



Interim Results

for the six months
ended 30 June 2021

28 July 2021

Aptitude™
SOFTWARE

APTITUDE SOFTWARE AT A GLANCE

Specialist provider of finance transformation and automation software

Who we are

Over twenty years of absolute focus on building software for the office of the CFO

Significant experience in processing high volumes of complex transactions with Tier 1 clients

Specialist understanding of accounting and regulatory reporting requirements.

What we do

Innovative solutions to address the growing trend for Finance Automation and Revenue Management

Product suite integrates data from complex systems to create a unified view of finance

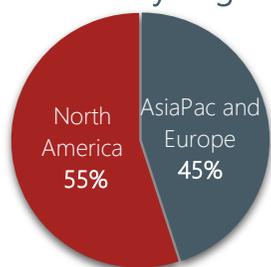
Enable significant benefits including business insights, enhanced control and regulatory compliance

Who we help

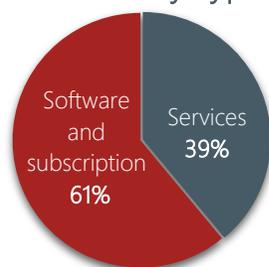


c. 80 enterprise clients in total

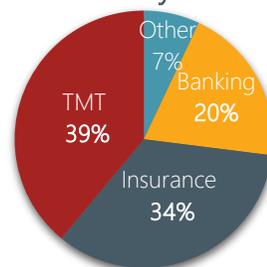
Revenue by Region



Revenue by Type



Revenue by Sector



SaaS
proportion of
ARR



Cash at
period end

A STRONG START TO THE YEAR

Delivering against the strategy



KEY SUCCESSES IN H1

Provide confidence in continued expansion

Europe & Asia back in buying mode

Increased levels of activity in all regions, a trend first experienced in North America in Q4 2020, although some sales cycles still remain extended due to the impact of the pandemic

Successful delivery and uptake of SaaS offerings

SaaS subscription fees now account for 26% of total ARR at 30 June 2021 (30 June 2020: 19%)

Insurance sector now over the delays and buying again

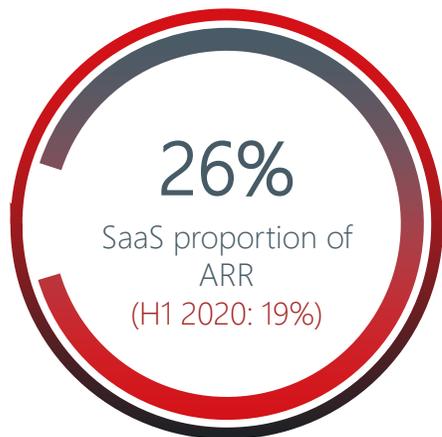
A number of multi-year SaaS Aptitude Insurance Calculation Engine and Aptitude Accounting Hub deals

Partner enablement starting to bear fruit

Increase in pipeline from partners, particularly in Asia. A number of organisations have been enabled to implement Aptitude products for the first time

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

³ Amounts presented on a constant currency basis

FINANCIAL HIGHLIGHTS

Financially strong with excellent cash reserves and improving profit outlook

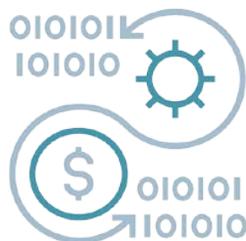


£46.8m
Cash balance

Increased acquisition activity with the development of a pipeline of actively monitored opportunities which fit the criteria of accelerating product strategy and/or provide entry into new markets for the Group

MARKET OPPORTUNITY

Clear opportunities to deliver value in an increasing number of target industries



