RNS Number : 1673M
ActiveOps PLC
14 November 2024

14 November 2024

ActiveOps Plc

("ActiveOps", "the Company", "the Group")

Interim Results for the six months ended 30 September 2024

ActiveOps plc (AIM: AOM), a leading provider of Decision Intelligence for service operations, is pleased to announce its unaudited results for the six months ended 30 September 2024.

Financial Highlights:

Six months ended 30 September	**H1 FY25**	**H1 FY24**	**Change**
Total Revenue	£14.32m	£13.06m	+10%
Software & Subscription revenue	£12.96m	£11.72m	+11%
Training & Implementation "T&I" revenue	£1.36m	£1.34m	+1%
Annual recurring revenue "ARR"[1]	£26.15m	£23.73m	+10%
Net Revenue Retention "NRR"[2] on an annualised basis	108%	104%	+4ppts
Gross margin	84%	84%	-
Adjusted EBITDA[3]	£1.04m	£0.79m	+32%
Profit before tax	£0.47m	£0.10m	+370%
Basic earnings/ (loss) per share	0.52p	(0.14p)	+471%
Net cash and cash investments[4]	£13.44m	£9.90m	+36%

- ARR[1] growth of 10% (12% at constant currency)
- Adjusted EBITDA[3] up 32% to £1.04m (H1 FY24: £0.79m)
- Cash conversion[5] negative in the period, as is typical, due to seasonality of renewals cycle. Expected to move to a positive position before year end with significant renewals in H2
- Balance sheet remains debt free with £13.44m cash and cash investments (H1 FY24: £9.90m)

Operational Highlights

- Three new customers secured (H1 FY24: two new customers), two with significant expansion potential
- Continued expansion across existing customers, resulting in NRR[2] of 108%, (110% constant currency) (H1 FY24: 104%)
- Strong performance in Canada and Africa, delivering ARR growth of 37% and 43% respectively on a constant currency basis
- Addition of five experienced sales executives as planned, with further investment planned in H2

Outlook

- While enterprise sales cycles remain elongated in some regions, trading in the first few weeks of the second half has been encouraging, securing two new customer engagements, including the first sale of ControliQ Series 4, both with considerable expansion potential
- Focused investment in the global sales operation will continue in H2, providing a strong foundation for future growth
- The Board anticipates delivering results for the year ending 31 March 2025 in line with its current expectations

ActiveOps Executive Chair, Richard Jeffery, commented:

The first half of FY25 has seen ActiveOps deliver good revenue and profit growth, trading in line with expectations for the full year. Importantly, we continue to make positive progress across the business, enhancing our product set and strengthening our sales team as planned. Looking ahead, we are confident the investment into our sales team, and the growing AI capabilities of our platform, provide us with a fantastic springboard for growth in FY26 and beyond."

Footnote to Financial highlights

The above non-GAAP measures are unaudited

1. Annual Recurring Revenue is defined as recurring SaaS revenues and new contract wins, excluding lost contracts
2. Net Revenue Retention is defined as the change in recurring SaaS revenue excluding new contract wins
3. Adjusted EBITDA is used by management to assess the trading performance of the business. Defined as Operating profit before depreciation, amortisation and share-based payment charges and includes translation reserve movements
4. Cash and cash investments are cash and cash equivalents plus cash investments on the Balance Sheet at the period end
5. Cash conversion is defined as Cash generated from Operations in the Consolidated Statement of Cash Flows as a percentage of adjusted EBITDA

For more information, please contact:

ActiveOps	Via Alma
Richard Jeffery, Executive Chair	www.activeops.com

Emma Salthouse, Chief Financial Officer

Investec Bank plc +44 (0)20 7597 5970
Corporate Broking & PLC Advisory
Patrick Robb / Nick Prowting

Alma Strategic Communications + 44(0) 203 405 0205
Caroline Forde / Will Ellis Hancock / Louisa El-Ahwal

About ActiveOps

ActiveOps is a Software as a Service business, dedicated to helping organisations create more value from their service operations. ActiveOps' Decision Intelligence software solutions are specifically designed to support leaders with the vast number of decisions they make daily in the running their operations. Our customers make better decisions and consume less time and effort making them. The outcomes are significantly improved turnaround times and double-digit improvements in productivity with backlogs of work materially reduced. Customers also leverage the capacity created to invest in transformation and development, and more efficiently utilise resources.

