

An abstract graphic on the left side of the slide, composed of a dense cloud of small, semi-transparent red and orange particles. The particles are more concentrated in the center-left, creating a bright, glowing effect, and become sparser towards the edges.

21 March 2023

Final Results

for the year ended 31 December 2022

Aptitude presentation team



Jeremy Suddards, Chief Executive Officer

Jeremy was appointed to the Board as Chief Executive Officer Designate on 1 September 2019, before formally taking on the role of Chief Executive Officer on 17 January 2020. Jeremy joined Aptitude in January 2018 as Chief Client Officer for Europe & APAC. Prior to joining Aptitude, Jeremy undertook a number of executive roles at Hewlett Packard Enterprise including Vice President, Financial Services Industries EMEA & Vice President Global Accounts.



Mike Johns, Acting Chief Financial Officer

Mike was appointed to the role of Acting Chief Financial Officer on 24 January 2023 having joined the Group originally in 2017. A Chartered Accountant, Mike has performed a number of senior finance roles within the Group and prior to this appointment Mike held the position of Finance Director of the Group's business outside of North America. A formal selection process for the role of Chief Financial Officer is being conducted.

Aptitude at a glance

Where others see complexity we see possibility

We are leaders in Finance Digitalization and Subscription Management solutions solving complex problems for large enterprises

- Highly configurable products to meet the needs of the most complex business models and problems
- Deep understanding of our large complex client industries
- Our people are experts across finance, subscription and technology

£51.6m
ARR

9%
Constant Currency
Organic Growth
in ARR

14%
Organic Revenue
Growth

68%
Recurring
Revenue

500+
People

Total addressable market

£3bn

With approximately

120

unique clients in
over 25 countries

Finance Digitalization
(principally Fynapse, Accounting Hub and compliance engines)

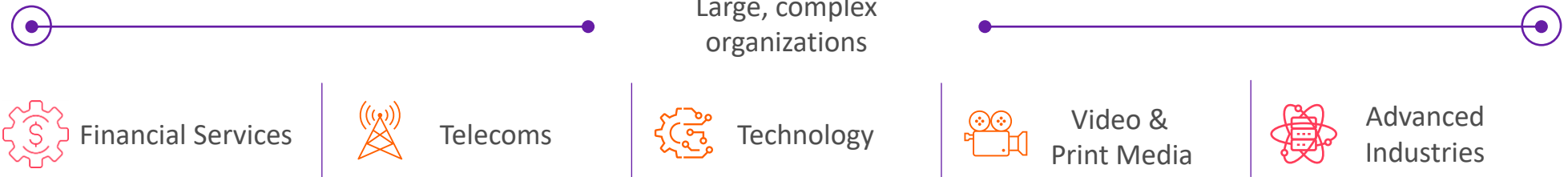


Subscription Management
(principally eSuite and AREV)



