



NYSE American: INLX
Investor Presentation

August 20, 2024





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Intellinetics



NEW YORK STOCK EXCHANGE



Investor Highlights

Intellinetics enables digital transformation, using digital technologies to enhance business processes to meet changing business and market requirements.



Large and growing addressable market

- Document Management: SaaS
 - Multi-billion dollar ECM market estimated at \$5B, growing at 14% CAGR¹
- Document Conversion: BPO/Document Processing
 - BPO market estimated at \$90B in North America, growing at 8.6% CAGR¹
 - U.S. Digital Transformation market estimated at \$110B, growing at 20.7% CAGR¹



Company has rapidly grown revenue and adjusted EBITDA

- Five-year (2019-2023) revenue CAGR: 46.6%
- Adjusted EBITDA improved from \$(0.9) in FY'19 to \$2.7 in FY'23



Company has successful track record of acquisitions

- 2022 acquisition of Yellow Folder doubled our K-12 customer base
- 61% of INLX revenue is now recurring²



Strong balance sheet

- \$1.7M in cash at 6/30/24
- Company anticipates having zero net debt (debt less cash) by the end of 2024

¹ See slide 4 for additional detail

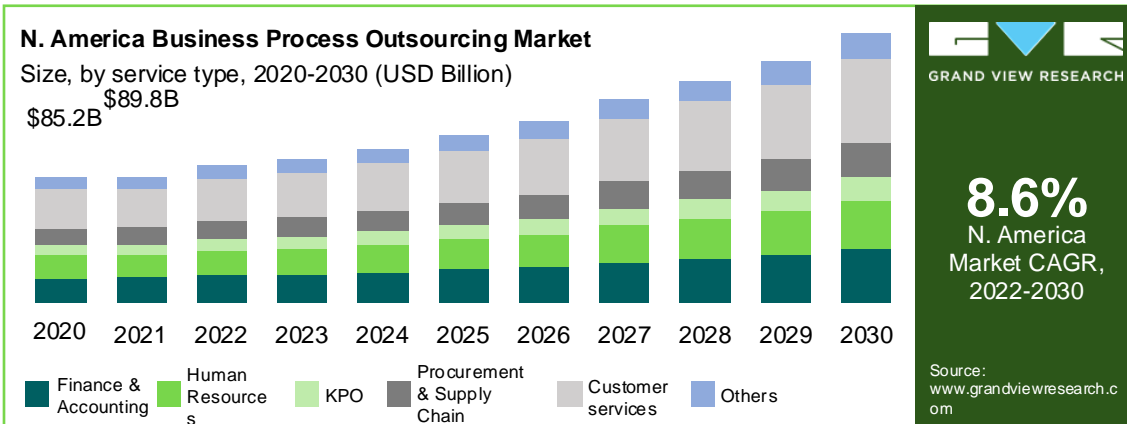
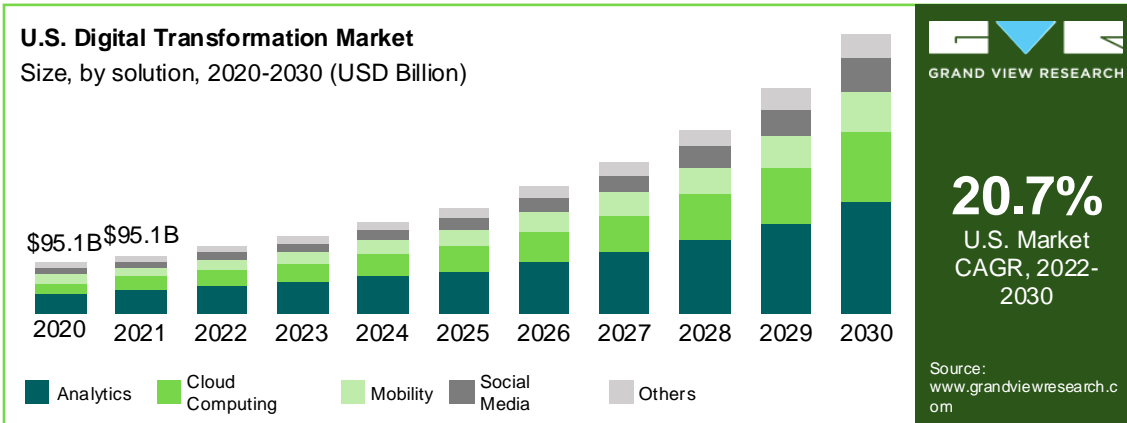
² Please see the appendix for more information about our recurring revenue metrics.