Strategic Compliance

Finance Automation

Finance Transformation
in the Cloud



Advanced industries



Insurance



Banking



Account Base



New Prospects



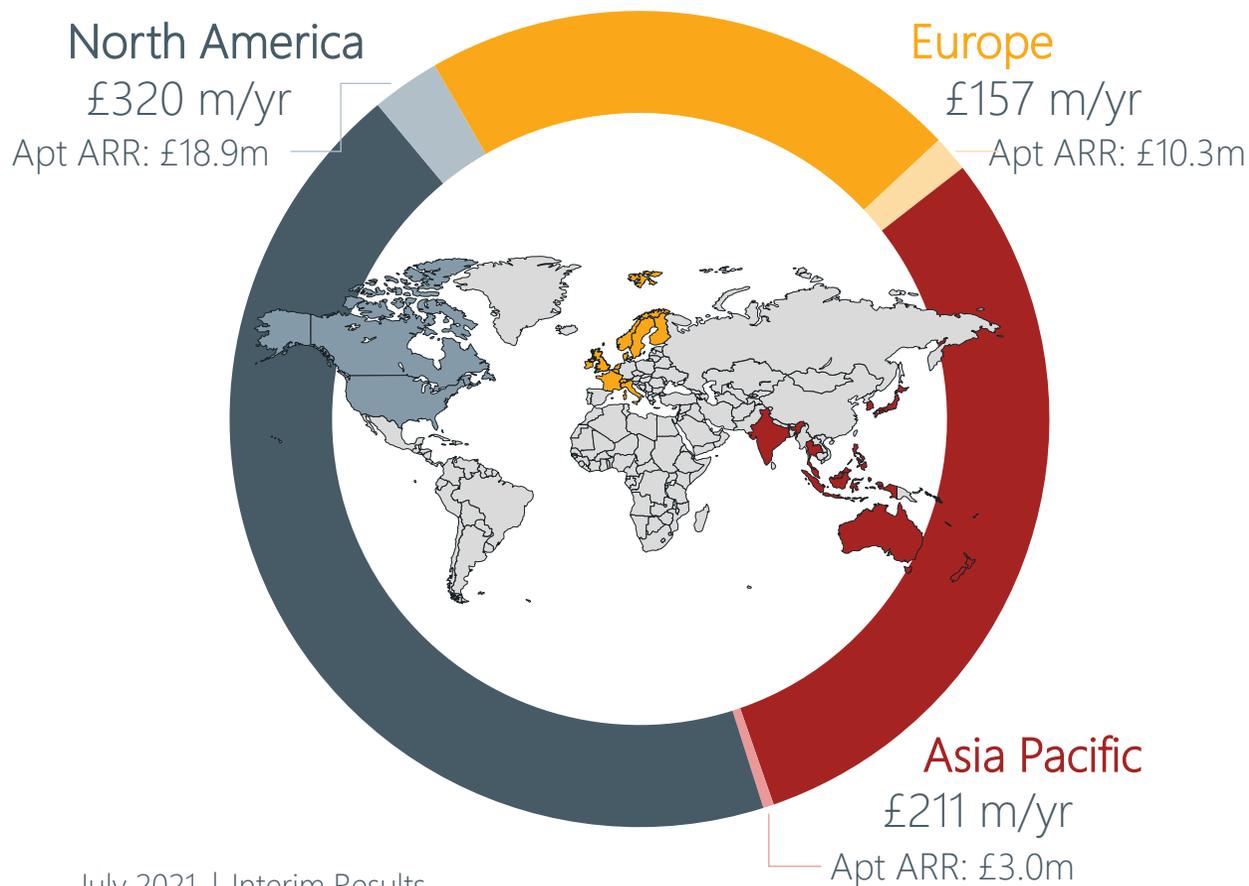
Partners

ADDRESSABLE MARKET

Ample opportunity to grow across all current regions and industries

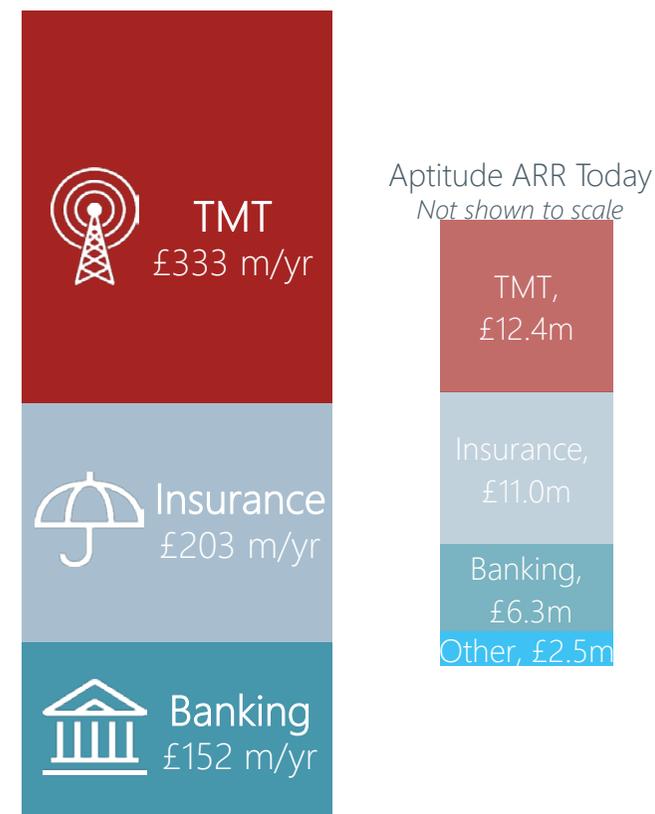