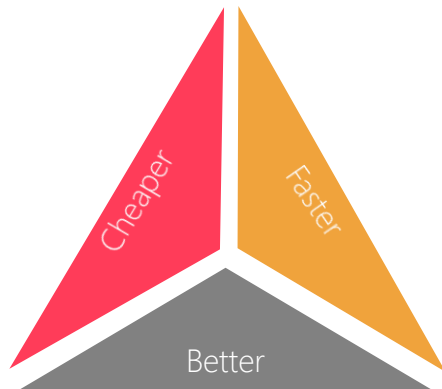
Aptitude key offerings

Solving large complex problems for large complex organisations



FINANCE DIGITALIZATION

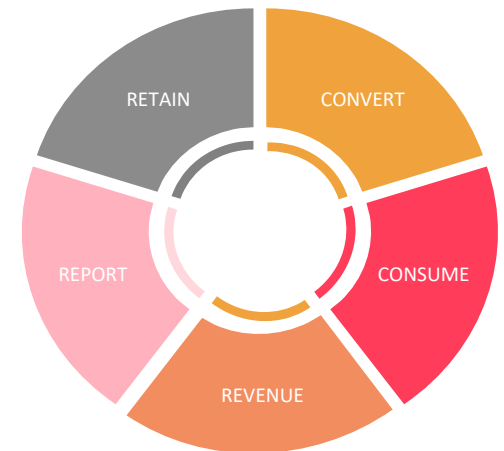
SUBSCRIPTION MANAGEMENT



COMPLIANCE AUTOMATION

DOMAIN DRIVEN

TECHNOLOGY LEADERSHIP

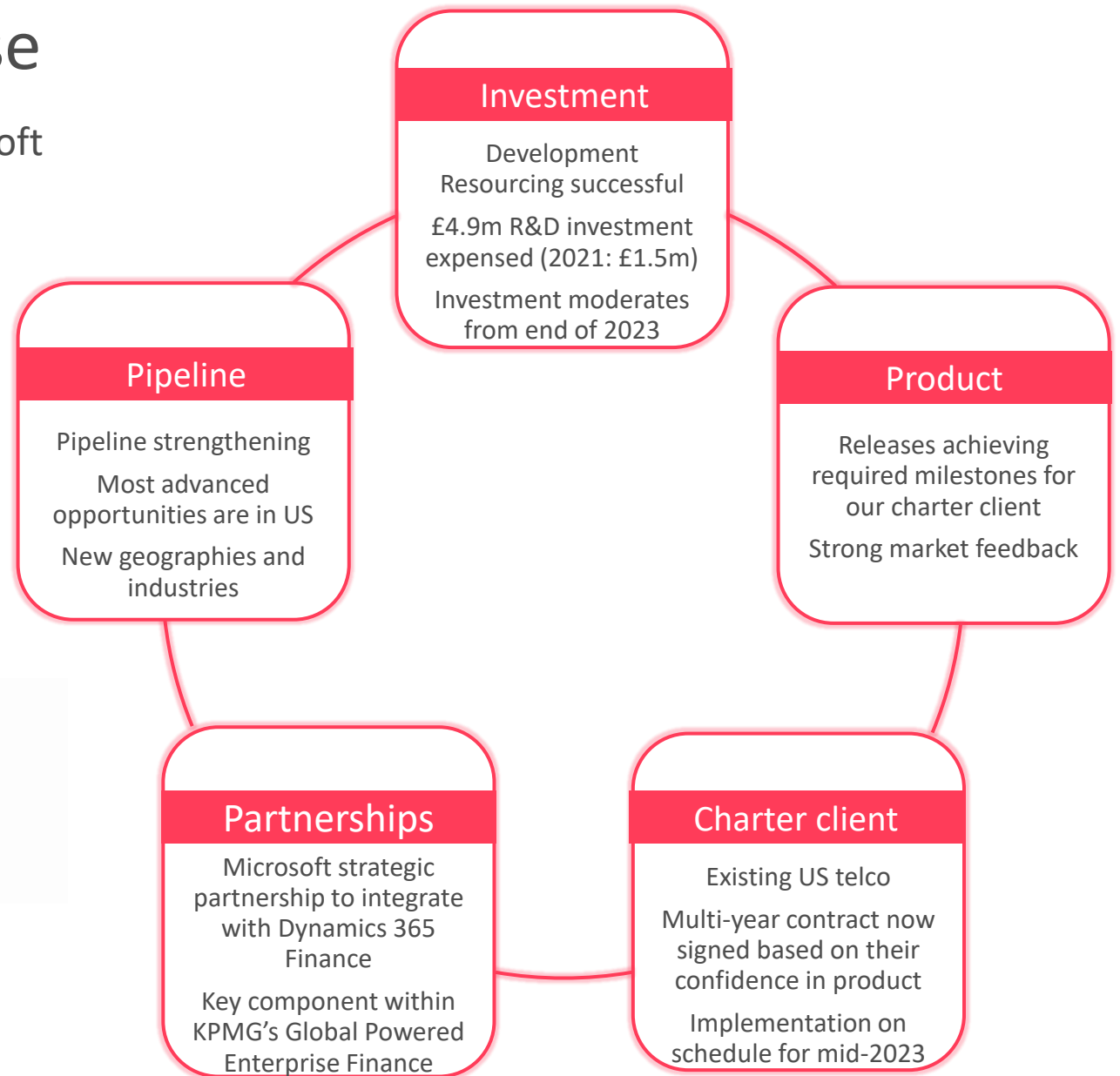


Excellent progress with Fynapse

Charter client contracted and partnership with Microsoft



*A next-generation automated
finance automation platform*



Strong progress across wider portfolio

New business success achieved in a transitional year

Continued success for Aptitude Accounting Hub within Finance Digitalization

Multiple standalone North American sales

Major new Australian client

Sale in conjunction with Insurance Engine

Contributing to strong ARR growth

Landmark win for eSuite and continued demand for AREV within Subscription Management

