



# 2021 Results

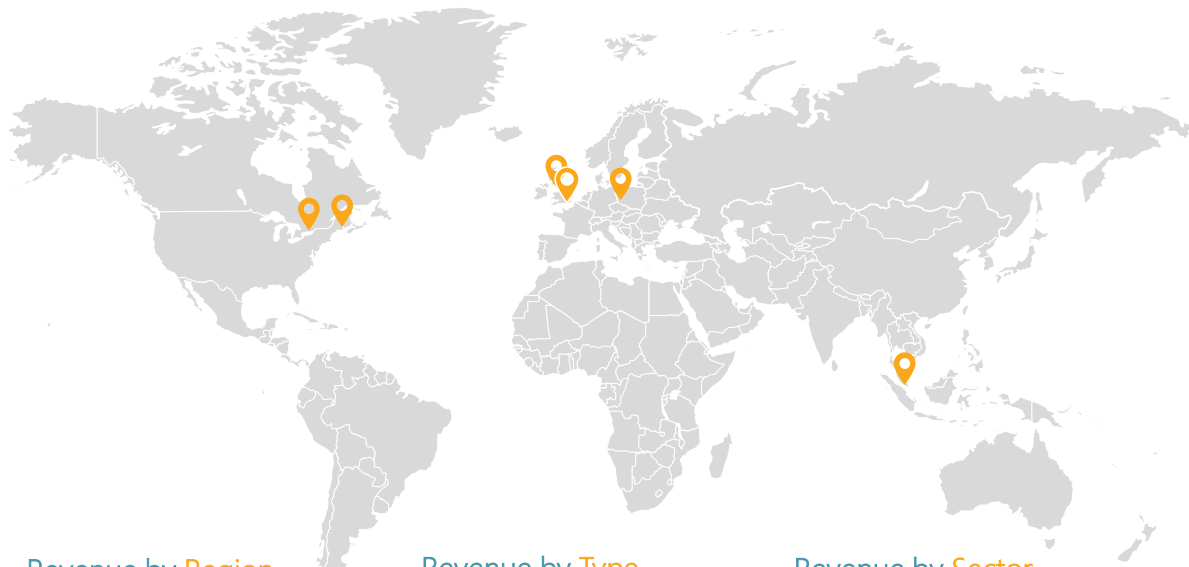
15 March 2022

Aptitude<sup>™</sup>  
SOFTWARE

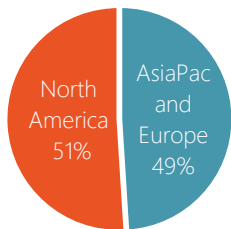
# APTITUDE SOFTWARE AT A GLANCE

Specialist provider of finance digitization and subscription management software

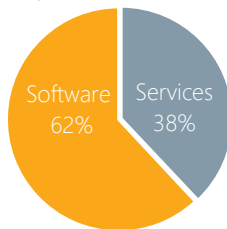
6 office locations in 3 continents



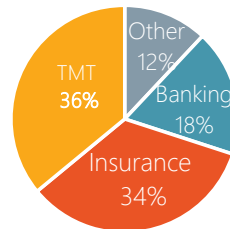
Revenue by Region



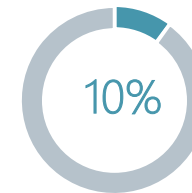
Revenue by Type



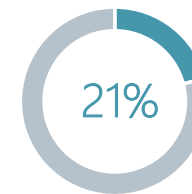
Revenue by Sector



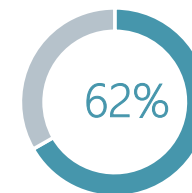