Current TAM By Region

Represented by total Tier 1 ARR (£m)¹



Current TAM By Industry

Represented by total Tier 1 ARR (£m)¹

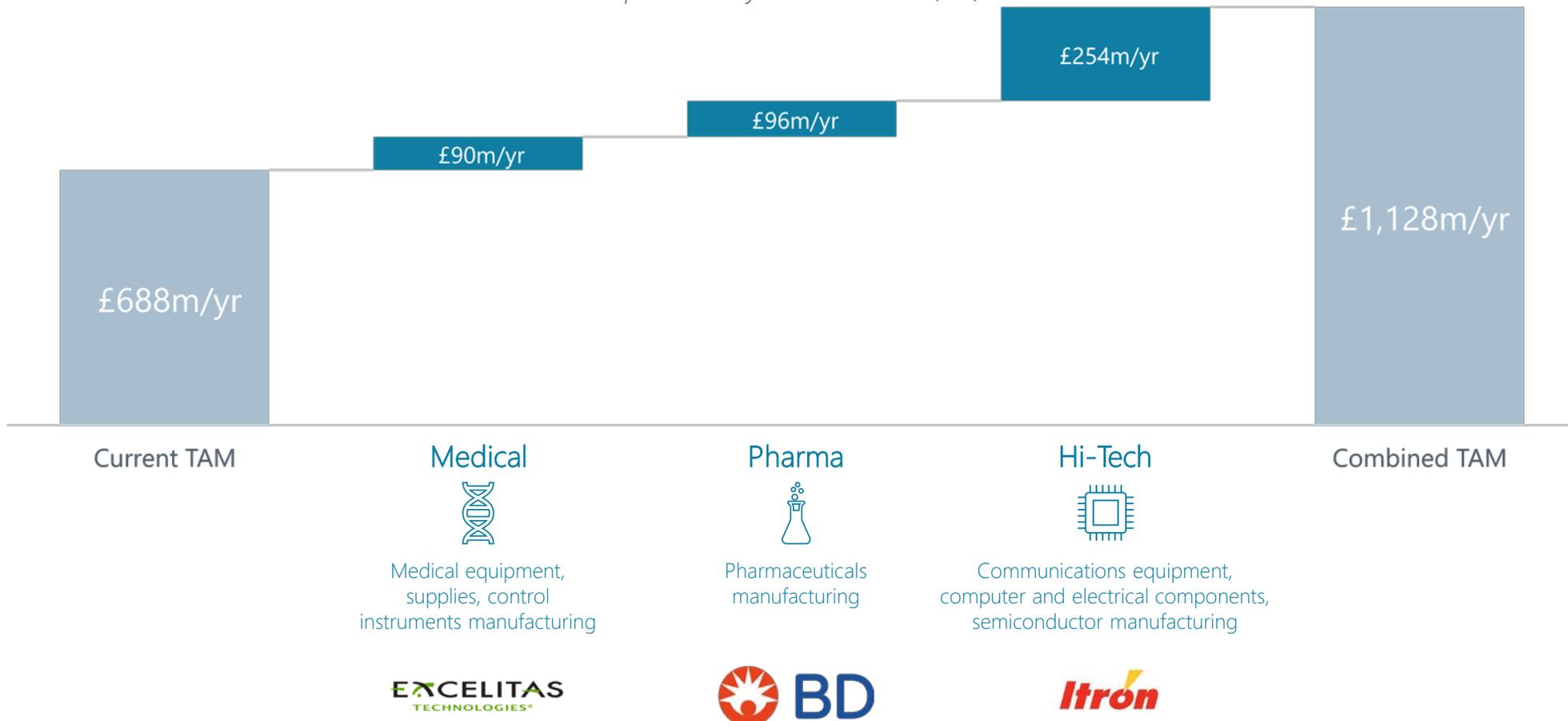


NEW INDUSTRIES

Significant potential uplift from new industries with proven successes to date

TAM Uplift from New Industries

Represented by total Tier 1 ARR (£m)