Major global broadcaster contracted

Material US software provider contracted

Music streaming service contracted

Provides confidence for long term opportunity

MPP Global fully integrated

Product integrated

Teams fully integrated

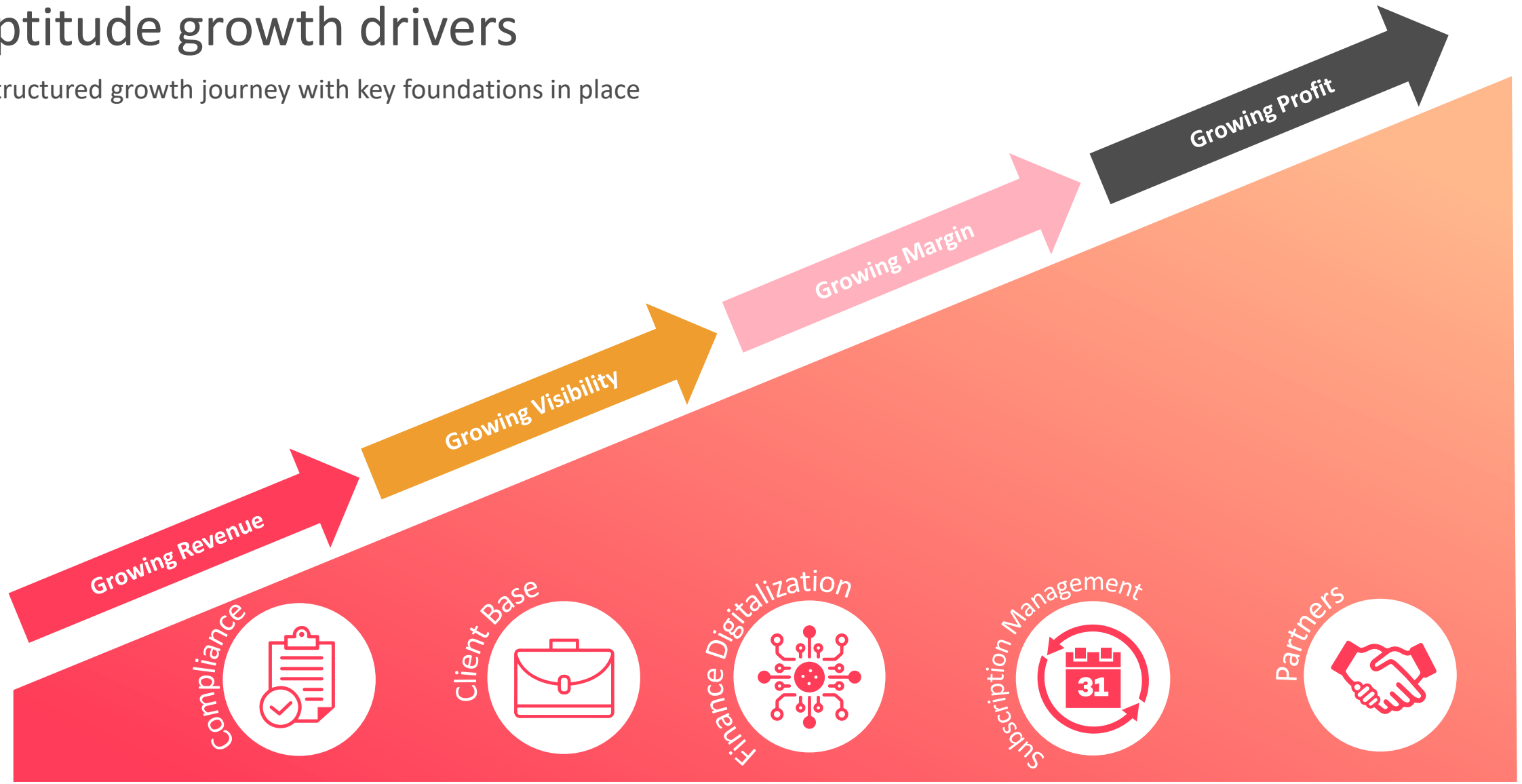
Efficiencies realised

Well positioned to realise acquisition opportunity



Aptitude growth drivers

A structured growth journey with key foundations in place



Financial highlights

Organic revenue growth of 14%, profit in line given previously communicated investment plans

£74.4m

Total revenue
(2021: £59.3m)

£7.5m

Adjusted Operating
Profit
(2021: £9.9m) ¹

10%

Adjusted Operating
Margin
(2021: 17%) ¹

5.4p

Total dividend
(2021: 5.4p)

£15.9m

Net funds



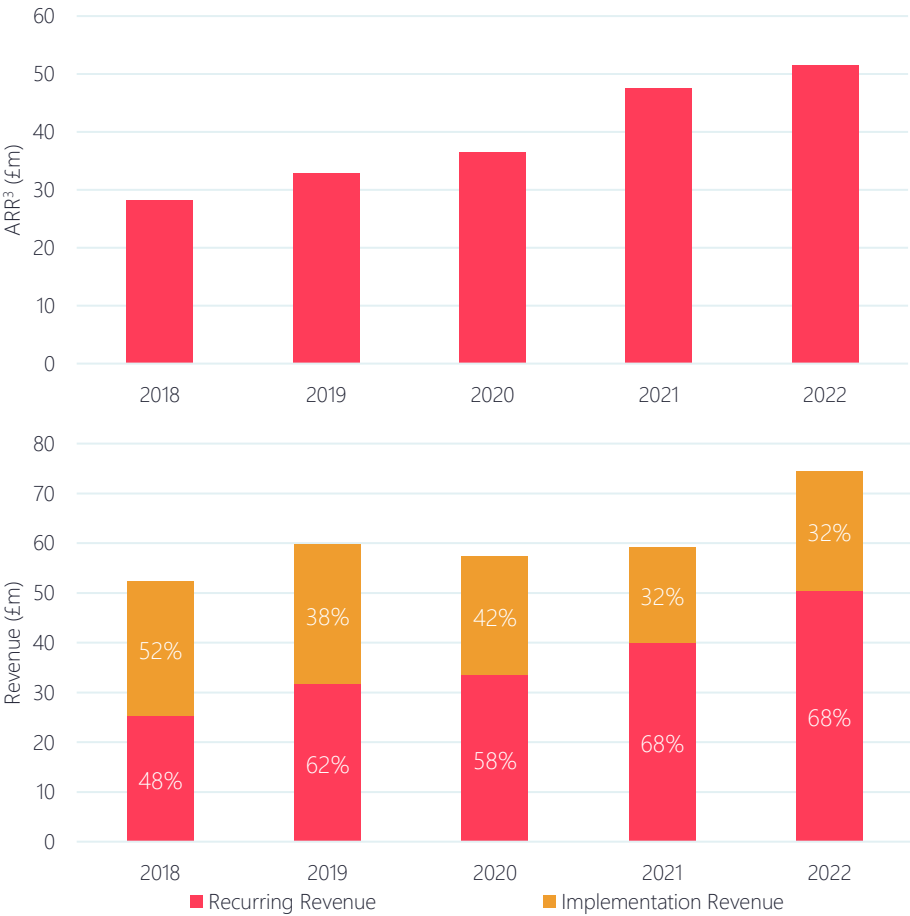
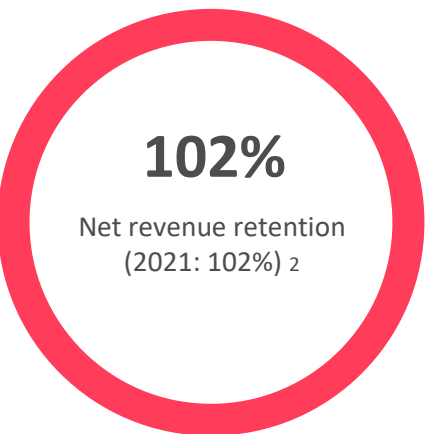
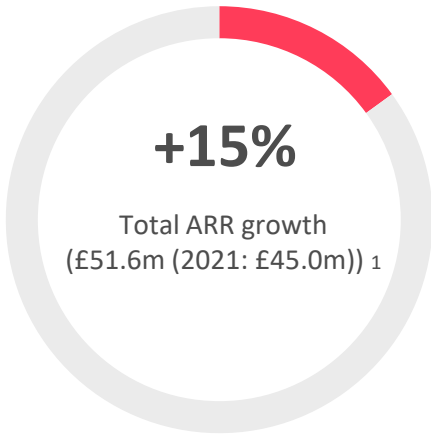
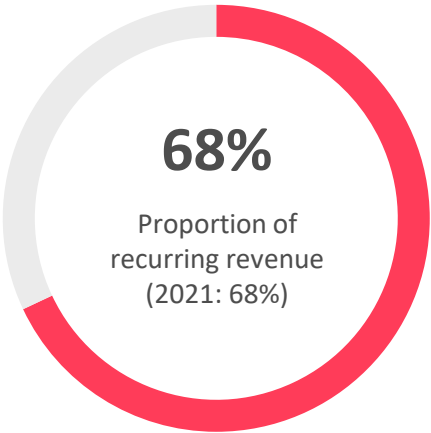
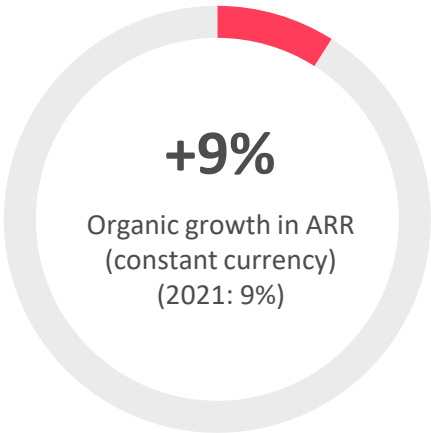
Continued balance sheet strength with cash of £29.2 million