c.120 global enterprise clients



Organic growth<sup>1</sup> in Annual Recurring Revenue 2021



Growth in software revenue



Proportion of software and subscription revenue

# A YEAR OF SIGNIFICANT MILESTONES

Well positioned to fully realise the increasing opportunity



**New business success across all the Group's portfolio and regions**



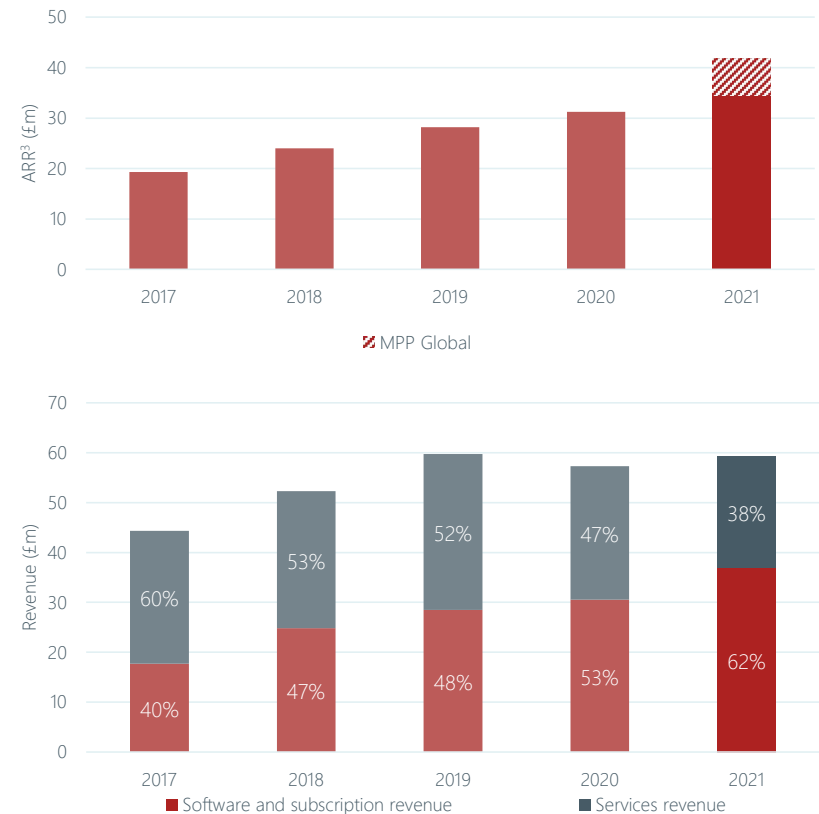
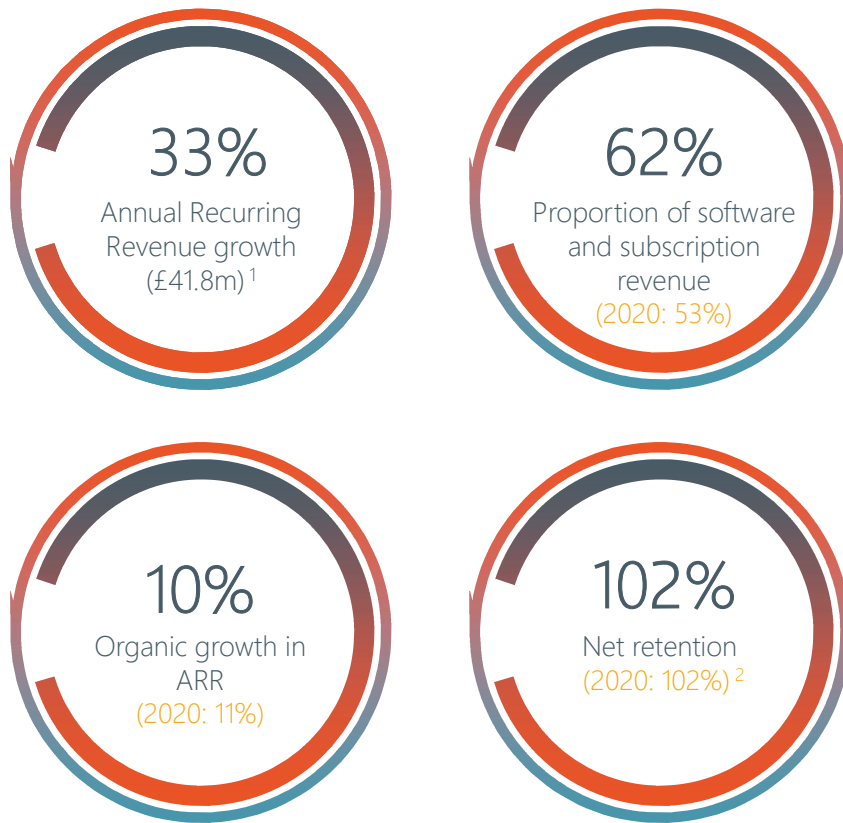
**Acceleration of product strategy with Fynapse and eSuite provides two complementary platforms for sustained future growth**