The Company's AI-powered SaaS solutions are underpinned by 15+ years of operational data and its AOM methodology which is proven to enhance cross departmental decision-making.

The Company has approximately 190 employees, serving a global base of enterprise customers from offices in the UK, Ireland, USA, Canada, Australia, India, and South Africa. The Group's customers are predominantly in the banking, insurance, healthcare administration and business process outsourcing (BPO) sectors, including Nationwide, TD Bank, Elevance and Xchanging.

EXECUTIVE CHAIR STATEMENT

The first half of FY25 has seen ActiveOps deliver good revenue and profit growth, trading in line with expectations for the full year. Importantly, we continue to make positive progress across the business, enhancing our product set and strengthening our sales team as planned, providing us with the skills and capacity to accelerate our growth rate in future years.

The increasing ability of our products to blend Artificial Intelligence ("AI") and Machine Learning ("ML") technologies with human intelligence, and information drawn from other enterprise applications, is helping our customers to make better decisions, faster and easier than ever. This is driving expansion opportunities across our customer base, as reflected in the strong ARR growth rates at constant currency in Canada and Africa this period, of 37% and 43% respectively. This provides a clear indication of the growth that is available when we are well established with our customers.

Our international land & expand sales strategy continues to deliver results, including three new logo wins in the half, two with significant expansion potential and several major contract expansions, including multiple upsells of the recently launched ControliQ Series 3.

Following our investments in product and marketing, the focus is now on expanding our sales teams to drive additional growth. With more customers than ever before at our conferences in October, we are confident that our products' position in the market has never been clearer and more relevant.

Delivering against our Financial KPIs

Our highly cash generative SaaS business model is a major strength of the business, providing robust visibility of earnings, and the funds to invest in resources to support further growth.

Overall Group revenues grew by 10%, (11% on a constant currency basis, "CC"), to £14.32m (H1 FY24: £13.06m), including 11% growth in SaaS revenue to £12.96m (H1 FY24: £11.72m). ARR increased 10% (12% on a CC basis) to £26.15m (H1 FY24: £23.73m), and NRR increased to 108% (H1 FY24: 104%).

Supported by this solid revenue performance, the Group delivered adjusted EBITDA growth to £1.04m (H1 FY24: £0.79m) and significantly increased PBT by 370% to £0.47m (H1 FY24: £0.10m). This strong profit performance provides us with firepower to accelerate investment in Canada, alongside our ongoing sales team investment, where we see further expansion opportunity.

ActiveOps remains well capitalised, with cash and cash investments at the period end of £13.44m (H1 FY24: £9.90m), providing the capacity to reinvest into the business and support organic growth.

Growth of our customer base: land & expand

Our target market is global and large. The Decision Intelligence market was estimated to be worth more than12bn in 2023, growing to greater than 36bn in 2030[1]. Today we focus on a well-defined set of industries and geographies, but with large-scale service operations present in all industry sectors, the potential is huge. The surge in interest in AI, increased regulation, challenging economic climate and continued uncertainty relating to hybrid working are all market forces which are driving interest in our capabilities.

While enterprise sales cycles remain elongated in some regions, with elections and other macro factors continuing to slow down decision making processes, we secured three new customers in the period, all in North America: a large US healthcare insurance provider, and a Canadian bank, both with significant expansion potential, and a small US bank.

Our performance in Canada, APAC and Africa has been particularly strong. In Australia three further major banks have upgraded to transition to ControliQ Series 3, meaning our four largest Australian customers have either now moved to ControliQ Series 3 or are contracted to do so later this year. APAC ARR has increased 10% in the period on a constant currency basis.

In Canada we continue to see good traction following the work we did last year to create a French-Canadian version of our core offering, and the opening of our office in Toronto. Canada has seen 37% ARR CC growth in the period, with a major customer win coupled with healthy expansions across our existing base in the country, driving NRR of 123% on a constant currency basis.

ARR CC growth in Africa is up 43%, driven by a significant expansion within three significant customers driven by the upsell to Series 3.

Following the close of the period, we have been notified by an EMEIA customer of the intention to reduce the use of the ControliQ platform in a single area of their organisation. Although they remain a customer, and we will continue to work with them to demonstrate the value derived from our software, this will have a gross impact on exit ARR of approximately 5%. Such an event is highly unusual, and we are focused on ensuring all customers remain fully aware of the considerable return on investment they derive from our software.