¹ Adjusted Operating Profit and Adjusted Operating Margin excludes non-underlying operating items which principally comprise intangible asset amortisation

Financial highlights

Continued growth in annual recurring revenue, a strategic focus for the Group



¹ Annual Recurring Revenue (ARR) is the value of Aptitude's recurring revenue at the year end, normalised to a one-year period. ARR includes recurring revenues contracted but yet to commence and excludes recurring revenues which, at that point in time, are currently being received but are known to be terminating in the future. Included in ARR, for the first time, are recurring revenues from the Group's solution management services, comparatives have been adjusted to include such recurring revenue contracts.
² Net retention is measured by the total value of on-going ARR at the period-end from clients in place twelve months earlier as a percentage of the opening ARR from those clients on a constant currency basis
³ Table is presented on a constant currency basis applying exchange rates at 31 December 2022 to earlier periods

Transitioning revenue mix

Growing proportion of higher margin revenue streams

Transitioning revenue

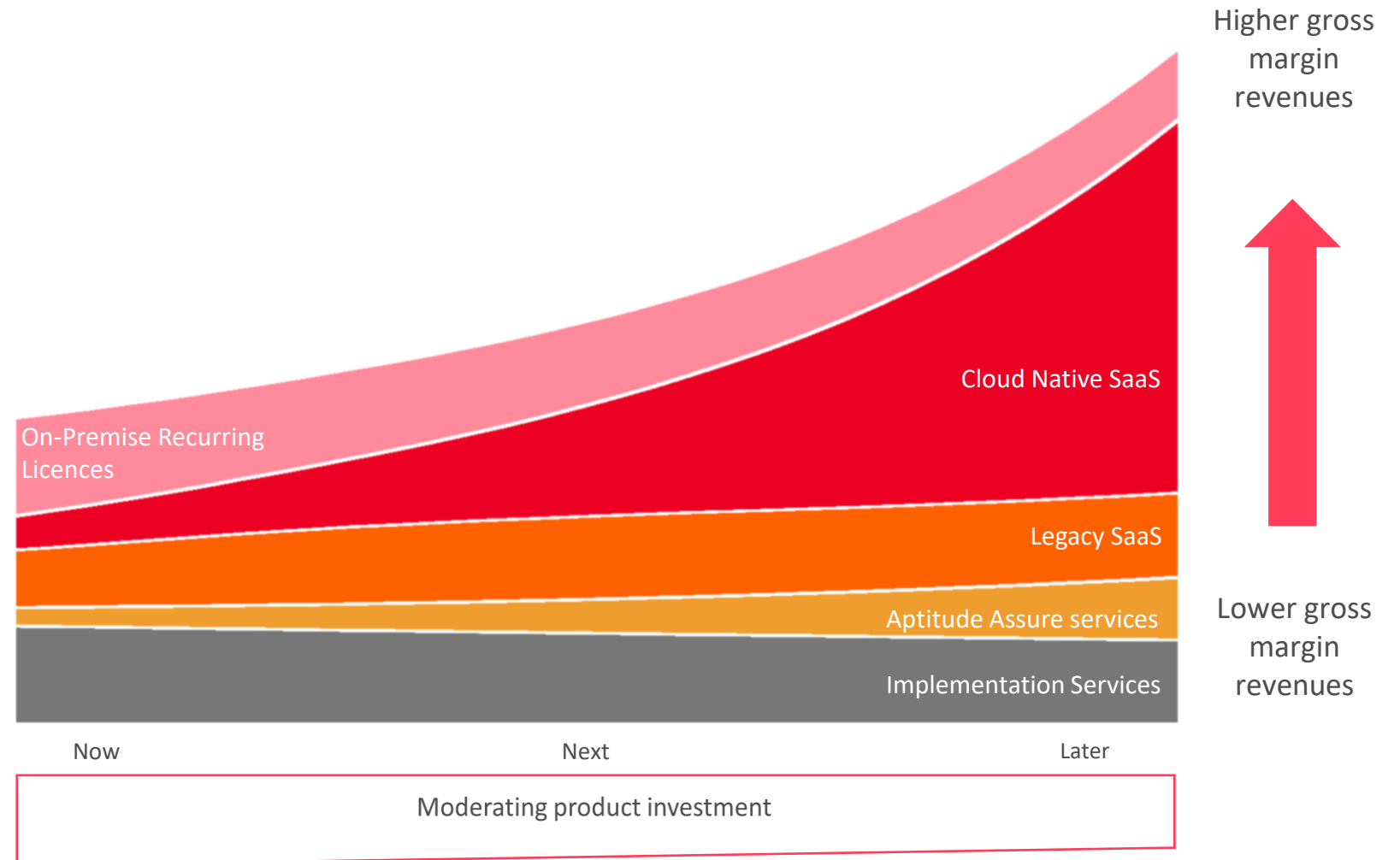
- Increasing recurring revenue %age
- Improving quality of services

