RNS Number : 1457C
Aptitude Software Group PLC
26 March 2025

26 March 2025

APTITUDE SOFTWARE GROUP PLC
('Aptitude' or 'the Group')

Audited Results for the Year Ended 31 December 2024

Aptitude (LSE: APTD), a market-leading provider of finance transformation software solutions, specialising in autonomous finance, reports its Audited Results for the year ended 31 December 2024.

The Group has delivered a robust performance amidst an ongoing strategic transition of the business, demonstrating continued Annual Recurring Revenue ('ARR') growth, strong pipeline progression and operational efficiency while building the foundations for accelerated success in the future.

Financial Highlights

Year ended 31 December	2024	2023	% Change
Annual Recurring Revenue[1, 2] ('ARR') at year end	£52.1m	£51.3m	2%
- AI Autonomous Finance[6]	£17.1m	£15.3m	12%
- Other Software	£29.8m	£31.0m	(4%)
- Assure	£5.2m	£5.0m	4%
Revenue			
Total Revenue	£70.0m	£74.7m	(6%)
- Recurring Revenue[3]	£54.4m	£53.4m	2%
- Non-Recurring Revenue	£15.6m	£21.3m	(26%)
Recurring Revenue proportion	78%	71%	7%
Profit and EPS			
Adjusted Operating Profit[4]	£9.9m	£9.7m	2%
Statutory Operating Profit	£5.7m	£5.3m	8%
Adjusted Operating Margin[4]	14%	13%	1%
Basic Earnings per Share	8.8p	7.2p	22%
Cash and Balance Sheet			
Cash and cash equivalents at year end	£30.4m	£34.1m	(11%)
Net funds[5]	£20.3m	£22.7m	(11%)
Share buyback completed	£4.0m	-	N/A
Final Ordinary Dividend per Share	3.6p	3.6p	-
Full Year Ordinary Dividend per Share	5.4p	5.4p	-

- ARR growth within AI Autonomous Finance, the Group's strategic focus, of 12% reflecting significant market opportunity and a well-positioned product portfolio.
- Adjusted operating margin of 14% (2023: 13%), driven by robust cost control and increasing margins through an improving revenue mix.
- Strong cash position, with £30.4m cash (2023: £34.1m) and £20.3m net funds (2023: £22.7m), enabling continued enhanced shareholder returns through the share buyback programme. A total of £4.0m shares were bought back by the Company in 2024.
- Maintained full year dividend of 5.4p per share

- Maintained full year dividend of 3.[illegible]p per share.

Operational Highlights

We are fundamentally transforming the business to enable long-term, scalable growth - embedding a new operating model across go-to-market, product and engineering, client experience, and our partner ecosystem.

Key successes include:

- Expanding the Pipeline - Grew the Fynapse pipeline 15x in active opportunities and 10x in value since July 2023.
- Securing Enterprise Clients - Signed six major Fynapse clients: T-Mobile, HCSC, KPMG, Inspired, One Digital, and Chubb, including three AAH migrations.
- Driving Cross-Sell & Upsell - Revamped Client Experience function, leading to 21 client expansions in 2024, reinforcing future Fynapse adoption, and reducing software churn to 8% in 2024 (2023: 10%).
- Strengthening Go-to-Market Execution - Rebuilt and refined go to market ("GTM") execution for greater market traction.
- Scaling Partner-Led Sales - Streamlined from 60 partners to six managed partners (Microsoft, Deloitte, EY, KPMG, Capgemini, HSO), exceeding our initial 30% ARR partner-sourced target.
- Transforming Product & Engineering - Appointed a Chief Product & Technology Officer ("CPTO") and implemented a Product vs. Project Management approach, significantly improving efficiency and output.
- Good new business success across other products - Large Australian bank taking the Aptitude Accounting Hub ('AAH') and several US organisations taking Aptitude Revenue Management ('ARM').
- Extended engagement with 21 clients in 2024 taking expanded offerings and reinforcing stronger client relationships - All are clients with the potential for future Fynapse adoption.

Outlook

- Strong growth in Fynapse pipeline value and opportunities, with 70% of pipeline connected to the partner channel.
- The Board has decided to accelerate the transition from being dependent on in-house implementation services to a partner-led model which we expect will in due course result in partners delivering implement services.
- This is a deliberate acceleration of the model already in motion - because partner-led execution delivers scale, efficiency, and access to faster-moving Tier 2 and 3 opportunities.
- While this will impact short-term revenue, this is a necessary step toward a higher-margin, better quality ARR model. As a result, 2025 revenues and profits are expected to remain similar to 2024, before returning to growth in 2026.

With strong leadership, a SaaS-first, partner-led model, and disciplined execution, Aptitude is well-positioned to unlock the full value of the Fynapse opportunity - driving scalable growth, margin expansion, and market leadership. We believe this partner-led model will be underpinned by high-quality recurring revenue, growing profitability over time, and strong cash generation.

Commenting on the results, Alex Curran, Chief Executive Officer, said: -

"2024 has been a year of rapid and deliberate transformation. In a short space of time, we've reshaped the business and put Aptitude firmly on the path to becoming a high-margin, SaaS leader in autonomous finance transformation. We've delivered double-digit growth in AI Autonomous Finance ARR and significantly expanded the Fynapse pipeline through our shift to a partner-first model.