Investing in our sales team

The applicability of our offerings across our target sectors is clear, and our expansion performance within existing customers continues to underpin our overall growth. We are now investing in our sales teams to specifically target an increase in the rate of new customer wins. This process has begun and is progressing well, with five new team members joining us towards the end of the half in the UK, South Africa and North America, and further investment is planned in Canada in the second half of the year. Revenue growth is expected from this investment from H2 FY26.

Powering our customers' success with innovation

Service Operations leaders make thousands of decisions every day. Our Decision Intelligence products, designed purely for the operations environment, help these leaders and their teams make the right decision, quicker. This increases efficiency and capacity, alleviating pinch points and improving employee welfare. Through our 15 years' experience in the service operations industry, and close customer relationships, we are well placed to ensure we build the products which Service Operations teams need most and can derive the most value from. Product development and enhancement remains a key cornerstone of our growth strategy, and our product teams have been busy in the first half of the year.

ControliQ

Following its launch in September 2023, ControliQ Series 3 is now live, with multiple customers using the platform following successful upsells, and with additional customers trialling its features. Our customers are now able to take advantage of the latest in AI tools for the back-office, increasing automation and releasing capacity, all with zero technical effort. These technologies have the potential to transform back-offices, and I am proud that our people and platforms are at the heart of making that happen.

On average, we have seen an ARR increase of 24% from those customers moving onto Series 3, with the tiered licencing and pricing model we have introduced helping customers make the most of the parts of our software platform they want, while facilitating upselling opportunities.

We now look ahead to the release of ControliQ Series 4, which is on track to launch in early 2025 and will provide a further four AI-powered features. We were delighted to secure our first customer engagement for Series 4 post period end with a global healthcare company. With further advanced AI and ML capabilities embedded within our software, our customers will be better equipped than ever before to execute their roles efficiently and effectively.

New features include:

- *Executive Insights* - provides key performance indicators that enable senior leaders to drive teams' performance and demonstrate their impact on the wider business.
- *Smart Skills* - an AI generated, always up to date catalogue of the technical skills and workload within a team, helping customers to see potential skill gaps based on predicted demand of work.
- *Opi* - our virtual coach that provides real time recommendations to operations leaders, which will help them optimise performance by predicting when they may need to intervene, and even prescribing the best action for them to take.
- *Business Planning* - this feature harnesses AI and ML to automatically generate capacity forecasts and realistic scenarios for operations leaders, helping them save time while planning further ahead.

CaseworkiQ

CaseworkiQ continues to perform well since its launch in June 2022. There are now 17 customers using the platform with a healthy level of interest in the product, as more organisations look to technology to help their teams undertake some of the most complex and regulated processes.

The data captured by CaseworkiQ enables customers to see the effort deployed in every step and stage of a process. This insight is used to direct process improvement and automation activity, predict the impact of this and manage out the benefits.

In a major enhancement, a Process Analytics feature, due to be released in H1 2025, will automatically produce process maps showing the flow of work through a process and the volumes and effort associated with each path through a process, which will further embed the products benefits into the end user ecosystem.

Board Changes

Further to the announcement made on 25 July 2024, following many years of outstanding services to the Company, Sean Finnan did not stand for re-election as Chair at the Company's AGM on 26 September and I transitioned to the role of Executive Chair. Hilary Wright, independent Non-Executive Director and Chair of the Remuneration Committee, assumed the role of Senior Independent Director, while Mike McLaren remains as an Independent Non-Executive Director and Chair of the Audit Committee.

To ensure an appropriate balance of independent directors and increase the Company's depth of US expertise, Bruce Lee was appointed to the Board from 1 September 2024. Bruce brings strong technical leadership expertise from his career as a corporate CIO and deep familiarity with ActiveOps' target customers in US financial services and healthcare. His previous roles included senior leadership positions at the New York Stock Exchange, BNP Paribas, HSBC, Fannie Mae and Centene Healthcare. Bruce is chair of the Nominations Committee and, reflecting this expertise and experience, is also chairing a new Board committee responsible for the Group proposition and technologies.

Current Trading and Outlook

The second half has begun well, with the signing of two new engagements, with a multinational BPO and a well-known global healthcare company, which is also the first customer to contract for ControliQ Series 4. Both engagements have significant expansion potential given the size of the organisations. Whilst the reduction within one customer will impact exit ARR at the year end, we see a range of expansion opportunities elsewhere and the business continues to trade in line with full year expectations.