REALISING THE OPPORTUNITY

Investment focused on three key areas



Scaling Product Management and Innovation Centre

- Organization designed to accelerate SaaS portfolio delivery
- Strengthening product strategy team to enhance market-led portfolio
- Expansion of R&D team to accelerate innovative offerings to meet market demand



Expanding Go-to-Market for Key North American Regions

- Largest addressable market and fastest-growing opportunity
- Broader coverage for the region, more time zones
- Dedicated focus for new industries and financial services



Investing in Partner Channel Development & Enablement

- Dedicated US partner teams driving strategic partner advocacy and referral
- Opportunistic growth with referral partners in S. Europe and Asia Pacific
- Investing with partner sales teams to co-create practices to drive a differentiated position

SUMMARY & OUTLOOK

Well positioned to fully realise the significant opportunity ahead





Appendix

Aptitude™
SOFTWARE

ENVIRONMENTAL, SOCIAL & GOVERNANCE

Continued focus for the business




Environmental (Planet)

- Enhanced carbon emissions reporting for 2020 (SECR compliant, including Scope 1 and Scope 2 reporting)
- Due to nature of business, environmental impact is relatively limited
- Significant reduction in carbon emissions
- The use of remote meetings and reduced international travel will continue beyond the pandemic



Social (Community & People)

- Structured programme of employee engagement and wellbeing activities, with focus on online/remote engagement during the pandemic
- Diversity & Inclusion Employee Advocacy Group established this year to promote and support D&I across the Group
- Ongoing programme of activities to support charities and good causes across each region



Governance

- Governance framework and reporting in compliance with UK Corporate Governance Code
- 2020 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, Adjusted Operating Margin remained resilient

	H1 2021 £'000	H1 2020 £'000	FY 2020 £'000
Software and Subscription Revenue	16,732	14,695	30,475
Services Revenue	10,903	14,434	26,791
Total Revenue	27,635	29,129	57,266
Operating Costs	(22,520)	(24,034)	(48,155)
Adjusted Operating Profit	5,115	5,095	9,111
Non-Underlying Items	(423)	(563)	(964)
Statutory Operating Profit	4,692	4,532	8,147
Net Interest	(39)	8	(39)
Profit Before Tax	4,653	4,540	8,108
Taxation	(791)	(1,090)	(1,071)
Profit After Tax	3,862	3,450	7,037

CASH FLOW

Cash flow in line with seasonal expectations

	H1 2021 £'000	H1 2020 £'000	FY 2020 £'000
Cash generated from operations	4,212	925	16,238
Interest and tax received/(paid)	302	(481)	181
Cash flows generated from operating activities	4,514	444	16,419
Purchase of property, plant and equipment	(194)	(131)	(232)
Interest received	5	50	61
Net proceeds from issue of ordinary share capital	567	72	183
Dividends paid	(2,038)	(2,030)	(3,044)
Payment of capital lease obligations	(548)	(489)	(924)
Net cash used in investing/financing activities	(2,208)	(2,528)	(3,956)
Increase/(decrease) in cash and cash equivalents	2,306	(2,084)	12,463

BALANCE SHEET

Strong balance sheet with cash of £46.8 million and no bank loans

	H1 2021 £'000	H1 2020 £'000	FY 2020 £'000
Goodwill and intangible assets	29,004	29,850	29,427
Property, plant and equipment including right-of-use assets	1,902	2,558	2,394
Trade and other assets	11,633	17,296	11,567
Cash and cash equivalents	46,759	30,887	44,822
Total Assets	89,298	80,591	88,210
Capital lease obligations	(1,349)	(1,601)	(1,853)
Deferred income	(24,123)	(22,235)	(25,703)
Trade and other liabilities	(9,363)	(6,876)	(8,523)
Taxation	(245)	(206)	(247)
Deferred taxation	(1,236)	(1,358)	(1,236)
Total Liabilities	(36,316)	(32,276)	(37,562)
NET ASSETS	52,982	48,315	50,648