Moderation of investment

- Fynapse investment peaks in FY2023
- Investment moderation in wider portfolio

Growth in operating margins

- Improved revenue mix and moderating investment drives margin growth



Finance Digitalization

Enabling the CFO office to be better, faster and cheaper

The opportunity

FINANCE DIGITALIZATION

Quality, speed, and cost are the top drivers on the CFO's agenda

Aptitude's newest solution is built with innovative cloud-native technologies to deliver extreme performance at a lower Total Cost of Ownership



- **Primary Markets:** TAM £1bn clients across Tier 1 – Tier 3
- **Market Growth p.a.:** 10 – 15%
- **Recent new wins:** Incomm, Challenger, Commonwealth Bank of Australia

Key differentiators

1. Unique best of breed, modular solution
2. Rapid speed to value
3. Highly granular, rich and transparent data
4. Business accounting event driven
5. Proven integration to 3rd party systems
6. Strategic partnerships with Microsoft and KPMG

Delivering great customer outcomes

\$1.5m saved from the ability to retire legacy systems

Manual entries **reduced from 5,000 to 50**

Savings of c.3,900 FTE days annually due to automation of processes

40 – 50% reduction in costs associated with reporting close

96% reduction in GL journal entries

17 source systems automated in 6 months

T Mobile



GUARDRISK
TAILORED RISK SOLUTIONS



ING

TRANSAMERICA

Chubb



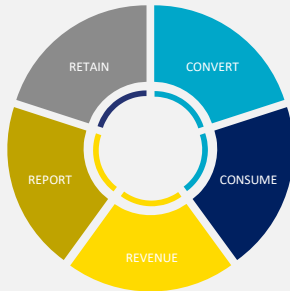
Subscription Management

Enabling enterprise clients to launch, experiment and grow recurring & transactional revenue streams

The opportunity

SUBSCRIPTION MANAGEMENT

Aptitude's subscription management technology powers every step of the subscriber lifecycle for complex enterprise businesses, from acquisition and billing to revenue recognition and retention



Key differentiators

1. Extensive global payment reach
2. Modular end-to-end solution
3. Reduced compliance obligations
4. Highly configurable for complex business models
5. Robust enterprise performance

Delivering great customer outcomes

*"Cut operating expenditure (OPEX) by **more than 50% in 6 months**" **Berliner Verlag***

*"Enabled the expansion into **27 territories**, while reducing cost per acquisition and minimizing involuntary churn" **hayu (NBC Universal)***

- **Primary Markets:** Growing TAM of \$1.5bn in publishing, digital & sport
- **Market Growth p.a.:** 15%
- **Recent New Wins:** BBC, Napster, SAS and ViaSat



Go-to-market strategy enables us to execute on a £3bn opportunity

Partner model at heart of our growth strategy



- Strategic Global Partnership signed December 2022
- Deep integration of Fynapse with Microsoft Dynamics 365 Finance & operations delivered on the Microsoft Azure platform
- Provides access to Microsoft clients, partners and prospects
- Potential material growth driver in existing & new industry sectors