NYSE American	INLX
Stock Price (08/19/24)	\$9.10
Market Cap	\$38.5M
52-week range	\$3.13-\$10.99
Shares Outstanding	4.11M
% Held by Insiders	27%
Avg. Volume (3 Mo)	6.9K

U.S. Digital Transformation Opportunity

Digital transformation is the process of using digital technologies to create new — or modify existing — business processes, culture, and customer experiences to meet changing business and market requirements.

This reimagining of business in the digital age is digital transformation.



Intellinetics Meets Market Needs

Solutions and Services that Enable and Accelerate Digital Transformation
Unlock Organizational Data into a Digital Asset



Software Solutions

- **Payables Automation**
- Content Management (ECM)
- Workflow Automation
- Digital Forms
- Advanced Capture



Business Process Outsourcing

- Digital Mailroom
- Claims Processing
- Billing and Invoice Services
- Inbound Document Processing

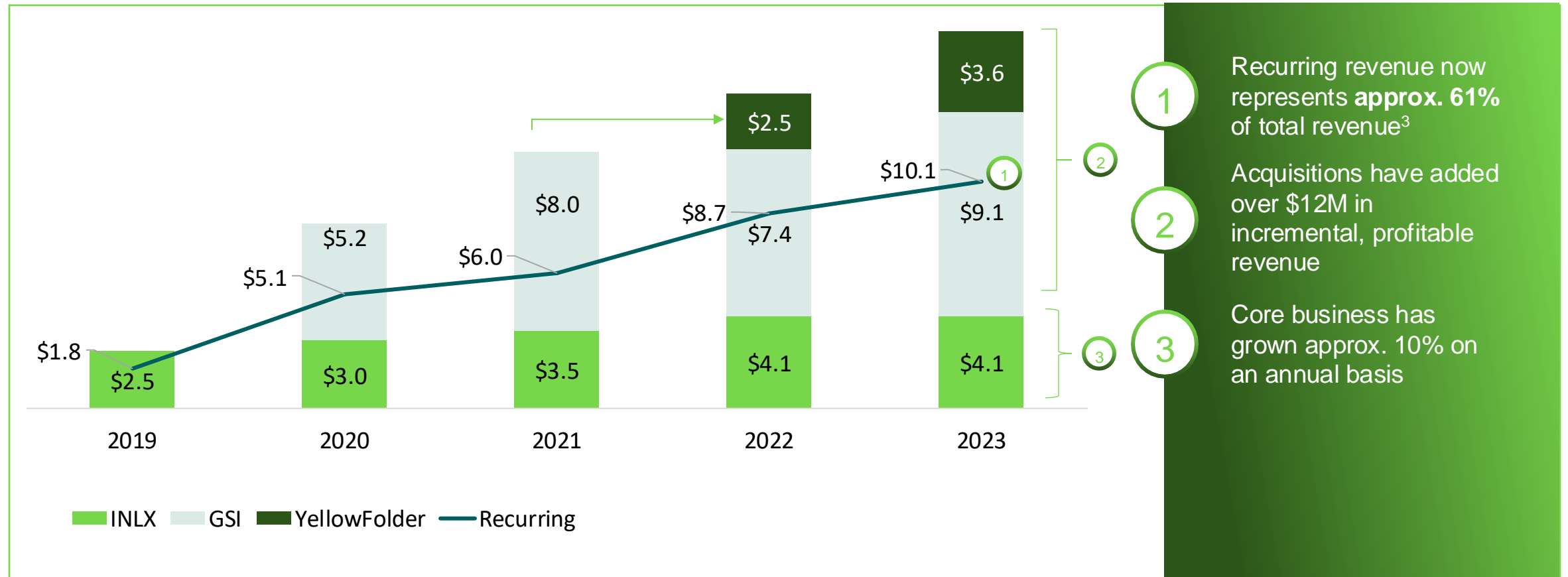


Document Processing

- Document Scanning
Microfiche/Film
- Scan on Demand
- Records Storage

Successful Track Record of Value-Added Acquisitions

Acquisitions have accelerated growth and enabled a transition to a SaaS model



³ Please see the appendix for more information about our recurring revenue metrics.