**Continued strengthening of high-quality partner network**

# FINANCIAL HIGHLIGHTS

Continued growth in software and subscription revenue, a strategic focus for the Group

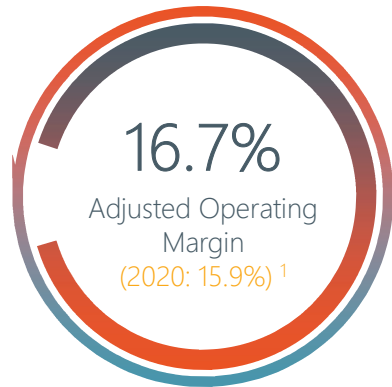


¹ Annual Recurring Revenue ('ARR') is the value of Aptitude Software's continuing software and subscription recurring revenue at a specific point in time, normalised to a one-year period.

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

# FINANCIAL HIGHLIGHTS

Financially strong with acquisition of MPP Global supplementing revenue growth

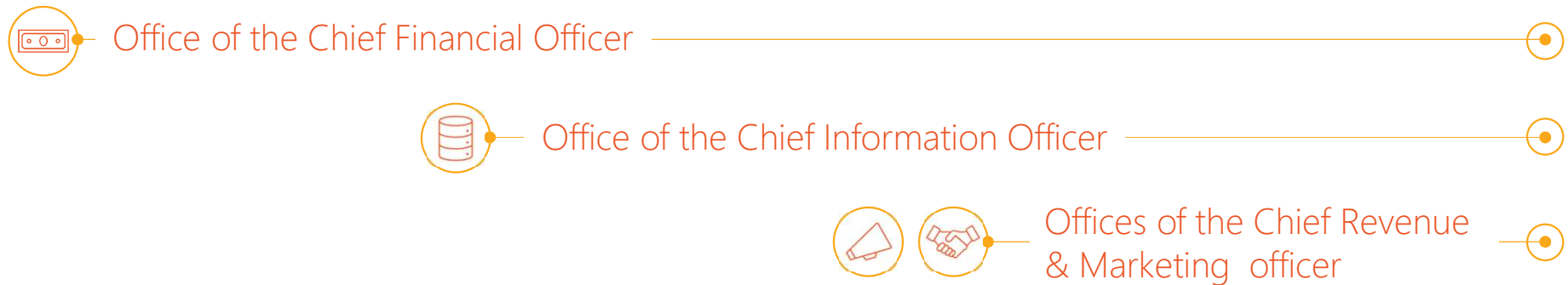
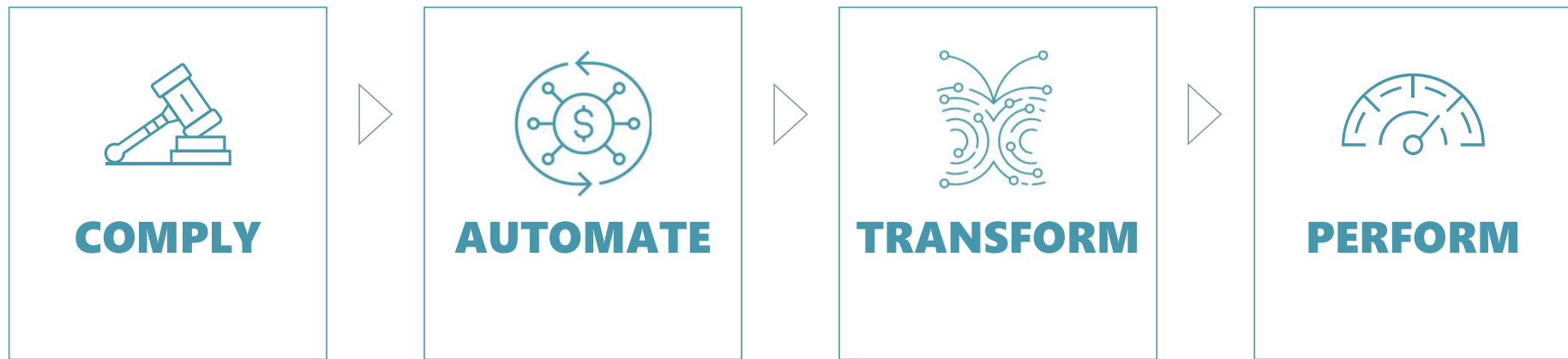


**£16.1m**  
Net Funds

Continued balance sheet strength with cash of £29.1 million following the acquisition of MPP Global for total enterprise value of £37.1 million, for which cash consideration and associated deal costs totaled £37.4 million.

