



28 July 2022

Interim Results for the six months ended 30 June 2022

Where others see
complexity we see
possibility

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



Finance Digitalization



Subscription Management



£49.1m
ARR

10%
Organic Growth
in ARR

68%
Recurring
Revenue

500+
People

Profitable & cash generative



Solid Operational and Strategic Progress

Good progress being delivered whilst the business is in strategic transition

Launch of Fynapse progressing well

Initial SaaS release successfully delivered to North American telco charter client

Strong positive interest continues from prospects, existing clients and strategic partners

Incremental Pipeline in both regions to support this important solution to the market

Existing product penetration and strategic wins

First sale in Asia of Revenue Management

Aptitude Accounting Hub sale to global payments technology provider – demonstrates demand outside compliance market

Multiple Solution Management Services' wins ("Assure") in the insurance industry

Continued integration of MPP Global & new sales of eSuite

New combined brand launch

Landmark win with one of the largest global broadcasters – potential for considerable scale in subscribers

Further development of the partner network

New strategic agreement with Big-4 accountancy firm's M&A practice

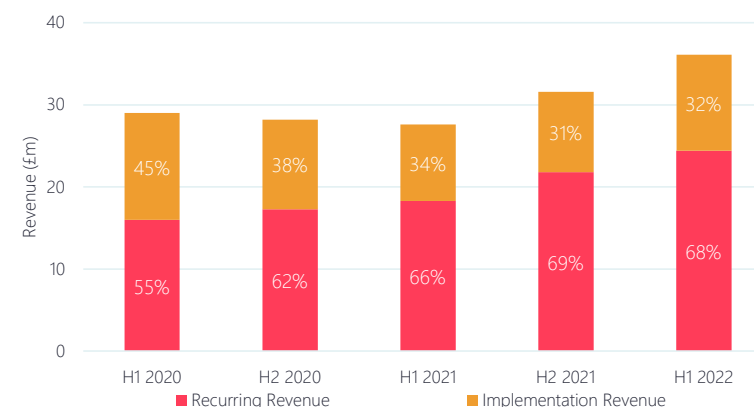
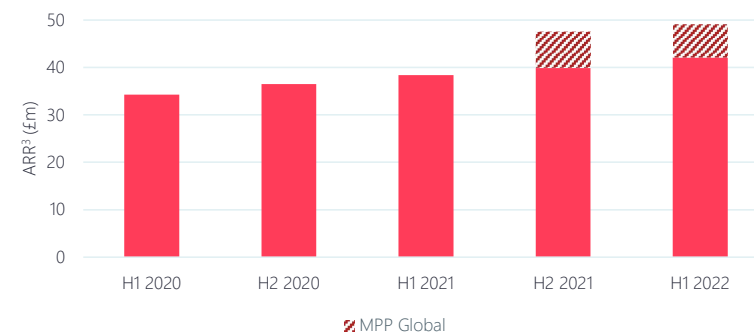
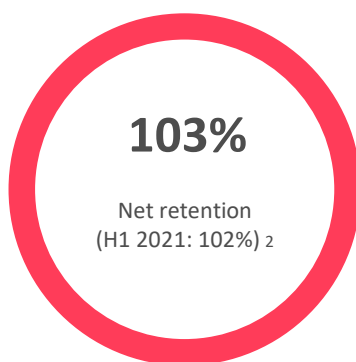
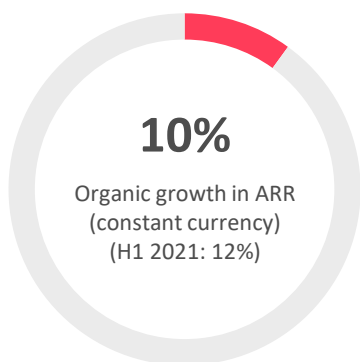
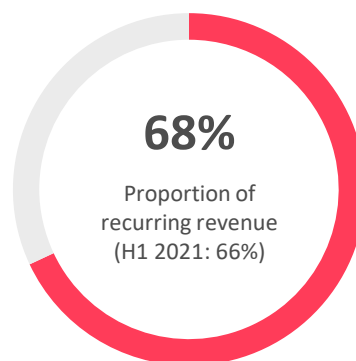
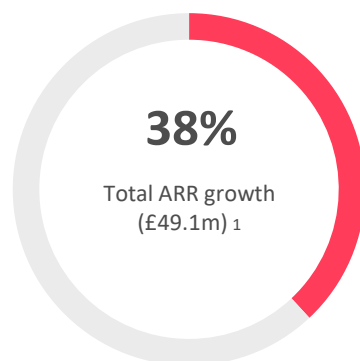
Sell through subscription management partner network generating strong pipeline