Platform for Growth



Record Year in 2023

- Grew revenue & Adj EBITDA to record levels
- Successfully integrated cross-selling opportunities with acquisitions
- Vastly expanded document conversion capabilities, including scanning, BPO and storage services



Launched new solutions/products

- Intellinetics Payable Automation Solution (IPAS)
- Enhanced cross-selling opportunities



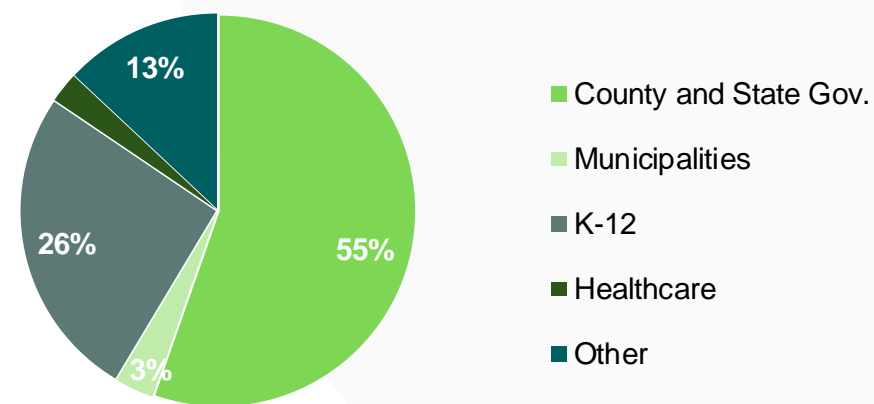
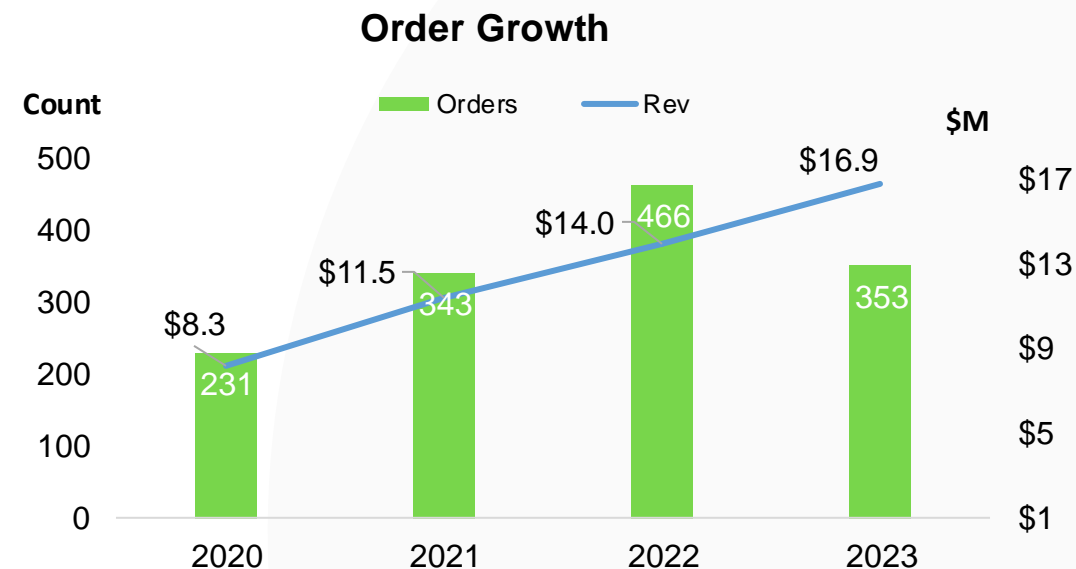
Acquired YellowFolder in April, 2022