Looking ahead, we are confident the investment into our sales team, and the growing AI capabilities of our platform, provide us with a fantastic springboard for growth in FY26 and beyond.

Richard Jeffery

Executive Chair

Chief Financial Officer's Report

Financial Review

I am pleased to report a strong first half for the Group, with 11% revenue growth on a constant currency basis, delivering total revenue of £14.32m (H1 FY24 £13.06m). The Group delivered a sustainable profit before tax and maintained a strong cash and cash investments position.

Revenue

ARR is a key performance metric for the Group. ActiveOps' ARR at 30 September 2024 totalled £26.15m (30 September 2023: £23.73m), representing year-on-year growth of 10%. The successful launch of ControliQ Series 3 in September 2023 has bolstered the ARR growth in the first half of the year with upsell to multiple customers, compounded by new customer wins. This strong upsell performance is anticipated to continue in the second half of the year, during which a high proportion of renewals take place. On a constant currency basis, the ARR growth exceeded 12%.

Total revenue for the Group at £14.32m (H1 FY24: £13.06m) is 10% ahead of the same period last year, with recurring software and subscription revenues increasing by 11% to £12.96m (H1 FY24: £11.72m) on a reported basis. Training and Implementation ('T&I') revenue at £1.36m (H1 FY24: £1.34m) was in-line with the prior year.

Margins and operating profit

Gross profit margins have remained in line with prior year at 84% (H1 FY24: 84%). Software and Subscription margins marginally increased to 88% (H1 FY24: 87%), due to prudent cost management.

Operating expenses (excluding share-based payments, depreciation and amortisation) increased by 7% to £10.92m (H1 FY24: £10.17m). This is primarily due to the investment in our global sales operation.

Adjusted EBITDA increased to £1.04m (H1 FY24: £0.79m), reflecting revenue growth and good cost control.

Foreign Exchange

The Group has 52% (H1 FY24: 62%) of revenues invoiced in currencies other than GBP, with the Group's cost base predominantly located in the same base jurisdictions as revenues, providing a natural hedge to currency exchange risk.

Product and Technology Expenditure

Total expenditure on product management, research and development in the first half increased to £1.78m (H1 FY24: £1.66m). Capitalised labour of £0.47m (H1 FY24 £0.54m) related to the development of new product features.

Depreciation & Amortisation

Depreciation & amortisation of £0.63m (H1 FY24: £0.52m) principally comprised intangible amortisation following the acquisition of the OpenConnect entity in 2019 and the Australian entities in 2017.

Taxation

The Group operates a transfer pricing policy to ensure that profits are correctly recorded in each of the jurisdictions in which it operates. ActiveOps has brought forward tax losses in the UK and Irish legal entities, and the corporation tax charge in the accounts is foreign corporation tax.

Statutory Results

The Group reported a profit before tax for the period of £0.47m (H1 FY24: £0.10m).

Earnings per Share

Basic Earnings per Share for continuing operations was a profit of 0.52p (H1 FY42: loss of 0.14p).

Dividend

The Board has determined that no dividend will be paid in the period. The Group is primarily seeking to achieve capital growth for shareholders. It is the Board's intention during the current phase of the Group's development to retain distributable profits from the business to the extent they are generated.

Cash flow

As is typical for the business, cash flow from operations in the first half of the year was negative £4.32m (H1 FY24: (£5.35m)). The negative cashflow position in H1 is attributable to the phasing of renewals over the year, and the timing of invoices raised. A significant level of renewals take place in the second half of the year and the timing of payments of annual in advance bills significantly impacts the cash position at 30 September 2024.

Balance Sheet

The Group has maintained a strong balance sheet position with cash and cash investments of £13.44m (H1 FY24: £9.90m) and net assets of £9.29m (FY24: £8.80m).

Management Statement

This Interim Management Report (IMR) has been prepared solely to provide additional information to shareholders to assess the Group's strategies and the potential for those strategies to succeed. The IMR should not be relied on by any other party or for any other purpose.

The IMR contains certain forward-looking statements. These statements are made by the Directors in good faith based on the information available to them up to the time of their approval of this report, but such statements should be treated with caution due to the inherent uncertainties, including both economic and business risk factors, underlying any such forward-looking information.