Continued organisational strengthening with key new senior hires in Marketing, Technology and Human Resources



Financial Highlights

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



¹ Annual Recurring Revenue ('ARR') is the value of Aptitude Software's continuing recurring revenue at a specific point in time, normalised to a one-year period. ARR includes recurring revenues contracted but yet to commence and excludes recurring revenues which 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 30 June 2022 to earlier periods.



Financial Highlights

Financially strong with acquisition of MPP Global supplementing revenue growth

£36.1m

Total revenue
(H1 2021: £27.6m)

£4.0m

Adjusted Operating
Profit
(H1 2021: £5.1m)

11.1%

Adjusted Operating
Margin
(H1 2021: 18.5%) ¹

1.8p

Total dividend
(H1 2021: 1.8p)

£10.7m

Net funds



Continued balance sheet strength with cash of £23.6 million

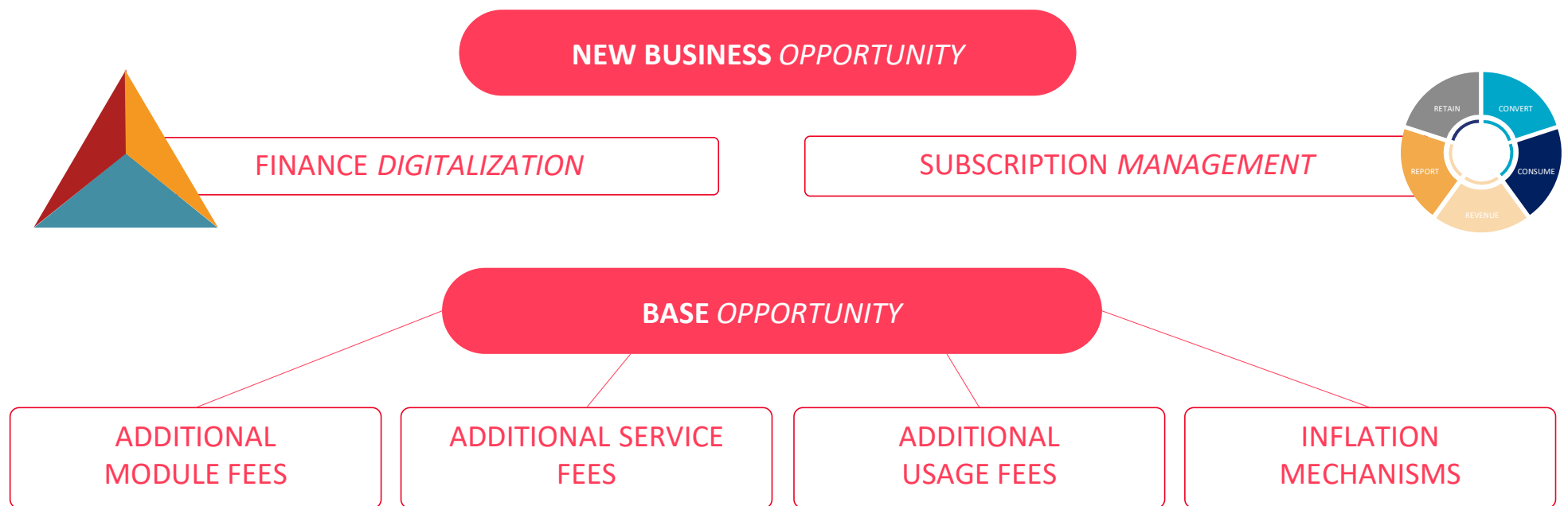
¹ Adjusted Operating Profit and Adjusted Operating Margin excludes non-underlying operating items which principally comprise intangible amortisation