- 60% of revenue was recurring for 2023
- 30% of revenue was SAAS for 2023



M&A is a part of continuing overall strategy

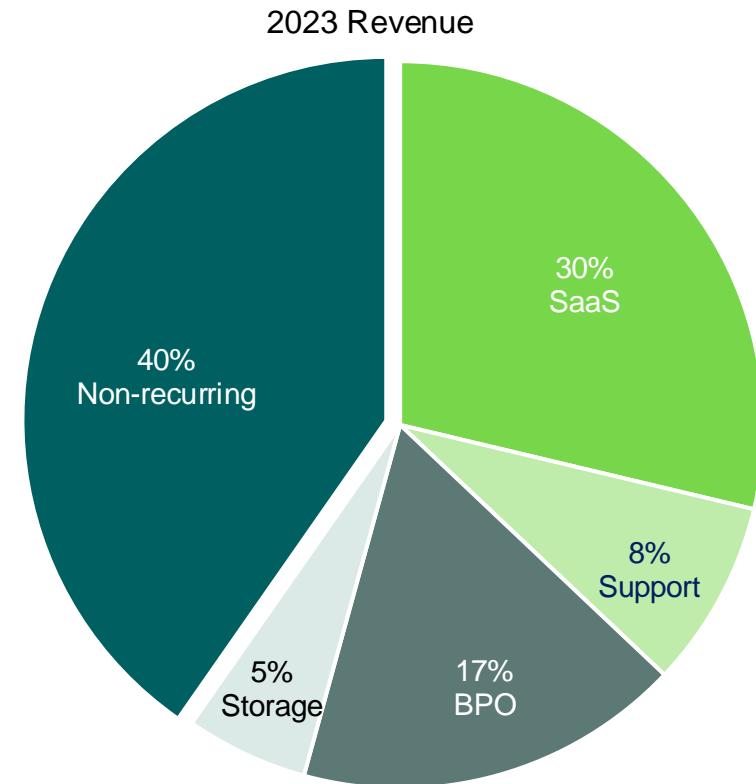
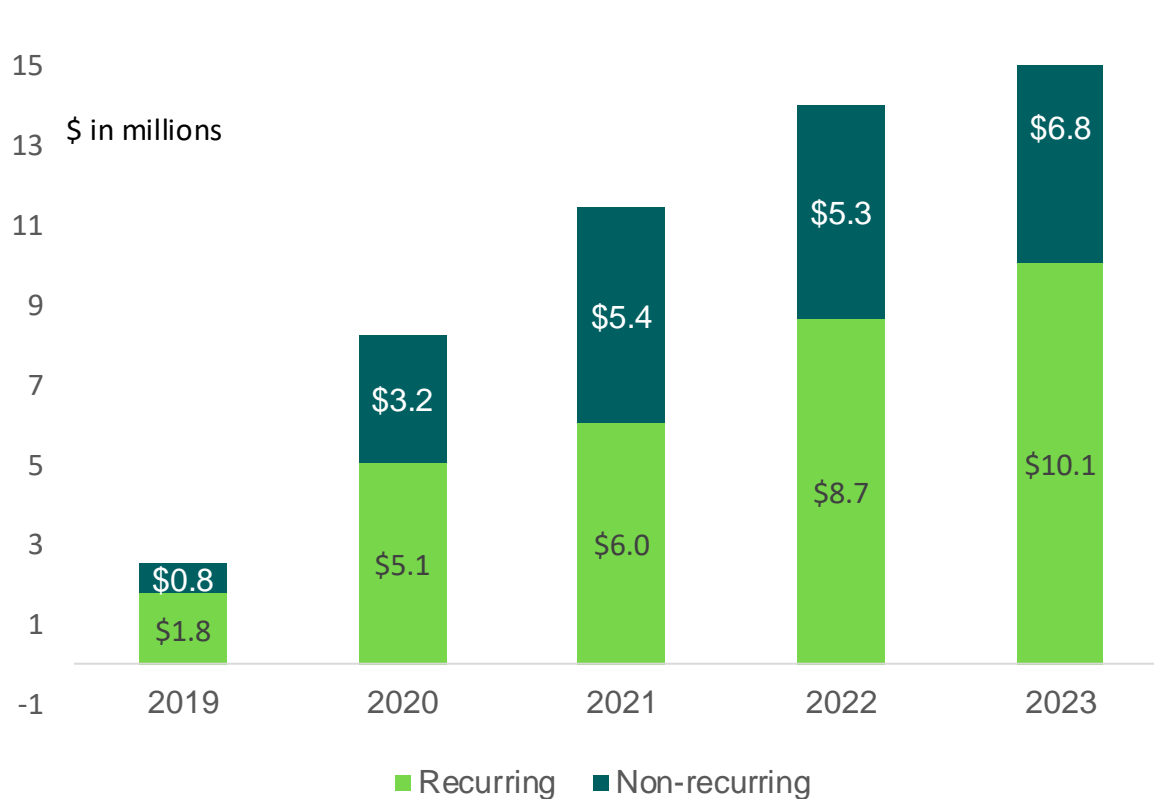
- Proven we can do this successfully
- Targeting acquisitions to expand product offering and geographical reach