# OUTCOMES FOR OUR CLIENTS

Aptitude enables business transformation for the most complex enterprises in the world





# APTITUDE EVOLUTION: *KEY STRATEGIC DRIVERS*



Financial  
Services



Telecoms



Technology



Video &  
Print Media

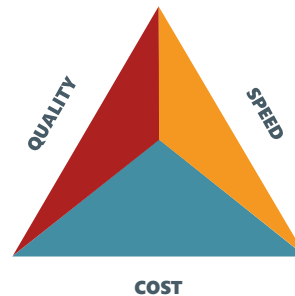


Advanced  
Industries

**TRANSFORM &  
PERFORM**

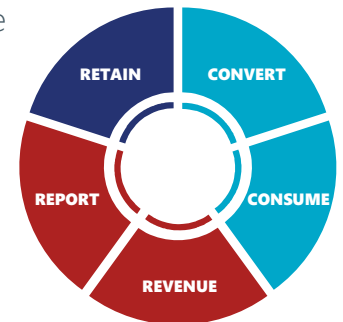
## **FINANCE** *DIGITIZATION*

Quality, speed, and cost are the top drivers on the CFO's agenda, and Aptitude's newest solution is built with innovative cloud-native technologies to deliver extreme performance at a lower TCO



## **SUBSCRIPTION** *MANAGEMENT*

As more organizations in more industries deploy subscriptions, Aptitude can now automate every step of the subscription business model, from subscriber acquisition to revenue reports



**COMPLY &  
AUTOMATE**

## **COMPLIANCE** *ENGINES*

Complex regulations continue to fuel Aptitude's growth and, with the ongoing evolution of topics like ESG, will always have a place in our business. Our purpose-built compliance engines give organizations the confidence to embrace regulations as a starting point in their digital transformations

# FYNAPSE: *A DIGITAL FINANCE PLATFORM*

Accelerated investment to shape the future of the Office of the CFO now



**Cloud Native with  
Unprecedented Scalability**



**Extreme  
Performance**



**Dramatically  
Lower TCO**



**User Centric  
Design at its Core**



**Data Driven – Transparency,  
Lineage and Traceability**



**Modular  
and Agile**



**Rapid  
Implementation**



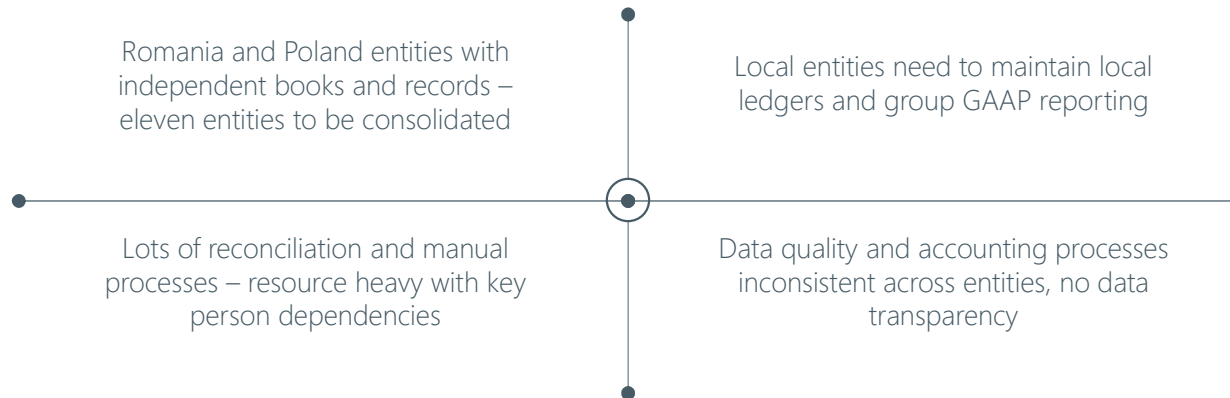
**Ease of  
Integration**



# CASE STUDY: *FINANCE DIGITIZATION*

Dutch multinational consolidates and automates its accounting

## The Challenges:



## The Result:



Golden Source



Consistent Process



Strategic Accounting



Automated

March 2022 | 2021 Results

## Leading European retail bank



17.64 billion EUR  
(2020)