Business Model



High quality business model with a strong opportunity within the base



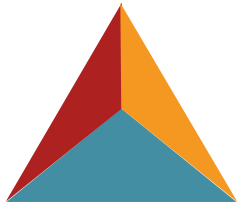
Aptitude Key Offerings

Solving large complex problems for large complex organisations



FINANCE DIGITALIZATION

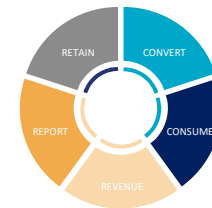
SUBSCRIPTION MANAGEMENT



COMPLIANCE AUTOMATION

DOMAIN DRIVEN

TECHNOLOGY LEADERSHIP



Finance Digitalization

Enabling the CFO office to be cheaper, better and faster

The Opportunity

FINANCE DIGITALIZATION

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 Total Cost of Ownership



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

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*

- **Primary Markets:** TAM £1bn clients across Tier 1 – Tier 3
- **Market Growth pa** 10 – 15%
- **Recent new wins** – Incomm, Challenger

T Mobile



GUARDRISK
TAILORED RISK SOLUTIONS

Bank of Ireland

ING

TRANSAMERICA

MetLife

CHUBB

AVIVA

RBC

LLOYDS
BANKING GROUP



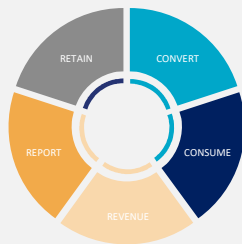
Subscription Management

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

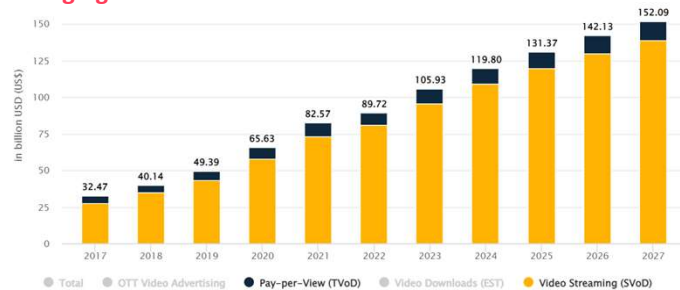


- **Primary Markets:** TAM \$1.5bn in publishing, digital & sport
- **Market Growth** pa 15%
- **Secondary Markets:** Extended TAM in new Digital to Consumer ('D2C') industries of another \$500m

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

A high growth market



Revenue from pay per view and streaming (Statista Jul 22)

