

The acquisition in May 2018 of master data management specialist VisionWare added to the Group's presence in North America. UK-based VisionWare has an established position in the US, helping government entities such as the State of Alaska to deliver quality services enabled by single, complete view of data across the organisation.
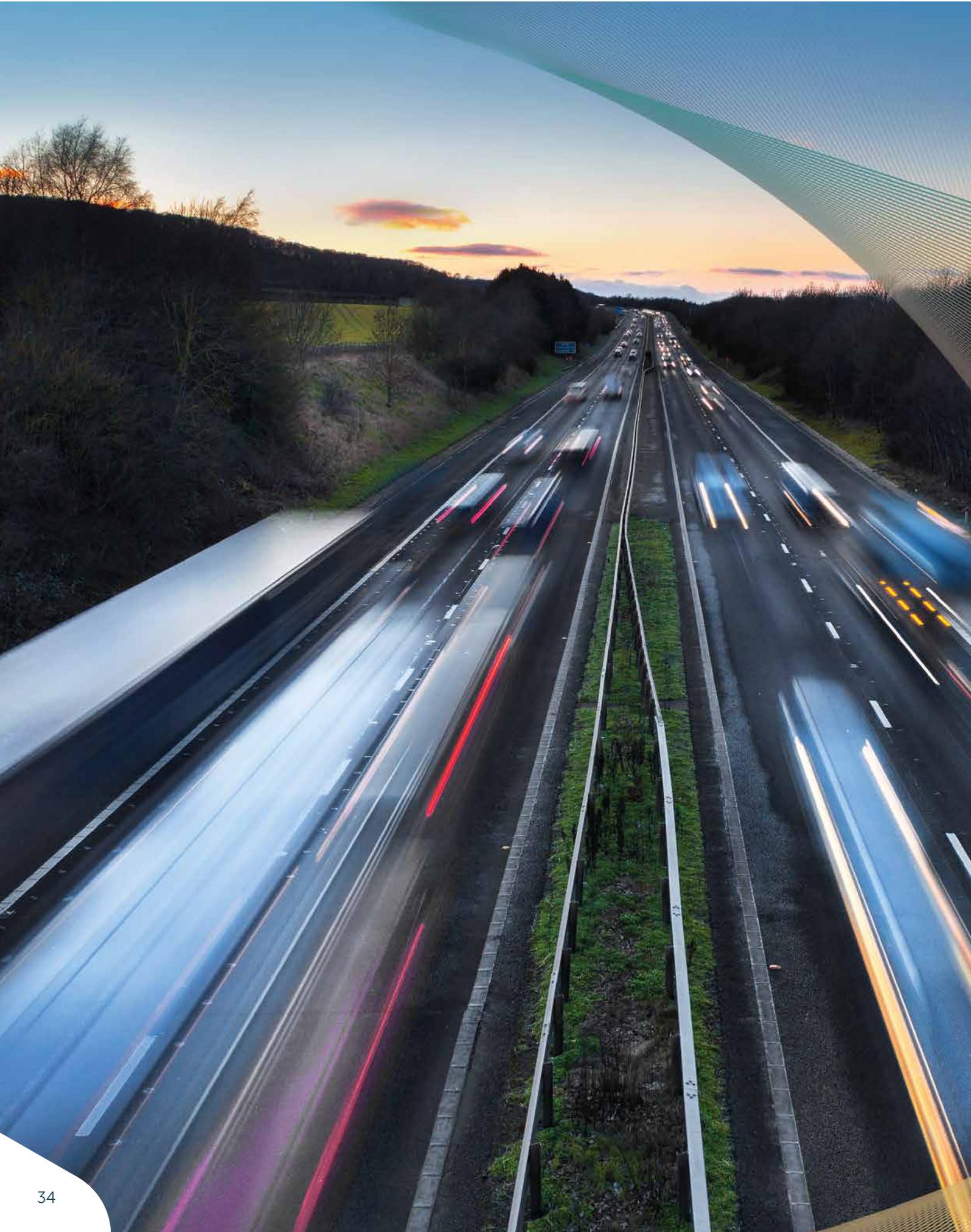
Government & national security

NI Direct

Civica has delivered more than 25 projects as part of the NI Direct strategic partnership. From an online disclosure system for criminal record checks which created a better customer experience whilst cutting average processing times by 60%, to a new driver licensing system implemented within 14 weeks, the company has helped government agencies to deliver a new generation of digital services while achieving savings of £17 million.

Her Majesty's Prison and Probation Service

An executive agency of the Ministry of Justice, HMPPS delivers prison and probation services in England and Wales, working to protect the public, reduce re-offending and support offender rehabilitation. Civica developed a national case management system for victims of serious crime, providing a nationwide view of over 60,000 cases. The flexible and reliable solution helps ensure consistent best practice delivery of sensitive victims' services by HMPPS.

▶ Department for Transport

Civica's cloud-based Collision Reporting and Sharing system provides a digital platform for police officers to capture and upload accurate collision data at the roadside, giving a clearer picture for the agencies involved and helping to improve road safety. It also streamlines case management, using automation and integration with third-party systems to minimise manual intervention and reduce the risk of errors. Used by more than 20 police forces, CRaSH has delivered savings of approximately £7.5 million per year for the agencies that rely on the system.

As a trusted digital partner Civica works with departments and agencies to envision, design, deliver and manage digital applications and services. Through digital specialists, outcome-based projects and end-to-end transformation, we help government to streamline services and improve lives.

Review of operations

Digital services

Working with more than 40 government departments, agencies and companies Civica provides a range of secure applications, digital solutions and managed services to support the provision of modern national services. Our secure, business-critical solutions are enabling organisations such as the Home Office, Ministry of Justice, Ministry of Defence, Foreign & Commonwealth Office and many agencies to transform government services.

Civica's dedicated Digital division has more than 20 years' experience of supporting central government and critical national infrastructure. The business provides a broad range of services, from strategic consulting to the design, development and management of front line applications ranging from a global crisis hub to a nationwide licencing service used by more than half a million people.

During the year Civica Digital continued to support existing and new customers. We extended our track record with, among others, the Home Office where the company has been engaged in more than 15 projects across departments, and the Rail Delivery Group, supporting its cloud-based product management system. In addition to government departments, new engagements included Acas and the Solicitors Regulation Authority.

In partnership with the Department for Transport we enhanced our cloud-based Collision Reporting and Sharing system, digitally enabling police forces in England and Wales for road traffic collision management. CRaSH is used by more than 20 forces, unlocking savings of c.£7.5 million per year for police and government agencies. New mobile functionality aids faster, more accurate reporting, reducing police workloads, helping agencies work together and improving road safety.

Civica also continued to support national organisations through deep expertise and capability in secure communications and information systems.

Products and services are easily available through the Government's Digital Marketplace and during the year we expanded the range of our offerings under the G-Cloud, Digital Outcomes & Specialists and Technology Services frameworks.