Unaudited consolidated condensed statement of profit and loss and other comprehensive income for the six months period to September 2024

	Notes	Six months ended 30 September 2024 £000 Unaudited	Six months ended 30 September 2023 £000 Unaudited
Revenue	3	**14,320**	**13,060**
Cost of sales	4	(2,258)	(2,095)
Gross profit		**12,062**	**10,965**
Administrative expense excluding share option charges, depreciation and amortisation		(10,923)	(10,173)
Administrative expenses - share option charges		(219)	(175)
Administrative expenses - depreciation and amortisation		(634)	(521)
Total administrative expenses		**(11,776)**	**(10,869)**
Operating profit		**286**	**96**
Finance income		205	19
Finance costs		(21)	(11)
Profit before taxation		**470**	**104**
Taxation		(100)	(201)
Profit / (loss) for the period		**370**	**(97)**
Other comprehensive income			
Items that may be subsequently reclassified to profit or loss:			
Exchange differences on translating foreign operations		(100)	11
Total comprehensive income/(loss) for the period attributable to the owners of the parent company		**270**	**(86)**
Basic earnings/(loss) per share	5	0.52p	(0.14p)
Diluted earnings/(loss) per share	5	0.49p	(0.14p)

Unaudited consolidated condensed statement of financial position

	Notes	At 30 September 2024 £000 Unaudited	At 31 March 2024 £000 Audited	At 30 September 2023 £000 Unaudited
Non-current assets				
Intangible assets		5,556	5,794	5,915
Property, plant and equipment		225	221	140
Right-of-use assets		251	301	351
Deferred tax assets		175	174	210
Total non-current assets		**6,207**	**6,490**	**6,616**
Current assets				
Trade and other receivables	6	3,983	5,939	4,643
Corporation tax recoverable		-	-	16
Cash investments		5,067	6,253	-
Cash and cash equivalents		8,377	11,353	9,896
Total current assets		**17,427**	**23,545**	**14,555**
Total assets		**23,634**	**30,035**	**21,171**
Equity				
Share capital		71	71	71
Share premium		6,048	6,048	6,048
Merger relief reserve		396	396	396
Share option reserve		603	384	768
Foreign exchange reserve		(460)	(360)	(213)
Retained earnings		2,634	2,264	886
Total Equity		**9,292**	**8,803**	**7,956**
Non-current liabilities				
Lease liabilities		174	239	303
Provisions		212	201	119
Deferred tax liabilities		565	691	802
Total non-current liabilities		**951**	**1,131**	**1,224**
Current liabilities				
Trade and other payables	7	13,231	19,963	11,692
Lease liabilities		68	69	68
Corporation tax payable		92	69	231
Total current liabilities		**13,391**	**20,101**	**11,991**

Total equity and liabilities	**23,634**	**30,035**	**21,171**

Unaudited consolidated condensed statement of cash flows

	Notes	Six months ended 30 September 2024 £000 Unaudited	Six months ended 30 September 2023 £000 Unaudited
Profit/(loss) after tax		370	(97)
Taxation		100	201
Finance income		(205)	(19)
Finance costs		21	11
Operating profit		**286**	**96**
Adjustments for:			
Depreciation property, plant and equipment		58	59
Depreciation right-of-use asset		50	67
Amortisation of intangible assets		526	395
Share option charge		219	175
Change in trade and other receivables	6	1,956	1,730
Change in trade and other payables and provisions	7	(6,721)	(7,151)
Cash used in operations		**(3,626)**	**(4,629)**
Interest paid		(9)	(11)
Taxation paid		(208)	(172)
Net cash used in operating activities		**(3,843)**	**(4,812)**
Investing activities			
Purchase of property, plant and equipment		(64)	(39)
Proceeds from sale of property, plant and equipment		1	-
Capitalisation of development costs		(472)	(542)
Interest received		205	19
Net cash investments		1,186	-
Net cash generated from / (used in) investing activities		**856**	**(562)**
Financing activities			
Repayment of capital element of lease liabilities		(66)	(91)
Interest paid in respect of leases		(11)	-
Net cash used in financing activities		**(77)**	**(91)**
Net change in cash and cash equivalents		(3,064)	(5,465)
Cash and cash equivalents at beginning of the period		11,353	15,377
Effect of foreign exchange on cash and cash equivalents		88	(16)
Cash and cash equivalents at end of the period		**8,377**	**9,896**