Delivering great customer outcomes

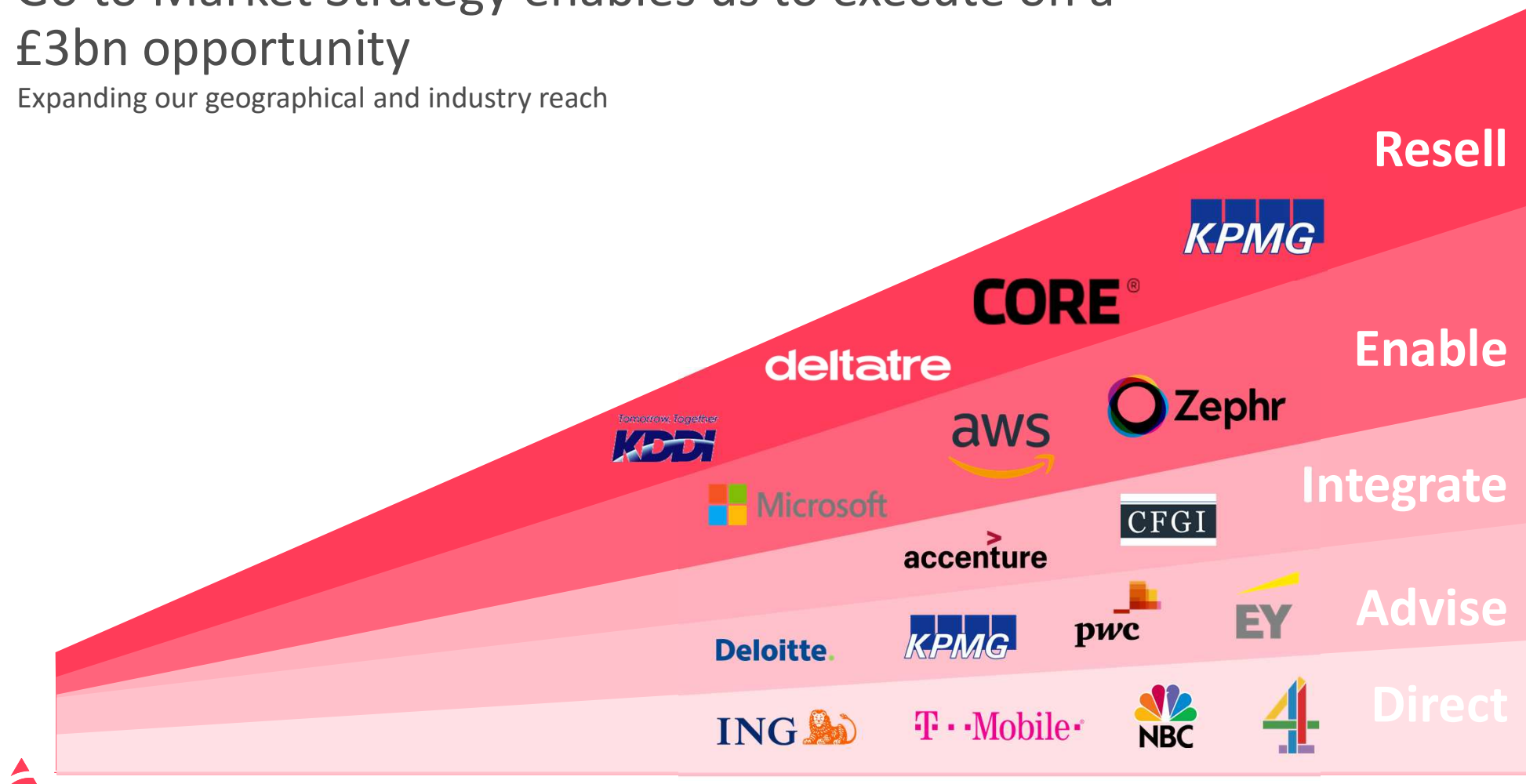
*"Cut operating expenditure (OPEX) by more than 50% in 6 months" **Berliner Verlag***

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



Go to Market Strategy enables us to execute on a £3bn opportunity

Expanding our geographical and industry reach



Sharpening our Competitive Edge through People Excellence

Creating a differentiated Aptitude culture increasing our client intimacy in a digital world