In Northern Ireland, Civica is a key partner under the Strategic Partnership Programme, which has seen more than 30 services transformed with more than 15 million new online transactions. A new Driver Licensing Online System has reduced processing times while improving the customer experience with satisfaction ratings increased to 98 per cent.

With advances in the application of connected devices, AI and robotic automation, we continued to progress

with innovative new technologies and to add new skills, outlining Civica's commitment to provide the latest technology for our customers.

Following the end of the financial year, we were delighted to announce the appointment of Steve Thorn as executive director. With a track record of putting insights and data at the heart of business-critical application design and development, Civica Digital is extremely well placed to help progress the Government's strategy as the sector looks to deploy modern digital services.

Software and Managed Services

Civica provides a range of specialist software applications to support regulation and administration for agencies and national organisations.

In September 2018 Civica acquired iCasework, a specialist provider of software-as-a-service (SaaS) applications for case management. Available on both public and private cloud platforms, iCasework software is used by more than 100 customers to handle

millions of cases annually, from request handling to complaints management.

Its highly configurable correspondence solution for government allows for management of a wide range of actions, from Parliamentary Questions and Ministerial correspondence to Freedom of Information. In use at the Home Office, Department of Health and the Ministry of Housing, Communities and Local Government, the software is accredited for use in government and is available through the UK Government's Digital Marketplace.

In conjunction with our software applications we support assured, efficient and secure operations through specialist managed services from infrastructure and cloud solutions to business process services. These are underpinned by the Group's national PSN-compliant ISO 27001 accredited data and service centre network, and secure system environments.

The Group made progress in the year with new software and service engagements for, among others, government resourcing business PeoplePlus and Network Rail.

Delivering digital services for government for

20
years

Agile systems supporting

500,000
government employees

Savings of

£17m
through NI Direct digital services

Health & care

Lincolnshire Partnership NHS Foundation Trust

Civica is delivering its electronic Prescribing system for Lincolnshire Partnership, supporting the Trust's aim to maximise safety and efficiency in prescribing and medicines administration. Extensive capabilities to support in-patient, out-patient and community care settings, underpinned by a single medication record, ensure unified health care practice and assured decisions, helping safeguard patients across the County.

Maury Regional Health

The Group's enterprise master patient index (EMPI) software has enabled Maury Regional, which serves 280,000 people, to integrate data from multiple disparate health record systems and provide a master record with complete patient information. Providing a single view through the Maury Regional Health portal has increased patient satisfaction and enabled clinicians to collaborate between providers and make more informed care decisions.

▶ Royal Cornwall Hospitals NHS Trust

Civica is working with Royal Cornwall Hospitals to progress the Trust's digital vision and help improve patient care with our unified health platform Cito. Working from fully digitised case notes and integrating with 13 clinical systems, Cito provides a single view of patient information at the point of care, enabling better clinical decision making. It is also helping the Trust to redesign key services such as pre-operative assessment through increased automation and information sharing.

Review of operations

UK & Ireland

Civica's digital and cloud-based solutions are helping to achieve better clinical, financial and operational outcomes across the NHS and the private sector. From shared care records and electronic prescribing to automation of workforce and financial processes, we continued to expand our capability and our customer base.

Order intake comprised more than 30 agreements, underpinned by product development, cloud delivery and technology innovation to support more efficient and unified services.

Our clinical information management system, Cito, provides a foundation for digital health care, unifying digitised records and data into a real-time view of patient information and automating care pathways. With the first customers operational, Civica won 8 new contracts. These included Lancashire Care Foundation Trust, Guy's and St Thomas' Foundation Trust and University Hospitals of Leicester, one of the UK's largest acute trusts.

As highlighted by the Secretary of State, electronic prescribing and medicines administration is a priority to safeguard patients and improve efficiency. Civica Prescribing software, which scored highest on the NHS HCIS Framework for ePrescribing requirements, supports safer medicines management, and gained new customers including Lincolnshire Partnership NHS Foundation Trust.

Paris patient and case management software is helping community-based health and social care teams to deliver care across many settings, including through online and offline mobile working. Progress included Children's Services implementations for both Southern and Belfast Health and Social Care Trusts.

The business gained momentum with our latest managed cloud platforms for income and contract management and for patient-level costing and reporting, with 12 new contracts. Innovative developments underway include the use of cloud-based AI technology to analyse and gain insights from as many as 3 billion hospital data items.

More than half of acute Trusts using CostMaster software have now successfully reported under the new Costing Transformation Programme (CTP) standards, a year ahead of the national mandate. Roadmap partner West London NHS Trust also completed the first mental health trust submission.

During a difficult environment for residential care providers, Civica continued to build on its strong record as the leading provider of financial, workforce and care management software in the sector. Providing systems to support new ways of working and deliver cost savings,

Civica delivers software and services to more than 500 health and care providers across the UK, Australia, Canada and the USA. Working across clinical and operational settings, the company is streamlining the delivery of unified care and enhancing financial and operational management.
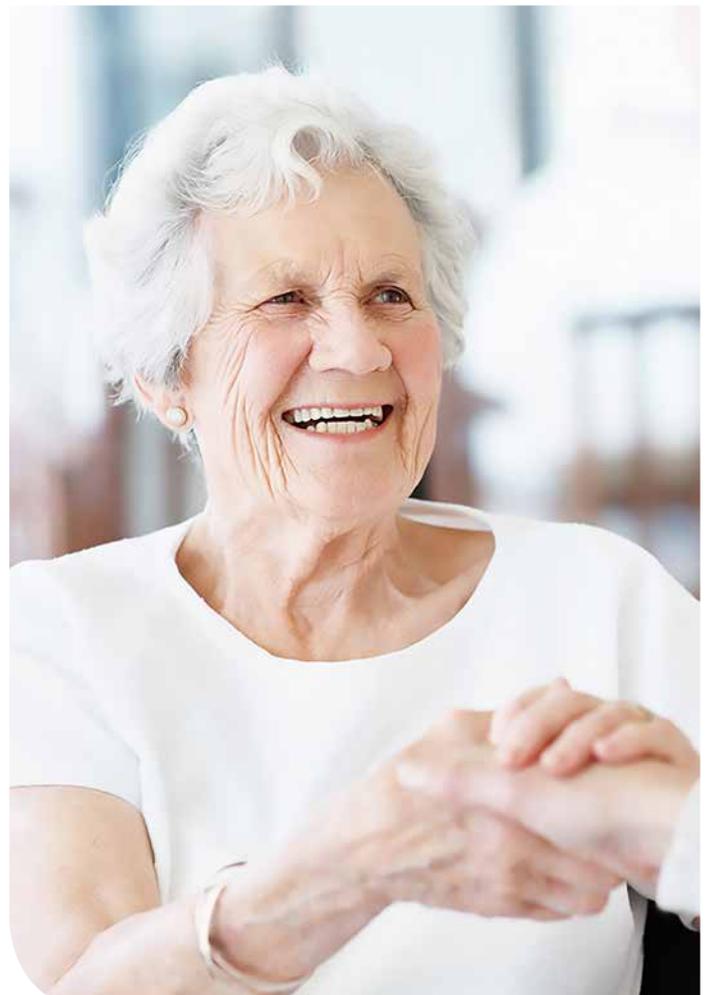
such as the use of machine learning in its workforce optimisation solution, Civica gained new contracts including, among others, Norse Care and Advinia Healthcare.