55,901 employees  
(2020)



Aptitude  
Accounting Hub



Aptitude  
Calculate

- July 2021 – implemented in Romania
- Dec 2021 – went live in Poland, detailed subledger for 1.2 million retail clients
- Jan 2022 – Project start UK Wholesale Bank (go live Q4 2022)

# APTITUDE EVOLUTION: *KEY STRATEGIC DRIVERS*



Financial  
Services



Telecoms



Technology



Video &  
Print Media

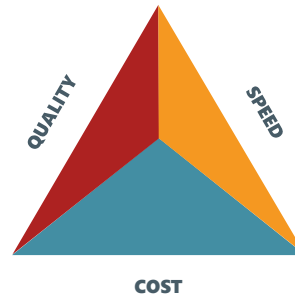


Advanced  
Industries

## TRANSFORM & PERFORM

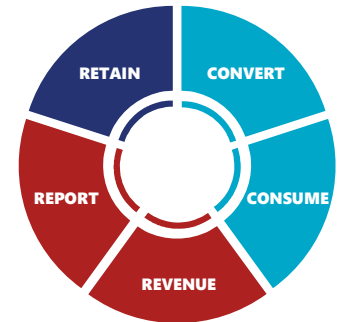
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# MPP GLOBAL SOLUTIONS

eSuite accelerates our product roadmap and differentiation in end-to-end revenue automation

## Subscription Economy Focus

Both the eSuite offering and Aptitude Revenue Management application positioned to capitalize on subscription adoption in multiple industries

## Complementary Industries

### Video & Entertainment



### Publishing



### Sport



### Other Sectors



## Additional Skills and Global Presence



## Financial Metrics of Deal



£39.1m consideration



EV/revenue multiple of £37.1m/£10.4m

## eSuite SaaS Platform



Complements Revenue Management solution

## Enhanced Market Opportunity



Cross-sell opportunities



New verticals

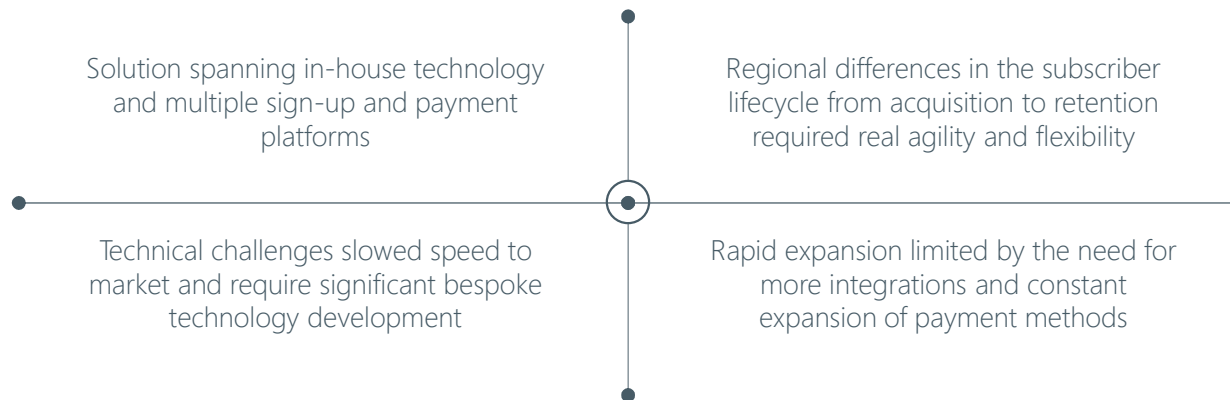


Joint offering opportunity

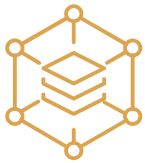
# CASE STUDY: *SUBSCRIPTION MANAGEMENT*

Reality streaming service uses subscriptions to scale internationally

## The Challenges:



## The Result:



Single Platform



Rapid Expansion



Out of the Box



Drive Lifetime Value

March 2022 | 2021 Results

Aptitude<sup>™</sup>  
SOFTWARE

# hayu.

hayu is a subscription-based reality TV streaming service owned and operated by NBCUniversal.