⁴Please see the appendix for more information about our recurring revenue metrics.

SaaS and Recurring Revenue: Building to the Future

Approximately **57%** of total Q2'24 revenue is now recurring⁵, improving predictability and profitability



⁵ Please see the appendix for more information about our recurring revenue metrics.

Full-Year Income Statement

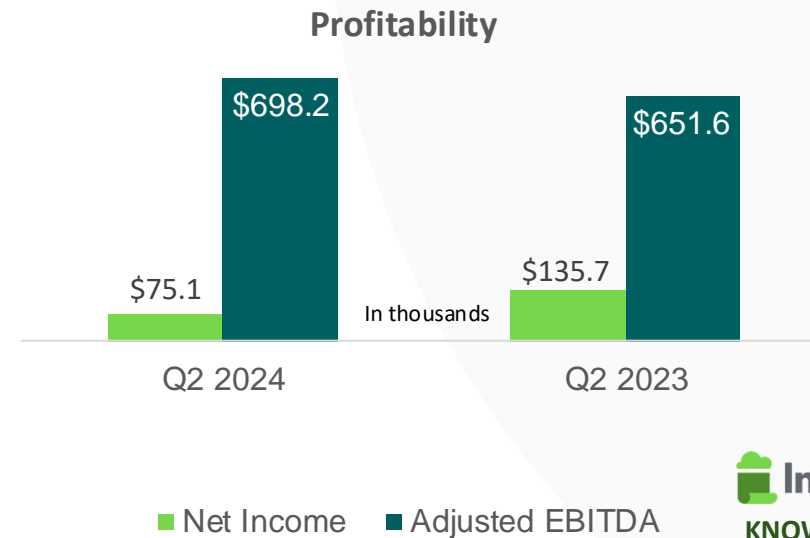
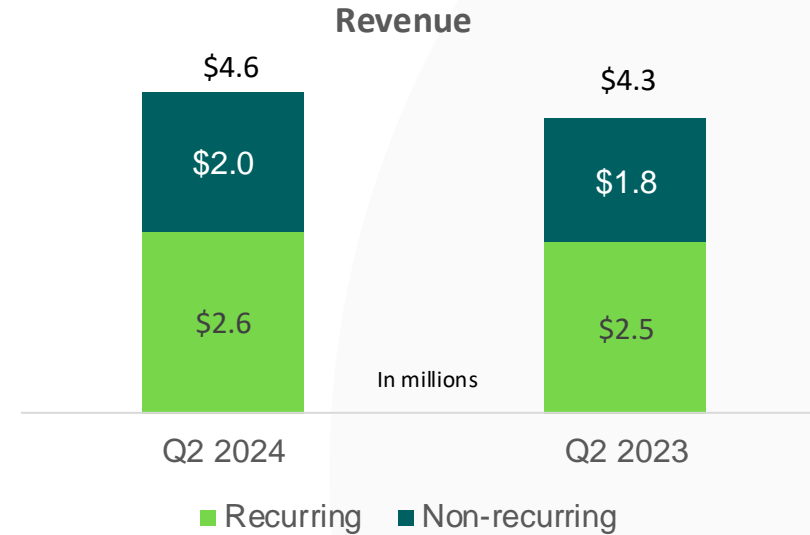
12 mos ended Dec 31