Following the end of the financial year, Civica acquired e-recruitment software specialist Trac Systems. Used by 160 Trusts, the company's cloud software is the recruitment system of choice for the NHS, managing the complete process, from advertising vacancies and managing applications to induction, while supporting legislative compliance.

Australia and New Zealand

In August the Group acquired Geelong-based Carelink, a leader provider for the community care market with its cloud-based client management software. Solutions covering disability, mental health, aged care and child and family services support an increasingly digitalised and mobile workforce and enable people to access information online.

The acquisition provides a platform for growth in health & care, building on the activities of both companies to widen the deployment of our solutions globally. With 140 customers the business forms part of an expanded international health & care operation, with Carelink chief executive Craig Porte joining the international leadership team.

Civica's NewHealth platform provides an integrated system to streamline health insurance management from new product launch to effective claims processing. It is used to manage a third of Australia's private health policies, and more than AUD4 billion of claims each year.

Building on a strong foundation the company grew its involvement with customers, including a new large-scale agreement with HCF, Australia's largest non-for-profit health fund. The programme, for a core system replacement, underpins a wider transformation programme for HCF to ensure affordable, high quality and customer-centric health care.

USA & Canada

In May 2018 the Group acquired master data management specialist VisionWare. While based in the UK, the company has an established position supplying health customers in the USA. Using sophisticated patient matching algorithms, the company's Enterprise Master Patient Index (EMPI) identifies and matches patient records across multiple systems to ensure all records are accurate and up-to-date and to avoid duplication and error.

Civica continued to work closely with customers in Canada, where the company is helping transform community healthcare based on provision of an integrated system to support interdisciplinary care.
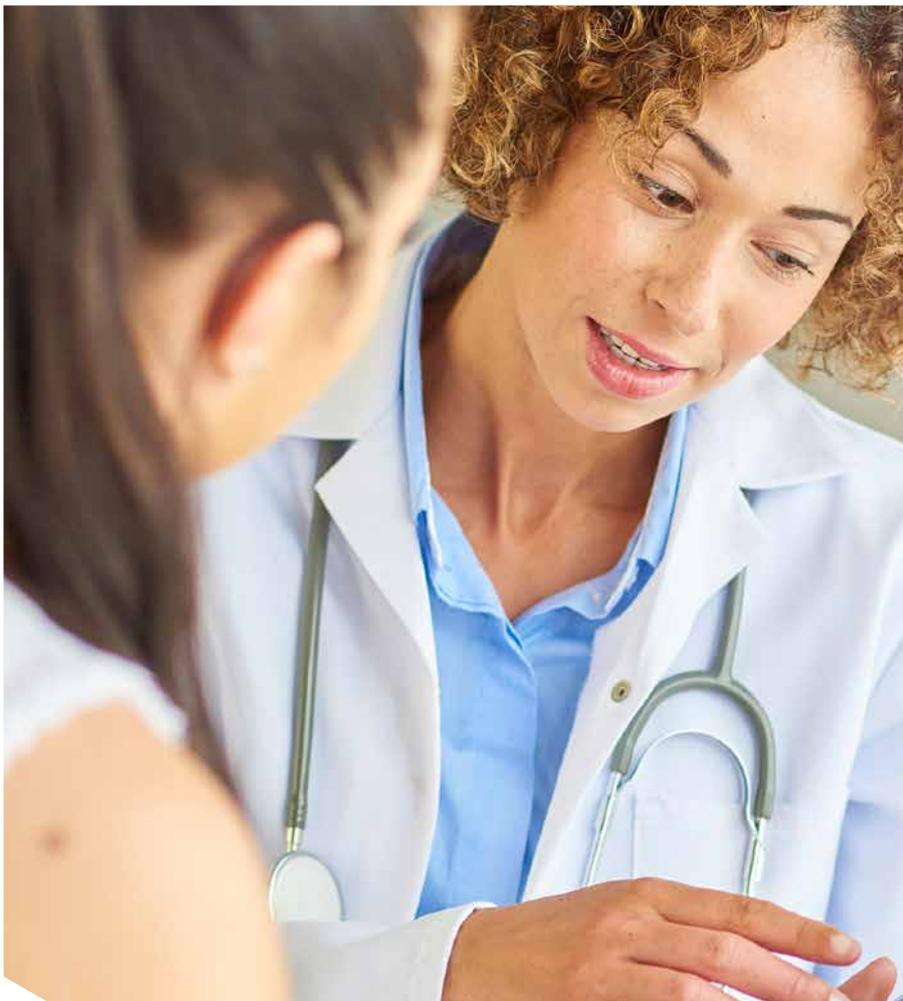
Cloud delivery to more than

20,000
clinicians

More than

£60bn
processed using Civica systems annually

Care billing of

£3bn
managed annually

Housing & community protection

BaptistCare

Australian community housing and care provider BaptistCare has adopted Civica's Cx Housing software after reviewing the market for the best solution to put tenants at the heart of its services. Cx will enable BaptistCare to focus on improving tenant services and engagement, providing up-to-date information at the fingertips of employees both in the field and in the office, while driving greater productivity and efficiency.

Police Service of Northern Ireland

Civica is working with PSNI as a strategic partner to design, build and support a new Criminal Justice Data Sharing platform. The new digital solution supports information sharing between numerous sources and agencies, joining together multiple pre-existing systems into one streamlined, integrated solution to speed up day-to-day processes and improve policing and public safety in Northern Ireland.

▶ The Community Housing Group

TCHG selected Civica's cloud-based housing software to consolidate systems and underpin a unified business model to support its future growth plans and its ambition to have more than 50% of customers transacting online by 2021. The digital platform will enable employees to access and update information anywhere, anytime and on any device, helping TCHG to deliver responsive tenant services enabled by real-time data.

Civica is the leading software partner for the social housing, community protection, emergency services and transport sectors, helping to support vital services and safeguard people and places.

Review of operations

Social housing

Civica has established a market-leading capability in the social housing sector supporting vital services for 5 million tenants. During the year the business delivered a strong performance led by sustained momentum for Cx, our cloud-based digital housing platform.

New wins included 12 Cx Housing contracts across the country from LiveWest, one of the largest housing groups in the south west, to West of Scotland Housing Association and North & East Housing Association in Ireland. We successfully launched the product into Australia, securing initial customers including BaptistCare, which supports people across New South Wales and the Australian Capital Territory.

Providing a complete housing platform, the business also gained further product sales in conjunction with Cx for our cloud-based asset management, housing options and community care software. New agreements included integrated housing and asset management for the Community Housing Group and Alliance Homes Group, the latter combined with our Coldharbour community care software to support its ambitious expansion plans with a flexible cloud platform.