Unaudited consolidated condensed statement of changes in equity

	Share capital £000	Share premium £000	Merger relief reserve[1] £000	Share option reserve £000	Foreign exchange reserve £000	Retained Earnings £000	Total £000
At 31 March 2023 (audited)	**71**	**6,048**	**396**	**593**	**(224)**	**983**	**7,867**
Loss for the period	-	-	-	-	-	(97)	(97)
Exchange differences on translating foreign operations	-	-	-	-	11	-	11
Total comprehensive loss for the period	**-**	**-**	**-**	**-**	**11**	**(97)**	**(86)**
Transactions with owners recorded directly in equity							
Share based payment charge	-	-	-	175	-	-	175
Total transactions with owners	**-**	**-**	**-**	**175**	**-**	**-**	**175**
At 30 September 2023 (unaudited)	**71**	**6,048**	**396**	**768**	**(213)**	**886**	**7,956**
At 31 March 2024 (audited)	**71**	**6,048**	**396**	**384**	**(360)**	**2,264**	**8,803**
Profit for the period	-	-	-	-	-	370	370
Exchange differences on translating foreign operations	-	-	-	-	(100)	-	(100)
Total comprehensive income for the period	**-**	**-**	**-**	**-**	**(100)**	**370**	**270**
Transactions with owners recorded directly in equity							
Share based payment charge	-	-	-	219	-	-	219
Total transactions with owners	**-**	**-**	**-**	**219**	**-**	**-**	**219**
At 30 September 2024 (unaudited)	**71**	**6,048**	**396**	**603**	**(460)**	**2,634**	**9,292**

[1] During the year ended 31 March 2024 management identified that merger relief was available in relation to the acquisition of ActiveOps Pty Ltd on 1 April 2017. Further details of this can be found in the Annual Report and Accounts for the year ended 31 March 2024.

Notes forming part of the interim condensed unaudited financial statements for the period six months ended 30 September 2024

1. General information

ActiveOps plc ('the Company') is a public company limited by shares, incorporated, domiciled and registered in England and Wales. The registered office and principal place of business is One Valpy, 20 Valpy Street, Reading, Berkshire, RG1 1AR.

The Company, together with its subsidiary undertakings ('the Group') is principally engaged in the provision of hosted operations management Software as a Service ('SaaS') solutions to industry leading companies around the world.

2. Accounting policies

a. Basis of preparation

The condensed consolidated unaudited interim financial statements ("interim financial statements") for the period 1 April 2024 to 30 September 2024 are unaudited. The group has chosen not to adopt IAS 34 "Interim Financial Statements" in preparing the interim financial information. The condensed consolidated interim financial statements incorporate unaudited comparative figures for the interim period from 1 April 2023 to 30 September 2023 and the audited financial year ended 31 March 2024.

The Interim financial statements for the six months ended 30 September 2024 have been prepared on the basis of the accounting policies expected to be adopted for the year ended 31 March 2025. These are in accordance with the accounting policies as set out in the Group's last annual consolidated financial statements for the year ended 31 March 2024.

The Interim financial statements have been prepared under the historical cost convention and on a going concern basis and in accordance with the presentation, recognition and measurement criteria of UK-adopted International Accounting Standards.

The comparative figures for the year ended 31 March 2024 do not constitute the Group's statutory accounts for 2024 as defined in Section 434(3) of the Companies Act 2006. Statutory accounts for 2024 have been delivered to the Registrar of Companies. The auditor's report on those accounts was unqualified, drew attention to a prior year adjustment by way of emphasis but did not contain statements under Sections 498(2) or (3) of the Companies Act 2006.

These Condensed Consolidated Interim Financial Statements do not include all the information required for full Annual Financial Statements and should be read in conjunction with the Annual Financial Statements of the Group as at and for the year ended 31 March 2024.

All figures presented are rounded to the nearest thousand, unless stated otherwise.

b. Going Concern

The Directors believe that there are no material uncertainties that cast significant doubt about the Group's ability to continue in operation and meet its liabilities as they fall due for the foreseeable future, being a period of at least 12 months from the date of approval of the interim financial statements. During the period, the Group has retained a significant cash balance. This ensures that the business remains financially robust, with strong prospects for the future.

Whilst there can be no certainty due to the conditions across the world at present, the Directors have reviewed cash flow forecasts for the business covering a period of at least 12 months from the date of approval of the financial statements, and together with the projected revenue and available cash reserves, they are confident that sufficient funding is available to support ongoing trading activity and investment plans for the business. The interim financial statements have therefore been prepared on a going concern basis.

c. New Policies and Standards

At the date of authorisation of these Condensed Consolidated Interim Financial Statements, several new standards and amendments to existing standards have been issued, some of which are effective. None of these standards and amendments have a material impact on the Group.