\$ 000's	2023	2022	2021	2020
Revenues	16,886	14,017	11,460	8,253
• <i>Revenue Growth</i>	<i>21%</i>	<i>22%</i>	<i>39%</i>	<i>225%</i>
Cost of revenues	6,322	5,108	4,517	3,262
Gross profit	10,564	8,909	6,943	4,991
• <i>GP %</i>	<i>63%</i>	<i>64%</i>	<i>61%</i>	<i>60%</i>
Earnout fair value	-	88	141	1,555
Transaction costs	-	355	-	636
Operating expenses	9,456	7,639	5,837	4,838
Operating profit(loss)	1,107	827	965	(2,038)
Debt extinguishment gain	-	-	845	287
Interest expense	(588)	(803)	(452)	(637)
Income tax benefit	-	-	-	188
Net income(loss)	519	24	1,358	(2,200)
Adj EBITDA*	2,745	2,414	1,670	803

*see reconciliation to Adjusted EBITDA at Appendix

Second Quarter 2024 Performance

- Grew revenue 9% to \$4.6M
- Growth was completely organic
- SaaS revenue increased 9.6% and professional service revenue grew 15.8%
- Earnings Per Share (diluted) of \$0.02 vs. \$0.03
- Adj EBITDA up 7.1% \$698K vs. \$652K



Balance Sheet and Capital Structure

Balance Sheet	6/30/2024	12/31/2023
Cash	\$1.7M	\$1.2M
Total Assets	\$18.9M	\$19.0M
Deferred Revenues	\$2.8M	\$2.9M
Debt Principal	\$2.0M	\$3.0M
Total Liabilities	\$8.5M	\$9.3M



Shares Outstanding: **4.11M**



Weighted Avg Diluted Shares: **4.11M**



Preferred Stock: **NONE**



Warrants: **0.26M**



Insider Ownership: **27%**

Proven Leadership



Jim DeSocio

President and
Chief Executive Officer

- **XRS – EVP Field Operations**
 - Launched new mobile solution that changed the dynamics in Fleet Logistics space, **selling 462 new customers in 22 months**
 - Successfully closed on sale of XRS to Omnitracs (Vista Equity Company) in October 2014
- **Antenna Software – EVP Sales and Business Development**
 - Grew bookings from **\$8M to \$40M in four years**
 - Antenna sold to Pegasystems
- **Lawson Software – EVP Global Operations**
 - Grew company revenue **62% to \$428M in three years**
 - Successful IPO in 2001



Matt Chretien

Co-Founder of Intellinetics and
Chief Strategy Officer

More than 20 years of experience in technology sales, consulting and software product life cycle management in the aerospace, public safety, government and select commercial markets.



Joe Spain

Chief Financial Officer

- **nChannel, Inc. – CFO**
 - Two years with angel-backed SAAS start-up
- **Mettler-Toledo International, Inc. – Head of Finance**
 - Head of finance for Canada (7 yrs.), Australia (4 yrs.) subsidiaries
- **KPMG**
 - Six years in public company accounting



Thank You!

Jim DeSocio, President and CEO

Joe Spain, CFO

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This presentation can be found at www.intellinetics.com



Appendix

Non-GAAP Financial Measure

Intellinetics uses non-GAAP Adjusted EBITDA as a supplemental measure of our performance that is not required by, or presented in accordance with, accounting principles generally accepted in the United States (GAAP).

A non-GAAP financial measure is a numerical measure of a company's financial performance that excludes or includes amounts so as to be different from the most directly comparable measure calculated and presented in accordance with GAAP in the statement of income, balance sheet or statement of cash flows of a company.

Adjusted EBITDA: Adjusted EBITDA is not a measurement of financial performance under GAAP and should not be considered as an alternative to net income, operating income, or any other performance measure derived in accordance with GAAP, or as an alternative to cash flow from operating activities or a measure of our liquidity. Intellinetics urges investors to review the reconciliation of non-GAAP Adjusted EBITDA to the comparable GAAP Net Loss, which is included in this press release, and not to rely on any single financial measure to evaluate Intellinetics' financial performance.