Supporting
400
social housing providers and 5 million tenants

Software for more than
200
regulatory services

Critical technology for
130
police and emergency services

Following the integration of Abritas in 2017, Civica continued to make progress with web-based software for pre-tenancy services. Responding to new legislation, software to support the Homelessness Reduction Act was taken up by more than 60 customers.

Customers continued to deploy new systems including Cx programmes for, among others, Orwell Housing, Central & Cecil Housing Trust and EPIC Housing, the latter choosing an integrated solution comprising also cloud-based FinancialsLIVE software. At Prospect Community Housing, a new tenant portal saw 35 per cent of tenants using self-service within 3 months. We also advanced our development strategy, with Cx designed to easily adapt for new technologies such as connected devices, automation and AI.

Community Protection

The Group helps to safeguard people and places through regulatory, environmental and public safety solutions. During the year the business continued to progress development of our latest cloud-based software for the sector on the proven Cx platform. Cx Regulatory Services is designed as an integrated application to improve citizen engagement, streamline management and support an agile workforce across licensing, community safety, environmental health, trading standards and private sector housing functions.

Customers committing to the new digital platform included Durham County Council, one of the UK's largest authorities, as part of its wider digital transformation programme to encourage citizen self-service and to increase productivity across multiple departments.

Take up of new Cx Licensing software included Redcar & Cleveland Borough Council and Rugby Borough Council, the latter also signing up in the year for the complementary Cx Housing.

Police & Emergency Services

In **the UK and Ireland** Civica provides software and digital solutions used by more than 100 police and emergency services. These range from specialist applications such as automatic number plate recognition to transformational programmes to enable digital policing.

Underpinned by a security-cleared team and Police Assured Secure Facilities, Civica's Digital division combines provision of national systems such as the cloud-based Collision Reporting & Sharing system currently used by over 20 forces, with support for individual customers including Surrey & Sussex Police, Kent Police and the Police Service of Northern Ireland (PSNI).

In a multi-million pound contract PSNI chose Civica to deliver its new Criminal Justice Data Sharing platform. The new system will support information sharing between the police, the Public Prosecution Service, prison and forensic science services, joining together multiple pre-existing systems into one integrated solution to streamline processes and drive efficiency.

With the National Enabling Programmes rolling out a national Microsoft Office 365 platform to forces in support of the Policing Vision 2025, we also launched a new programme to assist forces to prepare for the opportunities presented.

The Group continued with new software developments, including Intercept, a mobile solution which allows agencies to capture, monitor and analyse ANPR data in real time and to respond rapidly to vehicles of interest. Supporting improved fleet safety and efficiency, new agreements for our market-leading Tranman software included the Northern Ireland Fire & Rescue Service and the Northern Ambulance Alliance, the latter helping to save £1 million for the partnership of the North East, North West and Yorkshire Ambulance Services.

In **the US** Civica holds a leading position in the public safety and justice markets in Ohio. Strong partnerships with the State of Ohio, Department of Public Safety, and the Ohio Supreme Court have positioned Civica US as a trusted partner in these critical sectors. In 2018, these partnerships led to the development of an electronic ticket data exchange system between the State of Ohio, local courts, and local law enforcement agencies, saving hours of manual data entry time.

Education
& libraries

### Langley Park Learning Trust

Civica worked with Langley Park to support the multi-academy trust's expansion as it grew by 33%, bringing together primary schools, secondary schools and a free school. FinancialsLIVE cloud software has allowed Langley Park to streamline its financial processes on the foundation of a common database across its estate and enabling the Trust to use a single bank account. Providing real-time access to data, the system enables consistent reporting, reduced administration and greater opportunities to maximise income.

Roehampton University

Civica worked closely with Roehampton University and Microsoft to build the case for moving its IT estate to a public cloud platform and ensuring a cost-effective migration to Azure. Civica's expert software asset management service gave Roehampton a clear view of its software use, identifying savings of up to £3.5 million through right-sizing its estate and defining a clear approach to achieve the university's objectives in moving to the cloud.

▶ Department for Education South Australia

Civica partnered with the Department for Education in South Australia to transform learning and care outcomes across 900 schools with the Civica Education Suite. Supporting a community of 185,000 students and 30,000 teachers and administrators, the software-as-a-service solution will deliver against the Department's key outcomes, to improve learning and care underpinned by enhanced analytics and reporting, and to ensure consistency in systems across sites to improve reliability, support and resourcing.

Supporting
7,000
schools, colleges & libraries

Payment solutions for
1m
students & employees

Cloud software handling
200m
library loans

Review of operations

UK & Ireland

Civica delivers cloud-based education management and business software for thousands of UK schools and colleges, providing improvement and efficiency with an integrated view of learners, finances and resources. The Group supports customers in their migration to the cloud, with a portfolio of services from readiness assessment to ongoing management and optimisation.

Building on our financials platform which is used across multiple sectors, during the year we launched FinancialsLIVE, our latest cloud solution and our most comprehensive system for education finance teams. The system found favour with initial take up including Langley Park Learning Trust and Co-op Academies Trust.

Civica continued to develop the use of our HR & Payroll software and services for schools, with 8 new customers including among others North East Learning Trust, Osborne Co-operative Academy Trust and East Durham College. Following the end of the financial year, the Group also acquired e-recruitment software specialist Trac Systems.

In May 2018 Civica acquired Nationwide Retail Systems, an established provider of payment solutions for the education sector and the market leader in cashless catering systems.

The business provides services for over 1 million school and college students and staff on a daily basis. Following the end of the financial year the Group launched Civica Cashless Solutions as an integral part of our platform Payments business.

In addition to Civica's existing cloud payments software used across schools, the acquisition increased our market presence, adding specialist capabilities including an innovative identity management solution. Adopted by customers including Gwynedd Council and Tudor Grange Academy Trust, the solution has wide application from catering and vending to libraries, using smart card, biometric and proximity tagging technologies.

Civica's college MIS system, REMS, saw further growth in our customer base and a 100 per cent renewal rate, with further education institutions continuing to manage the entire learner lifecycle.

In the libraries sector Civica made progress with our distinctive consortium model, supporting groups across the country and with new customers including Southend-on-Sea, joining the South East consortium, and Active Northumberland libraries.

Australia & New Zeland

Civica is the foremost provider with approximately 40 per cent of the schools market in Australia and a leadership position

Civica is working with 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.

in the libraries sector, and during the year the company delivered an excellent performance.

Our flagship Education Suite provides a complete cloud-based school management system. New contracts included a long-term agreement worth more than AUD80 million with the Department for Education South Australia, to help transform learning and care across 900 schools. Civica's Education Suite will provide the modern technology to support a community of 185,000 students and 30,000 teachers and administrators.

Our cloud software also provides a cost-effective way to manage school operations for independent and jurisdictional schools, finding favour with, among others, Perth Individual College, Hillside Christian College and The Montessori School, Kingsley.

During the year Civica built on our established partnership with leading specialist Frog Education and agreed a new collaboration with EdSmart, which provides a cloud-based system for streamlining and enhancing administration and relationship management.