The preparation of the Condensed Consolidated Interim Financial Statements requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expense. The resulting accounting estimates will, by definition, seldom equal the related actual results. The Group's latest Annual Financial Statements for the year ended 31 March 2024, which are available via ActiveOps plc's website, set out the key sources of estimation uncertainty and the critical judgements that were made in preparing those Financial Statements.

3. Revenue

The Group derives all its revenue from the transfer of goods and services.

A disaggregated geographical split of revenue by operating segment is shown below between Europe, the Middle East, India and Africa ('EMEIA'), North America and Australia. All revenue streams are recognised over time.

Six months ended 30 September 2024	SaaS £000	T&I £000	Total £000
EMEIA	7,251	670	7,921
North America	3,217	502	3,719
Australia	2,493	187	2,680
	12,961	**1,359**	**14,320**

Six months ended 30 September 2023	SaaS £000	T&I £000	Total £000
EMEIA	6,456	814	7,270
North America	2,863	275	3,138
Australia	2,402	250	2,652
	11,721	**1,339**	**13,060**

4. Segmental analysis

The Group has two reporting segments, being SaaS and T&I. The Group focuses its internal management reporting predominantly on revenue and cost of sales. Total assets and liabilities are not provided to the Chief Operating Decision-Maker (CODM) in the Group's internal management reporting by segment and therefore a split has not been presented below. Information about geographical revenue by segment is disclosed in note 3.

Six months ended 30 September 2024 SaaS T&I Total

Six months ended 30 September 2024	SaaS	T&I	Total
	£000	£000	£000
Revenue	12,961	1,359	14,320
Cost of sales	(1,616)	(642)	(2,258)
	11,345	**717**	**12,062**

Six months ended 30 September 2023	SaaS	T&I	Total
	£000	£000	£000
Revenue	11,721	1,339	13,060
Cost of sales	(1,486)	(609)	(2,095)
	10,235	**730**	**10,965**

5. Earnings per share

	Six months ended 30 September 2024	Six months ended 30 September 2023
Profit/(loss) for the period (£000)	370	(97)
Weighted average number of shares in issue in the period	71,364,180	71,364,180
Basic earnings/(loss) per share	**0.52p**	**(0.14p)**
Diluted earnings/(loss) per share	**0.49p**	**(0.14p)**

There are 3,808,686share options outstanding at the end of the period. Earnings per share is calculated as basic earnings per share from continuing operations.

6. Trade and other receivables

	At 30 September 2024 £000 Unaudited	At 31 March 2024 £000 Audited	At 30 September 2023 £000 Unaudited
Trade receivables	2,035	4,363	3,206
Prepayments and accrued income	1,638	1,398	1,003
Other receivables	310	178	434
	3,983	**5,939**	**4,643**

The Directors consider the carrying value of trade and other receivables to be approximately equal to their fair value.

	At 30 September 2024 £000 Unaudited	At 31 March 2024 £000 Audited	At 30 September 2023 £000 Unaudited
Trade receivables from contracts with customers	2,056	4,384	3,262
Less loss allowance	(21)	(21)	(56)
	2,035	**4,363**	**3,206**

Trade receivables are amounts due from customers for services performed in the ordinary course of business. They are generally due for settlement within 30 days and are therefore all classified as current. Trade receivables are recognised initially at the amount of consideration that is unconditional. The Group holds the trade receivables with the objective of collecting the contractual cash flows, and so it measures them subsequently at amortised cost using the effective interest method.

7. Trade and other payables

	At 30 September 2024 £000 Unaudited	At 31 March 2024 £000 Audited	At 30 September 2023 £000 Unaudited
Trade payables	65	527	1
Other taxation and social security	703	1,583	156
Other payables	2	6	6
Accruals and deferred income	12,461	17,847	11,529
	13,231	**19,963**	**11,692**

Trade payables are unsecured and are usually paid within 30 days of recognition. The carrying amounts of trade and other payables are considered to be the same as their fair values, due to their short-term nature.

8. Events after the reporting date
There have been no events that have occurred since the period end which require disclosure.

---

[1] Grand View Research, Decision Intelligence Market Size and Share Report, 2023-2030

END

IR EAEFDFAXLFAA