300+ Shows  
(2021)



28 Global Territories  
(2022)

*"There was no doubt that eSuite was the right solution for us. It was the only solution at the time that was able to offer all the core functionalities we needed, right out of the box."*

- Hendrik McDermott,  
Managing Director, hayu

eSuite<sup>®</sup>  
MPPGlobal

# CLEAR STRATEGIC FOCUS

Increasing opportunity with our recognised strategic growth drivers



Finance Digitization



Subscription Management



Partner first

People Excellence



Financial Confidence



# SUMMARY & OUTLOOK

Acceleration of investment to fully realise the mid market opportunity







# Appendix

Aptitude™  
SOFTWARE

# ENVIRONMENTAL, SOCIAL & GOVERNANCE

Continued focus for the business



## Environmental (Planet)

- New TFCF disclosure for 2021. SECR compliant emissions reporting including Scope 1 and Scope 2 emissions.
- Due to nature of business, environmental impact is relatively limited. Strong environmental credentials for key data centre and cloud providers.
- Significant reduction in carbon emissions again this year.
- Gold SKA fit out rating for new London office refit, as well as improved energy efficiency rating.



## Social (Community & People)

- Ongoing programme of employee engagement and wellbeing activities.
- All employee engagement on Diversity & Inclusion during the year.
- 2 Year Strategic Plan to further support and increase awareness of D&I across the Group, with CEO sponsorship.
- Gender diversity of the Board increased in 2021 with the addition of another female NED.



## Governance

- Governance framework and reporting in compliance with UK Corporate Governance Code
- 2021 Remuneration Report received very strong support at 2021 Annual General Meeting (94% of votes cast)
- Designated Board member with responsibility for oversight of Environmental, Social and Governance activities (Philip Wood)

# INCOME STATEMENT

Continued growth in recurring revenue

	2021 £'000	2020 £'000
Software and Subscription Revenue	36,895	30,475
Services Revenue	22,435	26,791
<b>Total Revenue</b>	<b>59,330</b>	<b>57,266</b>
Operating Costs	(49,430)	(48,155)
<b>Adjusted Operating Profit</b>	<b>9,900</b>	<b>9,111</b>
Non-Underlying Items	(3,439)	(964)
<b>Statutory Operating Profit</b>	<b>6,461</b>	<b>8,147</b>
Net Interest	(232)	(39)
<b>Profit Before Tax</b>	<b>6,229</b>	<b>8,108</b>
Taxation	(1,155)	(1,071)
<b>Profit After Tax</b>	<b>5,074</b>	<b>7,037</b>

# CASH FLOW

Strong levels of cash generated from operations

	2021 £'000	2020 £'000
Cash generated from operations	11,890	16,238
Interest and tax received	24	181
Cash flows generated from operating activities	11,914	16,419
Purchase of property, plant and equipment	(1,232)	(232)
Acquisition of subsidiary, net of cash acquired	(33,112)	-
Interest received	6	61
Net proceeds from issue of ordinary share capital	968	183
Dividends paid	(3,057)	(3,044)
Payment of capital lease obligations	(756)	(924)
Drawdown of loan, net of arrangement fees	9,880	-
Net cash used in investing/financing activities	(27,303)	(3,956)
(Decrease)/increase in cash and cash equivalents	(15,389)	12,463
Exchange rate losses on cash and cash equivalents	(369)	(606)
Cash and cash equivalents at end of year	29,064	44,822