Civica's cloud-based and customer-centric system Spydus is at the forefront of library innovation, helping libraries embrace their role as modern day digital public spaces while improving services efficiency. We

reinforced our leadership in the sector with strong momentum driven by product investments, new contracts and successful delivery.

Strong take up of Spydus10 software included new agreements with, among others, Northern Beaches Council, City of Gosnells and the Inner West Consortium, as well as a consortium of nine councils in Western Australia led by the City of Albany. We continued also with exciting innovations, including Spydus Home which provides personalised information for staff at a glance, with further developments underway to extend the use of AI and machine learning.

Singapore

Civica continued to build on a strong track record in Singapore with our libraries platform comprising software technology together with staffing and collection services and managed library programmes.

The business proceeded to win new business, including a further multi-million dollar contract with the National Library Board of Singapore. The agreement sees Civica continue to provide the technology for the National Library, 26 public libraries and the National Archives of Singapore, to support the Board's broader educational learning agenda.
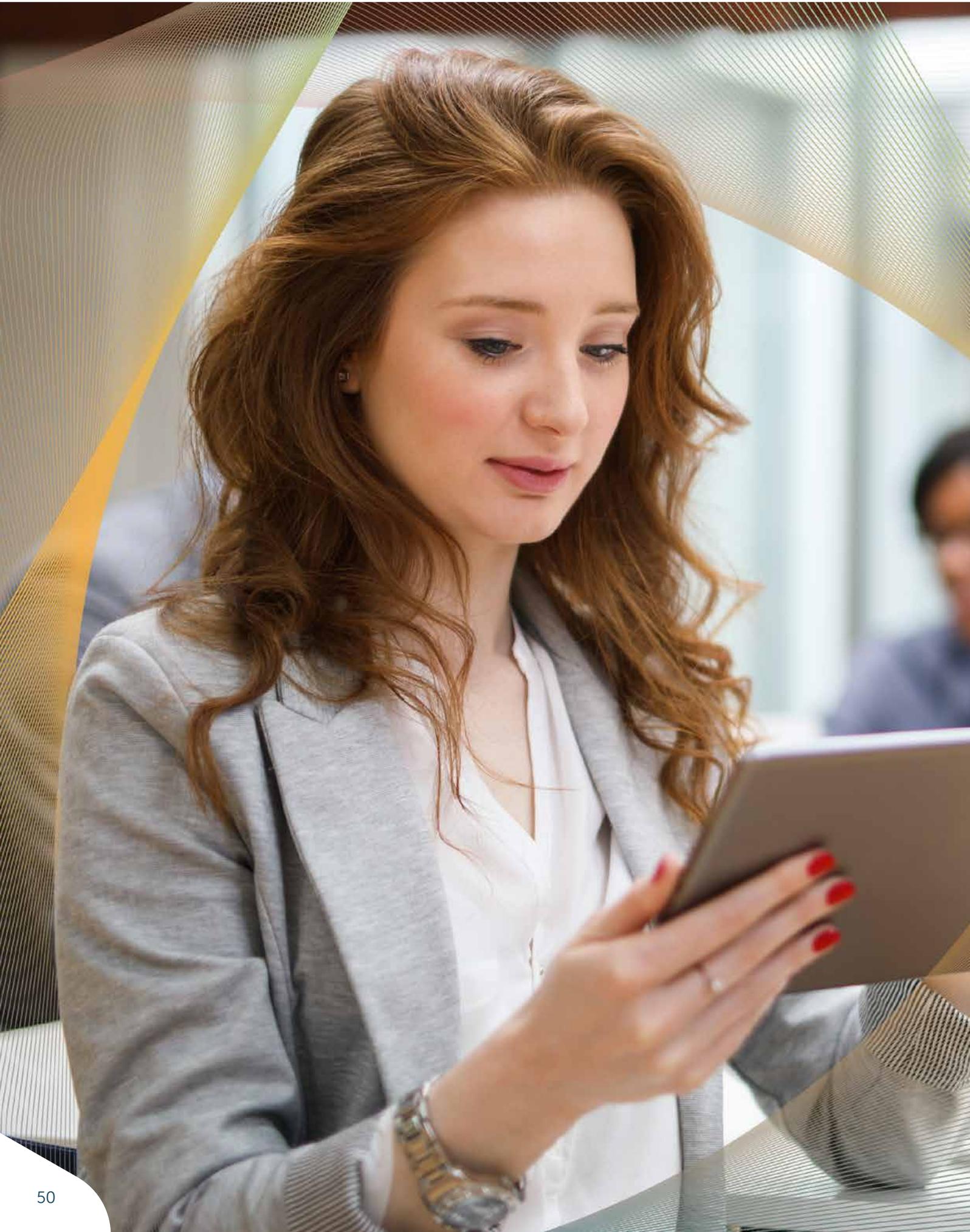
Regulated markets

Pension Protection Fund

Civica's UPM pension administration and payroll system provided the software foundation for the Pension Protection Fund to bring member services in-house for its Financial Assistance Scheme, which supports 150,000 people. The integrated software platform enabled PPF to build a tailored system including secure member website, with a positive impact on the quality of service that members receive and an expected 39% reduction in the cost of administration per member.

United Utilities

Civica's Tranman solution for fleet and workshop management has helped United Utilities to better manage and maintain its fleet of 8,000 vehicles, equipment and plant. With accurate and comprehensive data to hand, and improved automation, the system has delivered greater business insight and help the company to almost double workshop productivity levels in seven months.

▶ Network Rail

Network Rail operates 20,000 miles of track used for more than 4.6 million rail journeys daily. Working alongside the company's digital team, Civica delivered an enhanced 24/7 customer service platform in just nine weeks, and is helping to streamline operations and improve the customer experience by harnessing data and emerging technologies including real-time analytics. Following the start of the partnership, Network Rail's helpline was listed in the top ten of the Top Companies for Customer Service survey, and Best in Public Sector.