Total Headcount Increase

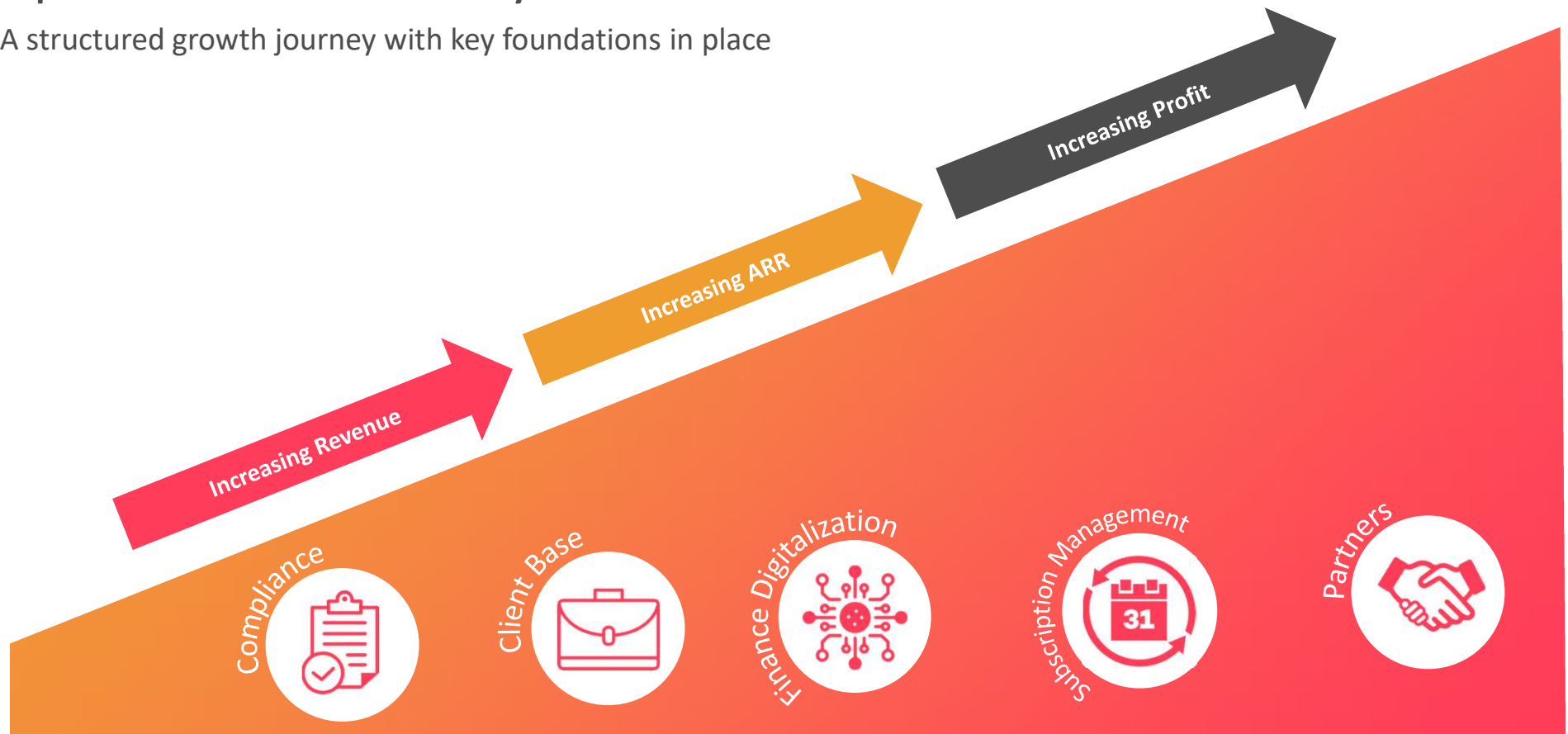


Technologists increase



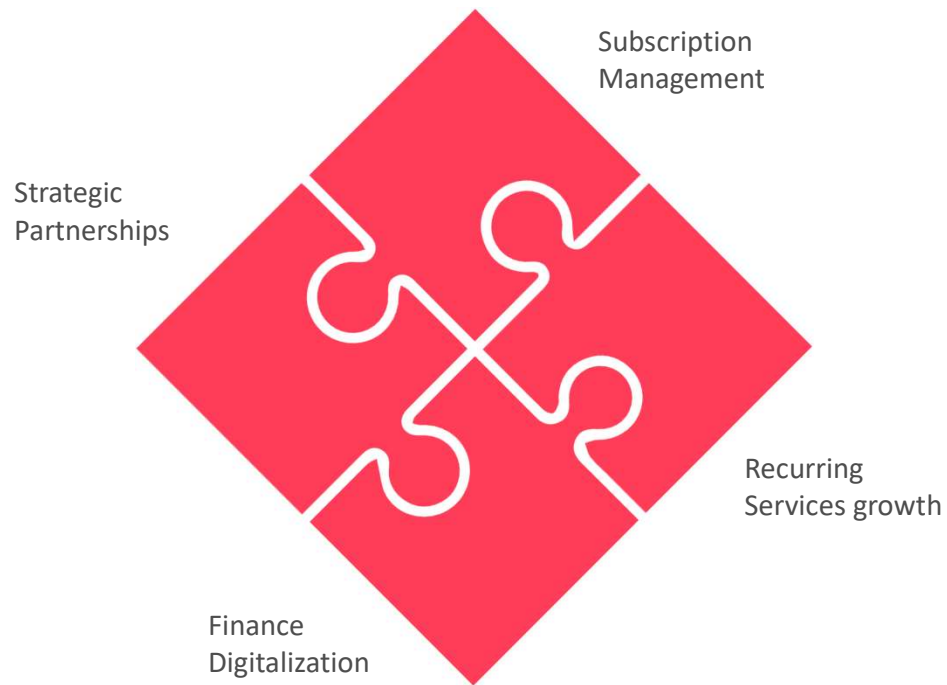
Aptitude Growth Story

A structured growth journey with key foundations in place



Aptitude Software Business

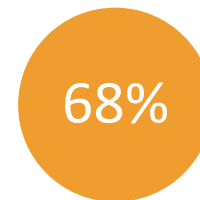
Investment Case



ARR Organic Growth



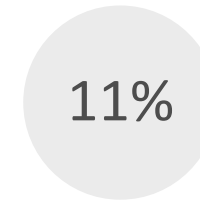
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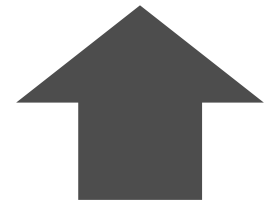
Software % of Overall Revenue



=



Adjusted Operating Margins



Appendix



Income Statement

Continued growth in recurring revenue

	HY 2022 (£'000)	HY 2021 (£'000)	FY 2021 (£'000)
Recurring Revenue	24,423	18,332	40,089
Implementation Revenue	11,700	9,303	19,241
Total Revenue	36,123	27,635	59,330
Operating Costs	(32,121)	(22,520)	(49,430)
Adjusted Operating Profit	4,002	5,115	9,900
Non-Underlying Items	(1,883)	(423)	(3,439)
Statutory Operating Profit	2,119	4,692	6,461
Net Interest	(244)	(39)	(232)
Profit Before Tax	1,875	4,653	6,229
Taxation	(354)	(791)	(1,155)
Profit After Tax	1,521	3,862	5,074



Cash Flow

Strong cash flow fundamentals with first half seasonality

	HY 2022 (£'000)	HY 2021 (£'000)	FY 2021 (£'000)
Cash (used in)/generated from operations	(2,995)	4,212	11,890
Interest and tax (paid)/received	(530)	302	24
Cash flows (used in)/generated from operating activities	(3,525)	4,514	11,914
Purchase of property, plant and equipment	(379)	(194)	(1,232)
Acquisition of subsidiary, net of cash acquired	-	-	(33,112)
Interest received	3	5	6
Net proceeds from issue of ordinary share capital	23	567	968
Dividends paid	(2,061)	(2,038)	(3,057)
Payment of capital lease obligations	(181)	(548)	(756)