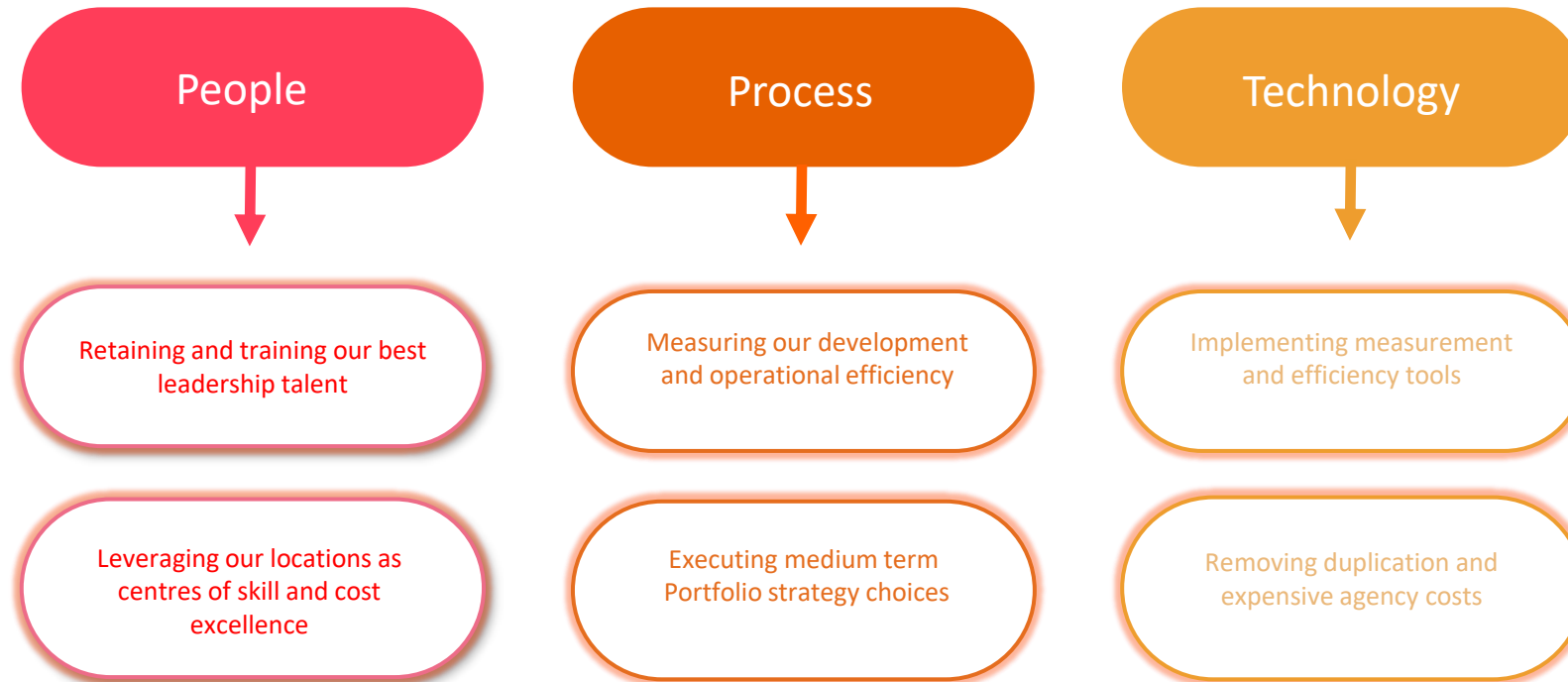


- Key component within KPMG's **Powered Enterprise Finance solution**
- 1st sale through this programme in 2022
- Building unique software IP and accelerators for KPMG Finance clients
- KPMG's finance transformation offering built on the world's leading cloud platforms



Operational best practice to support our strategy

Focus on increasing efficiency in the business to drive profitability



Furthering our ESG strategy

- New D&I Policy published
- ESG reporting progression
- “Thrive Tribe” groups launched