Civica is a growing supplier to a wide range of organisations in regulated markets, including travel & transport, financial and legal services, pension administration and utilities, helping to deliver better services and increased productivity.
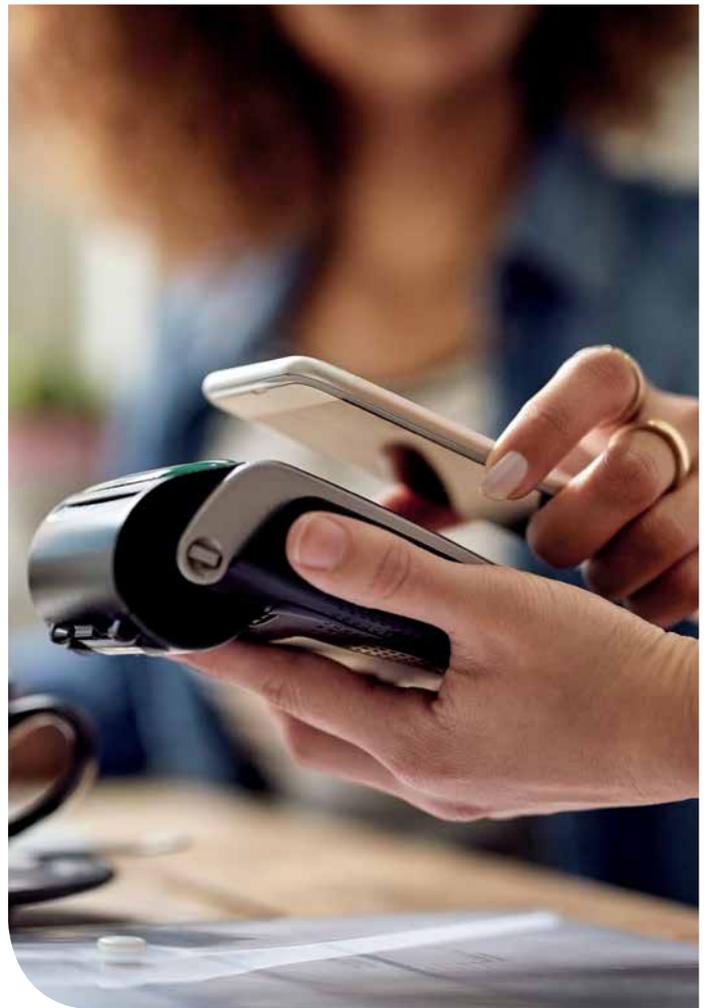
Review of operations

Financial Services

From digital strategy consulting, data analytics and automation to the design and development of secure end-to-end digital solutions, Civica is helping the financial services sector to transform customer experience, operational efficiency and risk management.

The business continued to build on its established position with digital consulting, project services and on-site resources for customers including Nationwide Building Society, the Bank of England and a leading international prepaid services organisation.

Pensions

Civica's Universal Pensions Management (UPM) software provides a single integrated system for pension administration and payroll. It is widely used in both public and private sectors to automate processes and ensure compliance for all types of schemes, processing more than 1 million pensioner payments each month.

With increasing demands on pension scheme providers and increasing focus on member engagement, the company delivered a good performance. As in other

sectors, Civica extended cloud-based solutions, such as for the Superannuation Arrangements of the University of London (SAUL), to support services across 50 institutions.

Building on a strong track record, we grew the use of UPM, notably to support administration of the Local Government Pension Scheme where it is used to calculate benefits for over 2 million members. New contracts included further agreements with, among others, West Yorkshire Pension Fund and Hampshire County Council, which also took on administration of the West Sussex Pension Fund.

In addition to large-scale implementations, including a new platform for the Pension Protection Fund's Financial Assistance Scheme, we progressed new developments and innovations. These include robotic processing to further automate routine tasks, using machine learning and AI to speed up administration and improve data insight, and digital portals to improve member engagement.

Legal & Records

Civica supplies legal software and digital solutions to over 180 customers in both public and private sectors. These solutions underpin improved productivity for legal teams and high quality services that clients can access quickly and easily, and during the year benefitted from new mobile apps.
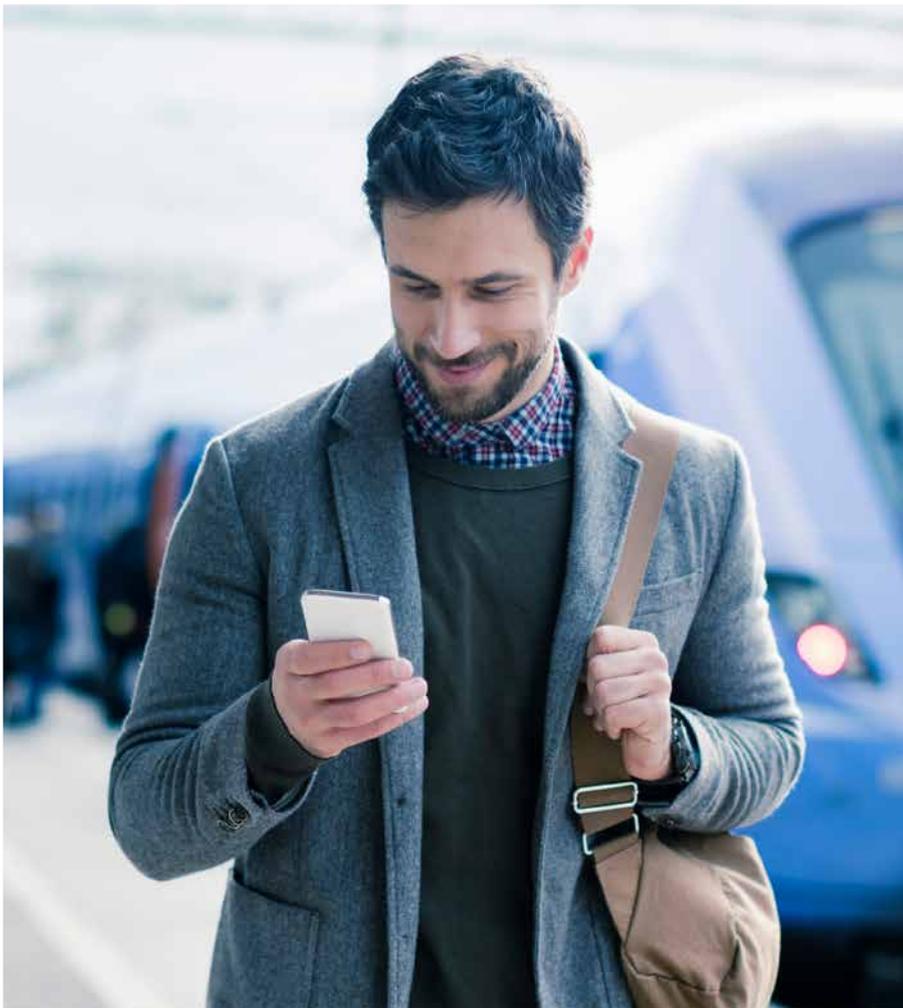
Processing

1m

pension payments each month

Online travel platform for

9m

customers

Systems to manage

2m

mobile assets

Progress with customers included, among others, a shared services partnership between Brighton and Hove City Council and the county councils of East Sussex, West Sussex and Surrey. The company was also selected by the Solicitors Regulation Authority to provide digital applications development as part of a wider transformation programme.

Civica is the leading supplier to the Coroners market, and sustained momentum with 8 new customers for its case management software. A new Registrars solution was also developed in the year in response to market demand.

Travel & Transport

The Group expanded software, digital solutions and managed service activities with organisations including FirstGroup and the Rail Delivery Group, the latter for ongoing provision of a large scale cloud-based product management system. Civica also signed a new contract to provide contact centre services alongside the Network Rail Digital team.

Civica also supplies the market-leading Tranman fleet management software. Harnessing new technologies, the software delivers cost and utilisation benefits for operators of essential and high-value fleets from Eddie Stobart to the Metropolitan Police.

An approved supplier for the Driver and Vehicle Standards Agency's Earned Recognition scheme, Civica's solution allows operators to monitor their performance easily and automatically submit reports to the DVSA, resulting in fewer inspections while ensuring vehicles comply with legislation.