Aptitude Product Portfolio

A strong portfolio strategy at the centre of all our decisions

	 <p>Aptitude RevStream</p> <p><i>Unified Contract-to-Revenue Automation</i></p> <p>Regulatory: IFRS 15 ASC 606</p> <p>Industries:  TMT & Other</p>	 <p>Aptitude Revenue Recognition Engine</p> <p><i>Revenue Recognition at Scale</i></p> <p>Regulatory: IFRS 15 ASC 606</p> <p>Industries:  TMT</p>	 <p>Aptitude Lease Accounting Engine</p> <p><i>Complex Lessee/Lessor Calculations</i></p> <p>Regulatory: IFRS 16 ASC 842</p> <p>Industries:  TMT & Other</p>	 <p>Aptitude Calculate</p> <p><i>Business Rules for Complex Scenarios</i></p> <p>Regulatory: IFRS 17 LDTI</p> <p>Industries:  Insurance</p>	 <p>Aptitude Insurance Calculation Engine</p> <p><i>Compliance Transformation for Insurers</i></p> <p>Regulatory: IFRS 17 LDTI</p> <p>Industries:  Insurance</p>
	 <p>Aptitude Accounting Hub</p> <p><i>Delivers finance transformation and a foundation for control and financial insights</i></p>				    <p>All Industries</p>

BUSINESS MODEL

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

Software and Subscription Revenue

Annual Recurring Revenue of £32.2 million provides future visibility

On-Premise Annual Licence Fee Model

Represents 74% 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

Investment continues in Cloud Operations to capitalise on the accelerated move to cloud the industry has experienced

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

SHARE INFORMATION

At 27 July 2021

Share Price	584p
Market	LSE
8Ticker	APTD
Market Cap.	£330.6m
Net Funds	£45.4m
Enterprise Value	£285.2m
Ord. shares in issue	56.6m
Options outstanding	1.4m

	% Issued Share Capital
Canaccord Genuity Group Inc.	12.0%
Schroders PLC	11.9%
Mrs C Barbour, Mr B Barbour & Bank of New York Mellon (Brussels (Pooled))	7.8%
Jupiter Investment Management Ltd	4.8%
Invesco Limited	5.5%
Herald Investment Mgt	3.5%

BOARD

Experienced management team and Board

Jeremy Suddards, Chief Executive Officer

Jeremy was appointed to the Aptitude Software Board as CEO Designate in September 2019 and assumed the role of 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 recently 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 CEO 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 overseeing the growth of the company from a small AIM listed business, through a take private with Inflexion Private Equity in 2010, an IPO in 2014 on the LSE, to a FTSE 250 member valued at well over £1billion. Ivan is a member of various Wulstan Capital LLPs and Parch Three Estates LLP. He has no other significant commitments.

Peter Whiting, Senior Independent Non-Executive Director / Chair of Remuneration Committee

Peter Whiting was appointed as a Non-Executive Director on 2 February 2012 and has been Chair of the Remuneration Committee since April 2016. Peter has over twenty years' experience as an investment analyst, specialising in the software and IT services sector. He joined UBS in 2000, led the United Kingdom small and mid-cap research team and was Chief Operating Officer of UBS European Equity Research from 2007 to 2011. Peter is Senior Independent Director and Chair of the Remuneration Committee of FDM Group (Holdings) plc, a Non-Executive Director and Chair of the Remuneration Committee of D4T4 Solutions plc, and Non-Executive Chair of Kooth plc.

Barbara Moorhouse, Non-Executive Director / Chair of Audit Committee

Barbara Moorhouse was appointed as a Non-Executive Director on 1 April 2017. 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 Chair of the Rail Safety and Standards Board, a Non-Executive Director of Balfour Beatty plc and Senior Independent Director and Chair of the Audit Committee of Medica Group plc.

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 over 20 years' experience in supporting United Kingdom listed companies and groups with fulfilling their corporate governance and statutory compliance obligations.