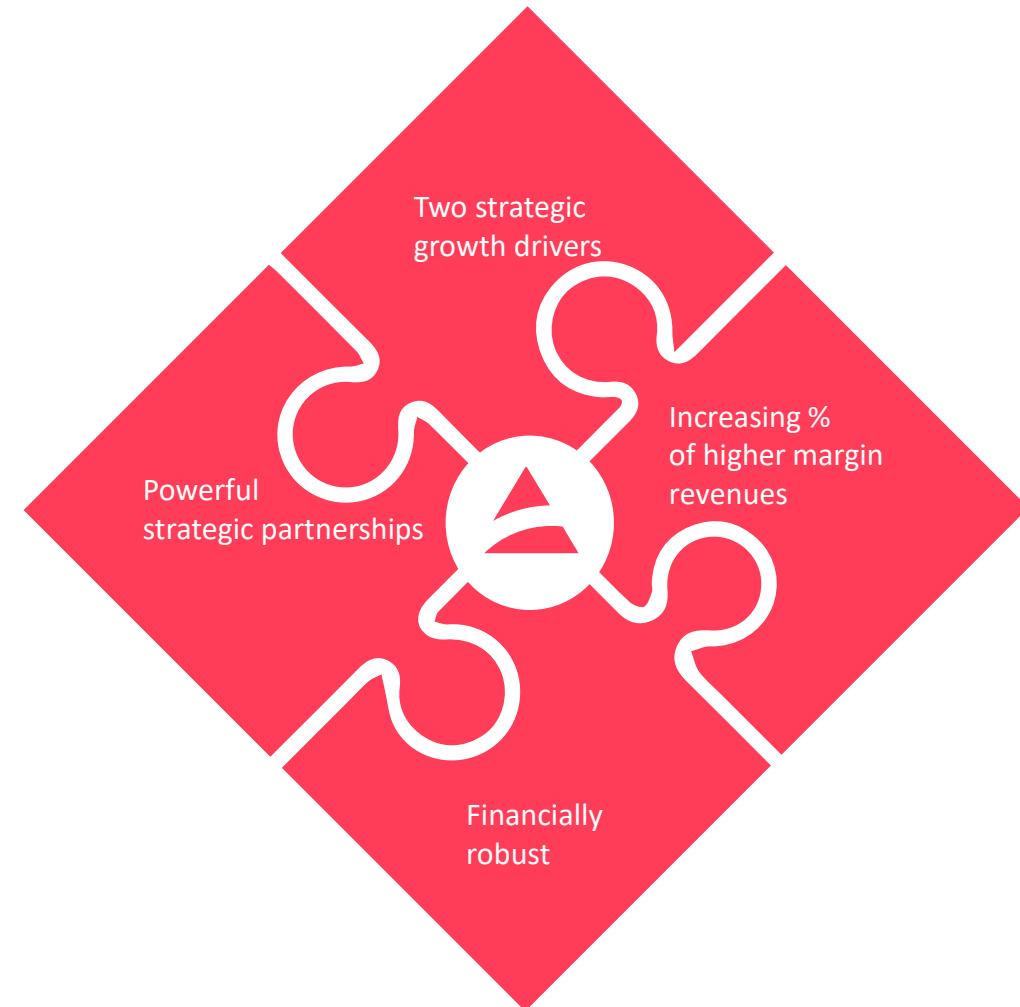
2023 strategic objectives & outlook

Our investments provide a strong platform for future expansion

Areas of strategic focus for 2023

- Continued focus on Finance Digitalization and Subscription Management
- Fynapse roll-out key focus within Finance Digitalization
- Execution of opportunities within Subscription Management through established product set
- Deepening of partner relationships

Board confident in delivering another year of profitable growth



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Appendix

Income statement

Moderation in operating profit in line with previously communicated investment plans

	2022 (£'000)	2021 (£'000)
Recurring Revenue	50,534	40,086
Implementation Revenue	23,860	19,244
Total Revenue	74,394	59,330
Operating Costs	(66,887)	(49,430)
Adjusted Operating Profit	7,507	9,900
Non-Underlying Items	(3,822)	(3,439)
Statutory Operating Profit	3,685	6,461
Net Interest	(480)	(232)
Profit Before Tax	3,205	6,229
Taxation	(610)	(1,155)
Profit After Tax	2,595	5,074



Cash flow

Cash collection affected by a small number of on-going commercial discussions on annual renewals

	2022 (£'000)	2021 (£'000)
Cash generated from operations	5,272	11,890
Interest and tax (paid)/received	(2,095)	24
Cash flows generated from operating activities	3,177	11,914
Purchase of property, plant and equipment	(831)	(1,232)
Acquisition of subsidiary, net of cash acquired	-	(33,112)
Interest received	18	6
Net proceeds from issue of ordinary share capital	23	968
Dividends paid	(3,093)	(3,057)
Payment of capital lease obligations	(405)	(756)
(Repayment)/drawdown of loan, net of arrangement fees	(313)	9,880
Net cash used in investing/financing activities	(4,601)	(27,303)
Decrease in cash and cash equivalents	(1,424)	(15,389)
Exchange rate gains/(losses) on cash and cash equivalents	1,605	(369)
Cash and cash equivalents at end of period	29,245	29,064



Balance sheet

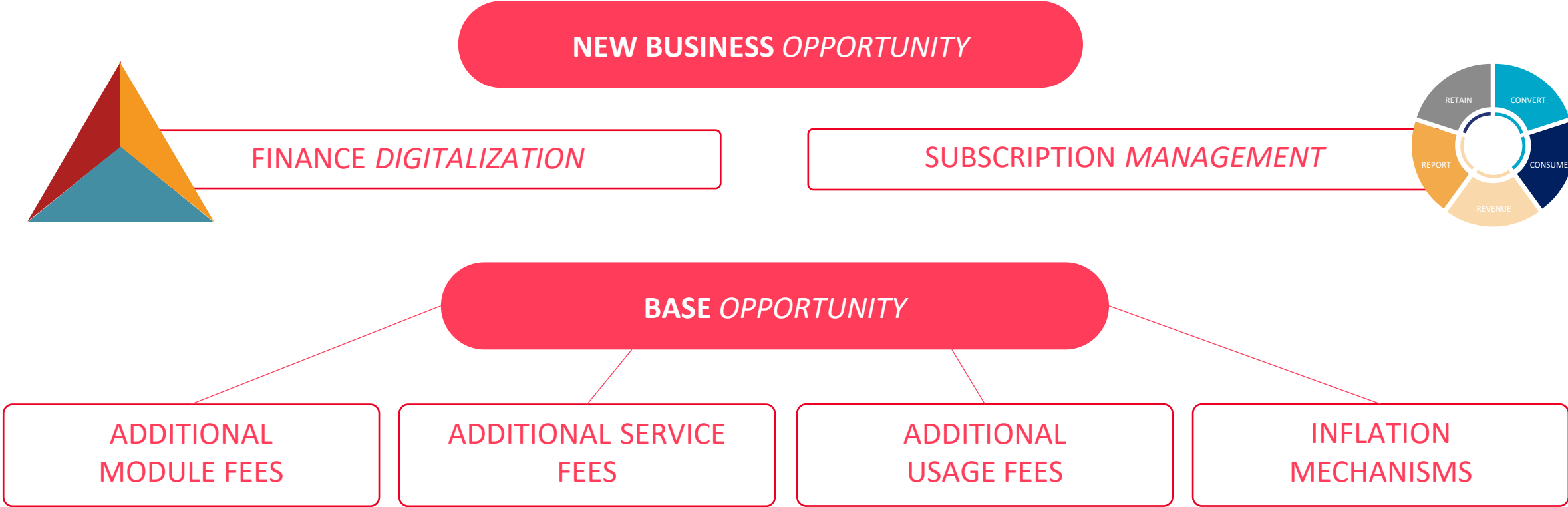
Strong balance sheet with cash of £29.2 million and net funds of £15.9 million