Service-led engagements also ranged from cloud-based services for heavy equipment transport operator FTX Logistics to software asset management for Associated British Ports.

Telecoms

Civica supplies expert services and customisable products that deliver applications more quickly and cost effectively.

The company offers development services for the provision and support of operational support systems, together with the WanStaX portfolio of licensable software components. The latter enables rapid development of next-generation networks globally including Carrier Ethernet and Gfast, the ultra-fast broadband standard.

Civica continues to support long-term partnerships including Sckipio, Microchip and Virtual Access. Providing a variety of telecoms-based solutions over 10 years, our combination of expertise and the WanStaX product capabilities has enabled Virtual Access to support its full life-cycle legacy migration services on a number of key projects.

Financial review

Phill Rowland
Chief Financial Officer

> ❝
> **I am delighted to report another very strong financial and operational performance in which we achieved further significant organic growth while expanding our scale and capability through targeted investments.**
> ❞

Performance summary

In 2018 we extended our excellent record of growth. The Group again delivered a very good financial performance driven by strong organic growth and with the acquisition and integration of highly complementary businesses which expanded our market position, capability and scale.

On 12 October 2017 the Group was acquired by Partners Group on behalf of its clients. During the full 12-month period to 30 September 2018 Group revenues grew by 15 per cent overall to £373.2 million (2017: £324.7 million) with organic revenue growth of over 12 per cent.

Total net revenues* increased to £320.6 million with consistent growth across the year on a rolling 12-month basis. Civica has now produced growth of 76 per cent in net revenues since 2015, as we continue to create value for all stakeholders through our position as the technology partner of choice in our markets.

This strong performance reflects the continued successful execution of our cloud-centric One Civica strategy which

is focused on expanding the footprint of our business-critical software and digital solutions across existing and adjacent market sectors to improve outcomes for our customers. During the year we made further progress with strategic objectives to:

▶ Grow software product use with existing and new customers globally
▶ Drive adoption of cloud software, digital solutions and technology innovation
▶ Maintain international momentum on common platform
▶ Extend our position and opportunity through complementary acquisitions

Progress was underpinned by our focus on employee and leadership development, for which we made further investments in the year to strengthen capability, resources and management, while investment in product development amounted to almost 20 per cent of revenues.

A record number of major sales in the year included our largest contracts to date overall and in each of local government, education and health sectors. An increase in software IP and implementation revenues of 20 per cent resulted in gross margins of 85.9 per cent of revenue.

With a broad cloud software portfolio we continued to strengthen our position as the leading provider of such solutions for our customers, with almost half of major new signings overall being cloud-based. Recurring revenues grew 24 per cent overall, increasing to 50.7 per cent of total revenues and supporting improved visibility and predictability of income.

Earnings before interest, taxation, depreciation, amortisation and exceptional charges (EBITDA) rose by 13 per cent to £77.7 million (2017: £68.7 million), representing a 20.8 per cent margin on sales. The Group generated cash flow from operations of £68.3 million, an increase of 6 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 £39.1 million (2017: £42.4 million).

We remain a valuable partner for our customers, well placed to harness innovative digital and cloud-based technologies to improve vital activities. We anticipate further market opportunities as customers seek to respond to major changes and increasing demands. Civica remains in a good position to sustain our growth performance into 2019.

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

2018 highlights

Group revenues increased by 15% to

£373.2 million

Recurring revenues increased by 24% to

£189.2 million

Group EBITDA increased by 13% to

£77.7 million

EBITDA margin maintained at

21%

Largest contract to date worth

£117 million

Closing order book increased to

£825 million

Group overview	Pro forma* Year ended 30 Sep 18 £millions	Year ended 30 Sep 17 £millions	Year ended 30 Sep 16 £millions
Turnover	373.2	324. 7	267.7
Cost of sales	(52.6)	(44.0)	(45.9)
Net revenues	320.6	280.7	221.8
Administrative expenses	(242.9)	(212.0)	(166.7)
EBITDA	77.7	68.7	55.1
Cashflow from operating activities	68.3	64.6	50.2
Employees	4,389	3,454	3,231

*On 12 October 2017 the Group was acquired by Partners Group on behalf of its clients. In order 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 including audited results from 19 September 2017 to 30 September 2018 (reflecting the trading results for Camelia Investment 1 Limited from the date of acquisition) are available at Companies House.

Segmental analysis

Civica has a highly resilient business model focused around core markets and capabilities. Globally-consistent operations are organised into three vertically-oriented UK software divisions and one International, together with dedicated digital and managed service divisions.

During 2018 we achieved growth in each of our major geographies. Revenues in the UK & Ireland, our largest market, increased by 7 per cent to £263.7 million led by strong performances from our local government and housing & communities software divisions and in managed services. An excellent performance in Australia & New Zealand drove impressive organic revenue growth of 47 per cent, and our International business now accounts for 29 per cent of global revenues.

Acquisitions

Civica has a successful history of finding and acquiring complementary businesses which strengthen our position, increase addressable market and create cross-selling opportunities. During 2018 the Group completed a series of new acquisitions, adding new cloud software for core markets including local and central government, healthcare and education.

Revenues

Geography
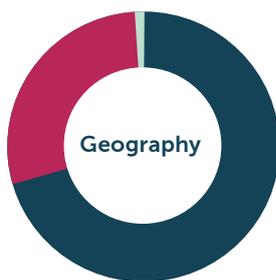
UK	**71%**
Asia Pacific	**28%**
USA	**1%**

Market

Local & regional government	**61%**
Education	**13%**
Health & care	**11%**
Government & national security	**9%**
Other	**6%**

Capability
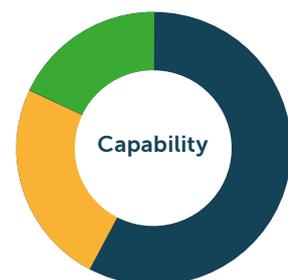
Business-critical software	**58%**
Managed services	**24%**
Digital	**18%**

Acquisitions during the period

Company	Country	Date	Sector	Comments
OneStep Solutions LLP	UK	Feb 2018	Local Government	Cloud-based software for debt recovery & enforcement
Nationwide Retail Systems Ltd	UK	May 2018	Education	Payment & cashless catering systems incl. identity management
VisionWare Ltd	UK	May 2018	Local Government Health & Care	Master data management and single customer view
Icon Global Solutions Pty Ltd	Australia	Aug 2018	Health & Care	Cloud software for community care
iCasework Ltd	UK	Sep 2018	Multiple	Software-as-a-service (SaaS) applications for case management

In February 2018 we completed the acquisition of UK debt recovery software specialist OneStep Solutions, which provides cloud-based systems to support all aspects of debt recovery for office, call centre and field agent teams.

In May Civica acquired Nationwide Retail Systems, an established UK provider of payment solutions and the market leader for cashless catering systems for education. We also added certain trade and assets from Northgate Public Services in respect of its payments systems. In addition, we acquired master data management company VisionWare, a provider of innovative solutions giving government and health organisations a single view of their customers.