We believe that Adjusted EBITDA is a useful performance measure and is used by us to facilitate a comparison of our operating performance on a consistent basis from period-to-period and to provide for a more complete understanding of factors and trends affecting our business than measures under GAAP can provide alone. We define "Adjusted EBITDA" as earnings before interest expense, any income taxes, depreciation and amortization expense, stock-based compensation, note conversion and note or equity offer warrant or stock expense, gain or loss on debt extinguishment, change in fair value of contingent consideration, and transaction costs.

	For the Three Months Ended June 30	
	2024	2023
Net Income (loss) (GAAP)	\$75,050	\$135,734
Interest expense, net	\$97,056	\$160,654
Depreciation and amortization	\$274,638	\$239,803
Stock-based compensation	\$251,473	\$115,455
Adjusted EBITDA	\$698,217	\$651,646

	For the Year Ended December 31	
	2023	2022
Net Income (Loss) (GAAP)	\$519,266	\$24,027
Interest expense, net	\$588,203	\$803,294
Depreciation and amortization	\$974,527	\$722,197
Stock-based compensation	\$662,653	\$421,450
Transaction costs	-	\$355,281
Change in fair value of earnout liabilities	-	\$87,652
Adjusted EBITDA	\$2,744,649	\$2,413,901

Appendix

Recurring Revenue: Recognized revenue for any applicable period that we characterize as being recurring in nature, without regard to contract start or end dates or renewal rates. It includes the following revenue types: SaaS subscription agreements, maintenance contracts related to perpetual software licenses, storage and retrieval services, and professional services revenues in the nature of business process outsourcing. It excludes revenues of a type that are not expected to recur, primarily perpetual licenses, most document conversion services, and other professional services that are project based. Recurring revenue is not determined by reference to deferred revenue, unbilled revenue, or any other GAAP financial measure over any period, so the Company has not reconciled the Recurring Revenues to any GAAP measure. Recurring revenue should not be extrapolated into a precise prediction of future revenues, because it does not take into account our contract start and end dates and our renewal rates. Management believes that reviewing this metric, in addition to GAAP results, helps investors and financial analysts understand the value of Intellinetics' recurring revenue streams versus prior periods.

Reconciliation of revenues to recurring revenues for Quarter and six months ended June 30, 2024

	For the Three Months Ended June 30,		For the Six Months Ended June 30,	
	2024	2023	2024	2023
Revenues as reported:				
Sale of software	\$ 14,933	\$ 63,646	\$ 20,712	\$ 78,939
Software as a service	1,400,591	1,277,918	2,805,744	2,516,350
Software maintenance services	353,966	349,139	711,949	698,681
Professional services	2,662,358	2,298,316	5,142,036	4,597,605
Storage and retrieval	209,745	269,411	468,236	553,688
	\$ 4,641,593	\$ 4,258,430	\$ 9,148,677	\$ 8,445,263
Revenues - recurring only:				
Sale of software - recurring	\$ -	\$ -	\$ -	\$ -
Software as a service - recurring	1,311,644	1,182,483	2,647,089	2,359,816
Software maintenance services - recurring	353,966	349,139	711,949	698,681
Professional services - recurring	773,908	705,023	1,586,491	1,374,707
Storage and retrieval - recurring	190,303	230,609	412,993	465,611
	\$ 2,629,821	\$ 2,467,254	\$ 5,358,522	\$ 4,898,815
Revenues - non-recurring only:				
Sale of software - non-recurring	\$ 14,933	\$ 63,646	\$ 20,712	\$ 78,939
Software as a service - non-recurring	88,947	95,435	158,655	156,534
Software maintenance services - non-recurring	-	-	-	-
Professional services - non-recurring	1,888,450	1,593,293	3,555,545	3,222,898
Storage and retrieval - non-recurring	19,442	38,802	55,243	88,077
	\$ 2,011,772	\$ 1,791,176	\$ 3,790,155	\$ 3,546,448
Total recurring and non-recurring revenues	\$ 4,641,593	\$ 4,258,430	\$ 9,148,677	\$ 8,445,263

Note 1 – Software as a service non-recurring revenue is comprised of professional services setup fees which are recognized ratably over the initial contract period. They do not renew, and are therefore non-recurring. Under ASC 606, they are deemed essential to the functionality of the subscription Software as a service, and are therefore recognized together with the subscription Software as a service revenue.