	31 Dec 2022 (£'000)	31 Dec 2021 (£'000)
Goodwill and intangible assets	67,126	70,508
Property, plant and equipment including right-of-use assets	5,103	4,261
Trade and other assets	16,718	13,412
Cash and cash equivalents	29,245	29,064
Total Assets	118,192	117,245
Bank loan and capital lease obligations	(13,346)	(12,936)
Deferred income	(29,563)	(30,911)
Trade and other liabilities	(8,899)	(10,045)
Taxation	(119)	(353)
Deferred taxation	(5,724)	(5,811)
Total Liabilities	(57,651)	(60,056)
NET ASSETS	60,541	57,189



Business model

High quality business model with a strong opportunity within the base



Board

Experienced management team & Board

Jeremy Suddards, Chief Executive Officer

Jeremy was appointed to the Aptitude Board as Chief Executive Officer Designate on 1 September 2019, before formally taking on the role of Chief Executive Officer on 17 January 2020. Jeremy joined Aptitude in January 2018 as Chief Client Officer for Europe & APAC. Prior to joining Aptitude, Jeremy undertook a number of executive roles at Hewlett Packard Enterprise including Vice President, Financial Services Industries EMEA & Vice President Global Accounts.

Philip Wood, Deputy Chief Executive Officer, previously Chief Financial Officer

Philip Wood was appointed Chief Financial Officer on 2 January 2007. A Chartered Accountant, Philip spent seven years with AttentiV Systems Group plc and its group companies during which time, he as Group Finance Director, oversaw the group's flotation in 2004 and subsequent acquisition in 2005 by Tieto Corporation. On 1 July 2019, Philip was appointed to the expanded role of Deputy Chief Executive Officer and Chief Financial Officer to the Group. Philip is also a Non-Executive Director and Chair of the Audit Committee of SmartSpace Software plc. Philip Wood stepped down from his role Chief Financial Officer on 24 January 2023 and will be stepping down from the Board in July 2023 in order to spend more time with his young family.

Ivan Martin, Non-Executive Chairman / Chair of Nomination Committee

Ivan Martin was appointed to the Board on 1 January 2016 and assumed the role of Non-Executive Chairman on 4 March 2016. Ivan is also Non-Executive Chairman of TelcoSwitch, a privately owned provider of Unified Communications Software as a Service. Until April 2021, Ivan was also Non-Executive Chairman of Xceptor, a London-based international software business which was sold by CBPE Capital to Astorg Partners. Ivan has held a number of significant Executive and Non-Executive positions in both the Technology and Financial Services sectors. He was Chief Executive Officer of Misys Banking and Capital Markets and a main board member of Misys plc. He was also Chairman of FDM Group from 2006 to 2019, during which time he oversaw the growth and evolution of this company from an AIM listing to a FTSE 250 member valued at over £1 billion. Ivan is a member of various Wulstan Capital LLPs and Parch Three Estates LLP, being commercial property investment vehicles. He has no other significant commitments.

Barbara Moorhouse, Non-Executive Director / Chair of Remuneration Committee / Senior Independent Director

Barbara Moorhouse was appointed as a Non-Executive Director on 1 April 2017 and on 14 March 2022 she was appointed as Senior Independent Director and Chair of Remuneration Committee. Prior to this she was Chair of the Audit Committee. Barbara has extensive senior experience in operating and financial roles across the public and private sectors. Her most recent executive roles were as Chief Operating Officer at Westminster City Council, and Director General at Ministry of Justice and Department for Transport. Earlier in her career, she was Chief Financial Officer at two international listed software companies – Kewill Systems plc and Scala Business Solutions NV. Barbara is Independent Chair of Agility Trains, a Non-Executive Director of Balfour Beatty plc, and Senior Independent Director and Chair of the Audit Committee of Medica Group plc. Barbara was Chair of the Rail Safety and Standards Board until 31 May 2022 and on 16 January 2023 she was appointed as Non-Executive Director and Chair-Designate of the Quality and Safety Committee of the Board of Glas Cymru, a not-for-profit company which owns Welsh Water.

Sara Dickinson, Non-Executive Director / Chair of Audit Committee

Sara Dickinson was appointed as a Non-Executive Director on 1 October 2021 and took on the role of Chair of the Audit Committee on 14 March 2022. Sara was appointed as Chief Financial Officer of the British Standards Institute on 24 January 2022, and prior to this, Sara was Senior Vice President of Finance at Expedia Group, and previously the Chief Finance Officer of Expedia Partner Solutions, the global B2B technology solutions division within Expedia. Sara has over 25 years of financial experience, as well as significant knowledge of digital finance processes and finance transformation. Until August 2021, Sara was a Non-Executive Director and Chair of the Finance Committee of A2Dominion, a residential property group with a debt listing on the London Stock Exchange. Sara's other past experience includes Commercial Finance Director at Costa Coffee, Group Financial Controller for Sage Group plc and Vice President and European Chief Financial Officer of ebookers.

Georgina Sharley, Company Secretary

Georgina Sharley was appointed as Company Secretary on 10 December 2018. She is a member of The Chartered Governance Institute and has 22 years' experience in supporting United Kingdom listed companies and groups with fulfilling their corporate governance and statutory compliance obligations.