Adding to our Australian operations, in August we acquired Icon Global Solutions, trading as Carelink. A leading supplier of cloud software for community care, the move opened up the sector for Civica locally, building out from existing UK activities.

Lastly, we added iCasework, which provides cloud-based case management for complaints, correspondence and information requests used in the UK, Australia and the USA.

Following the end of the financial year, the Group completed two further well-placed acquisitions, democratic and membership services group Electoral Reform Services, and e-recruitment software provider to the health sector, Trac Systems.

Our selective M&A strategy continues to add great new capability in core markets. During the year we increased our scale of involvement with customers and added significant enterprise value. With a strong pipeline of future opportunities we expect to support the growth of the business with further strategic developments.

Corporate governance

The Civica Group is majority owned by funds managed and/or advised by Partners Group, and is controlled by a Board comprising Partners-nominated 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, 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. At 30 September 2018 the Board had an effective balance of executive (2) and non-executive directors (4).

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 chief officers for people, marketing, business development, product strategy and technology. It meets on a monthly basis to discuss strategic issues and the effective management of people and culture, opportunity, risk and business improvement. A short profile on each of the members of the executive management board can be found at **www.civica.com/en-GB/about-us/leadership-team**

Monthly business reviews

Each unit within the Group is subject to a monthly business review by executive Board members to assess the financial

> **66**
>
> **Having increased net revenues by more than 76 per cent since 2015, we continue to create value for all stakeholders and support our position as the technology partner of choice in our markets.**
>
> **99**

Phill Rowland
Chief Financial Officer

and operational performance and business risks, review the financial projections and review working capital management and cashflow 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 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), ISO 20000 (IT service management) and ISO 27001 (information security).

Principal risks & uncertainties

The Board 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. As with other entities providing similar solutions, the main risks and uncertainties facing the Group surround the level of customer spending available in future periods, the risks associated with technological advancement, the threat of competition, and the business risk of system, operational or compliance failures.

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

For the year ended 30 September 2018	Pro forma 2018 £millions	2017 £millions
Sales		
Owned software & related equipment	69.9	58.2
Third party software & services	26.3	21.3
Implementation & consulting services	87.8	92.8
Recurring support and managed services	189.2	152.4
	373.2	**324.7**
Cost of sales	(52.6)	(44.0)
Net revenues		
Owned software & related equipment	47.5	39.6
Third party software & services	3.7	3.7
Implementation & consulting services	98.0	100.9
Recurring support and managed services	171.4	136.5
	320.6	**280.7**
Direct employee costs		
Technical & management	(176.4)	(154.5)
Sales	(20.3)	(21.5)
	(196.7)	(176.0)
Contribution	**123.9**	**104.7**
Central costs	(51.9)	(40.6)
EBIT	**72.0**	**64.1**
Depreciation	3.9	3.5
Project Centum*	1.8	1.1
EBITDA	**77.7**	**68.7**

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

Key performance indicators

Group revenues
Increased by
15%
2015-2018 CAGR 17%

Year	Value
2015	234.1
2016	267.7
2017	324.7
2018	**373.2**
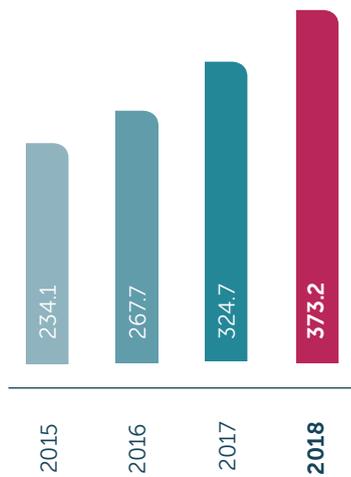
Net revenues*
Increased by
14%
2015-2018 CAGR 21%

Year	Value
2015	181.9
2016	221.8
2017	280.7
2018	**320.6**
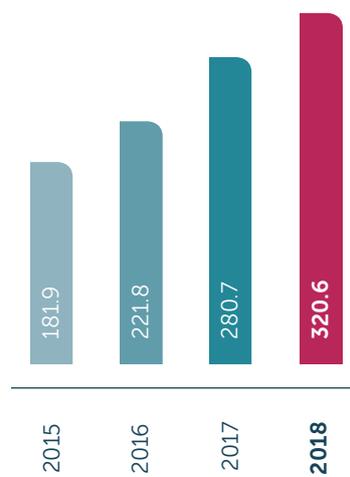
Recurring revenues
Increased by
24%
2015-2018 CAGR 18%

Year	Value
2015	114.6
2016	132.6
2017	152.4
2018	**189.2**
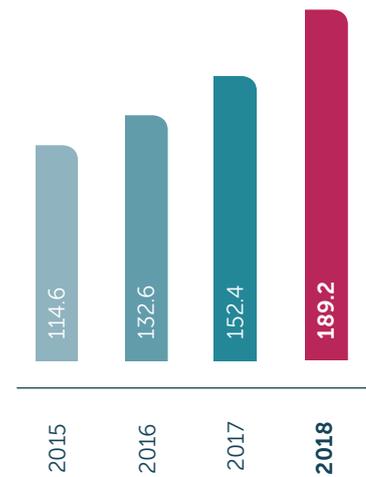
Contribution
Increased by
18%
2015-2018 CAGR 21%

Year	Value
2015	70.1
2016	86.3
2017	104.7
2018	**123.9**
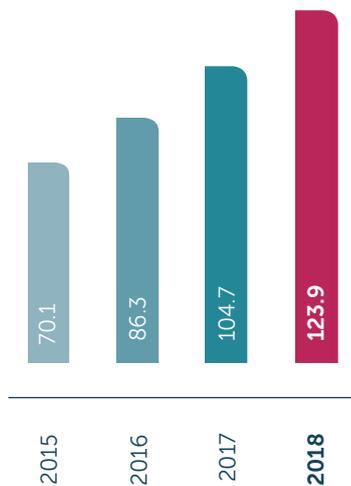
Normalised EBITDA
Increased by
13%
2015-2018 CAGR 18%

Year	Value
2015	46.8
2016	55.1
2017	68.7
2018	**77.7**

Operating cash flow
Increased by
6%
2015-2018 CAGR 18%

Year	Value
2015	41.8
2016	50.2
2017	64.6
2018	**68.3**
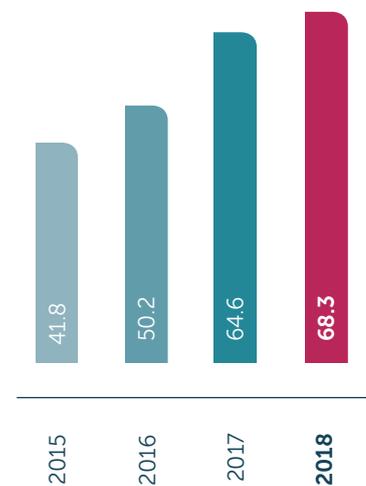
All figures are in £ millions.

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

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