# BALANCE SHEET

Strong balance sheet with cash of £29.1 million and net funds of £16.1 million

	2021 £'000	2020 £'000
Goodwill and intangible assets	70,508	29,427
Property, plant and equipment including right-of-use assets	4,261	2,394
Trade and other assets	13,412	11,567
Cash and cash equivalents	29,064	44,822
<b>Total Assets</b>	<b>117,245</b>	<b>88,210</b>
Bank loan and capital lease obligations	(12,936)	(1,853)
Deferred income	(30,911)	(25,703)
Trade and other liabilities	(10,045)	(8,523)
Taxation	(353)	(247)
Deferred taxation	(5,811)	(1,236)
<b>Total Liabilities</b>	<b>(60,056)</b>	<b>(37,562)</b>
<b>NET ASSETS</b>	<b>57,189</b>	<b>50,648</b>

# APTITUDE EVOLUTION – KEY PRODUCT OFFERINGS

**TRANSFORM &  
PERFORM**

## FINANCE *DIGITIZATION*



**FYNAPSE**

## SUBSCRIPTION *MANAGEMENT*

eSuite<sup>o</sup>  
MPPGlobal

+

Aptitude  
**RevStream**  
(AREV)

Aptitude  
**Accounting  
Hub (AAH)**

## COMPLIANCE *ENGINES*



Aptitude  
**IFRS 17  
Solution**



Aptitude  
**Revenue  
Recognition  
Engine (ARRE)**



Aptitude  
**Calculate  
(AC)**



Aptitude  
**Lease  
Accounting  
Engine (ALAE)**

**COMPLY &  
AUTOMATE**



# BUSINESS MODEL

Strategic objective to increase proportion of higher margin software and subscription revenues

## Software and Subscription Revenue

Annual Recurring Revenue of £41.8 million provides future visibility

### On-Premise Annual Licence Fee Model

Represents 57% of ARR but only a minority of new business deals are now on premise given the accelerated move to cloud

Annual Licence Fee paid annually in advance for minimum terms of up to 6 years, typically with automatic annual extensions thereafter

The above fee provides right to use the software, receive maintenance and upgrades

### SaaS Subscription Model

Established SaaS capabilities underpinned by the ability of the business to deploy all its key products as SaaS offerings

Subscription Fee typically paid annually in advance for minimum terms of up to 6 years, typically with automatic annual extensions thereafter

Acquired eSuite platform includes volume based financial transactions and usage fees which are billed to clients on a monthly basis based on a per transaction fee.

## Professional Services

Growing contribution from Solution Management Services

### Implementation Services

Typically charged on a Time & Materials basis

Blended resource model of employees, contractors, partners and client resource

Global best practices adopted

### Solution Management Services

Service helping clients with post go-live business as usual operation including upgrade support, configuration extension and solution enhancements

Clients benefit from a reduced cost of ownership, allowing them to focus on their core business activities

Recurring in nature, further enhances future revenue visibility

# BOARD

## Experienced management team and Board

### **Jeremy Suddards, Chief Executive Officer**

Jeremy was appointed to the Aptitude Software Board as CEO in January 2020. Jeremy joined Aptitude Software in January 2018 as the Chief Client Officer for Europe & APAC. Prior to joining Aptitude Software, 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 and 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.

### **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. 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. 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 Audit Committee**

Barbara Moorhouse was appointed as a Non-Executive Director on 1 April 2017 and was previously Chair of the Audit Committee. Following the release of the 2021 annual results, Barbara will become Senior Independent Director and Chair of the Remuneration Committee and, at the same time, she will hand over the Audit Committee Chair role to Sara Dickinson. 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 CFO 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. At present, Barbara is also Chair of the Rail Safety and Standards Board, but she will step down from this role in May 2022.

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

Sara Dickinson was appointed as a Non-Executive Director on 1 October 2021. Following the release of the 2021 annual results, Sara will take on the role of Chair of the Audit Committee. Sara was appointed as Chief Financial Officer of the British Standards Institute on 24 January 2022. 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.

### **Peter Whiting, Non-Executive Director**

Peter Whiting has been a Non-Executive Director since 2 February 2012, and throughout 2021 was Chair of the Remuneration Committee and Senior Independent Director. Peter will not be seeking re-election at the Annual General Meeting to be held on 28 April 2022.

### **Georgina Sharley, Company Secretary**

Georgina Sharley was appointed as Company Secretary on 10 December 2018. She is a member of the Institute of Chartered Secretaries and Administrators and has 21 years' experience in supporting United Kingdom listed companies and groups with fulfilling their corporate governance and statutory compliance obligations.