Drawdown of loan, net of arrangement fees	-	-	9,880
Net cash used in investing/financing activities	(2,595)	(2,208)	(27,303)
(Decrease)/increase in cash and cash equivalents	(6,120)	2,306	(15,389)
Exchange rate gains/(losses) on cash and cash equivalents	667	(369)	(369)
Cash and cash equivalents at end of period	23,611	46,759	29,064



Balance Sheet

Strong balance sheet with cash of £23.6 million and net funds of £10.7 million

	30 June 2022 (£'000)	30 June 2021 (£'000)	31 Dec 2021 (£'000)
Goodwill and intangible assets	68,818	29,004	70,508
Property, plant and equipment including right-of-use assets	4,250	1,902	4,261
Trade and other assets	19,645	11,633	13,412
Cash and cash equivalents	23,611	46,759	29,064
Total Assets	116,324	89,298	117,245
Bank loan and capital lease obligations	(12,905)	(1,349)	(12,936)
Deferred income	(30,141)	(24,123)	(30,911)
Trade and other liabilities	(8,432)	(9,363)	(10,045)
Taxation	(353)	(245)	(353)
Deferred taxation	(5,811)	(1,236)	(5,811)
Total Liabilities	(57,642)	(36,316)	(60,056)
NET ASSETS	58,682	52,982	57,189



Board

Experienced management team & 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 Remuneration Committee / Senior Independent Director

Barbara Moorhouse was appointed as a Non-Executive Director on 1 April 2017 and was previously Chair of the Audit Committee. In March 2022, Barbara became Senior Independent Director and Chair of the Remuneration Committee and handed 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.

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 in March 2022. 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.

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.