These proof points underpin our confidence as we accelerate execution-committing fully to a partner-led strategy that drives scale, improves revenue quality, and expands margins. We're building a business designed for long-term growth, market leadership, and a defining role in the future of AI-powered finance."

Analyst Presentation

A presentation for analysts will take place at 09:00 today. Analysts wishing to attend should contact aptitude@almastrategic.com to register.

Aptitude Software Group plc 020-3687-3200

Alex Curran, Chief Executive Officer

Ivan Martin, Chairman

Mike Johns, Chief Financial Officer

Canaccord Genuity Limited 020-7523-8000

Simon Bridges / Andrew Potts

Alma Strategic Communications 020-3405-0205

Caroline Forde / Hilary Buchanan

Prior to publication the information communicated in this announcement was deemed by the Company to constitute inside information for the purposes of article 7 of the Market Abuse Regulations (EU) No 596/2014 as amended by regulation 11 of the Market Abuse (Amendment) (EU Exit) Regulations No 2019/310 ('MAR'). With the publication of this announcement, this information is now considered to be in the public domain.

About Aptitude Software

Aptitude Software provides software solutions that deliver fully autonomous finance to enable its clients to drive growth, efficiency and sustainability. Fynapse is Aptitude's intelligent finance data management and accounting platform designed to increase productivity and lower costs for finance teams globally. Fynapse provides a single view of finance and business data, unparalleled performance and automation, faster and better insights, user-friendly functionality and market-leading total cost of ownership.

Throughout this announcement:
1 Annual Recurring Revenue ('ARR') is the value of Aptitude's 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 for which formal termination has been received. Included in ARR are recurring revenues from the Group's solution management services.
2 Constant Currency is calculated by comparing the 2024 results with 2023 results retranslated at the rates of exchange prevailing during 2024. 2023 ARR has been restated to reflect constant currency.
3 Recurring Revenue includes revenues from the Group's solution management services.
4 Adjusted Operating Profit and Adjusted Operating Margin exclude non-underlying operating items, unless stated to the contrary, but includes share-based payments. Further detail in respect of the non-underlying operating items can be found within Note 2.
5 Net Funds represents cash and cash equivalents less finance obligations, which includes capital lease obligations and a loan.
6 AI Autonomous Finance ARR includes ARR from the Aptitude Accounting Hub ('AAH') and Fynapse.
Certain non-IFRS financial measures (e.g. Adjusted Operating Profit) are included which assist management in comparing performance on a consistent basis.

Chairman's Statement

Reflecting on a Decade of Transformation

As I enter my final year as Chairman of Aptitude, I reflect on nearly a decade of strategic change. The Company has transformed from a multi-asset organisation into a regulatory and compliance software business and now into a SaaS-driven, CFO-focused leader, poised to lead the next phase of AI-powered finance transformation.

Strengthening Our Market Position

Aptitude has always anticipated market shifts, but the scale of our current transformation is unmatched during my time as Chairman. In 2024, we took decisive steps to transition to a partner-first, SaaS-led model. We recognised that a services-heavy approach would constrain scalability, slow Fynapse adoption, and limit long-term revenue growth. In 2025, we are accelerating the shift further, making the necessary adjustments to fully embed this model and ensure long-term scalability, profitability, and competitive strength.

Executing the Business Model Shift

As Fynapse implementations become faster and demand for AI-powered finance transformation grows, it is critical that we transition more services to partners. This approach maximises scalability, strengthens partner engagement, and drives sustainable ARR growth ensuring Aptitude is fully aligned with a high-margin SaaS business model.

To drive long-term success, we are:

- Prioritizing strategic partners that can accelerate adoption at scale.
- Continuing the restructuring of our operating model to fully support a partner-first SaaS strategy.
- Investing in go-to-market execution to capitalise on the growing Fynapse pipeline.

These structural changes will continue throughout 2025. This transition positions us to capitalise on the £3bn+ market opportunity, ensuring sustainable growth and reinforcing Aptitude's leadership in AI-powered finance transformation.

Board and Leadership Evolution

As previously announced, Barbara Moorhouse will step down at this year's AGM, and on behalf of the Board I would like to express my gratitude for the hard work, talent and support she has put into the business since her appointment as Non-Executive Director ('NED') and Audit Chair in April 2017, and her subsequent role as Senior Independent Director and Remuneration Committee Chair in April 2022. Her contributions have been invaluable, and I wish her the very best for the future.

Our CFO, Mike Johns, will also be stepping down from his position following the publication of the Annual Report and Accounts, and we wish him all the very best and thank him for his support over his seven years with the Group.

The Board has engaged the services of a leading executive search firm to appoint both a new NED and CFO. The search for a new NED and potential future Chairperson is well progressed. The search for a CFO is at an earlier stage but Aptitude has a strong finance function to support the business in the interim.

Looking Ahead with Confidence

The transformation we have embarked on is ambitious, necessary, and built for long-term value creation. 2024 was a year of foundational change refining our partnership model, operational structure, and go-to-market strategy.

As we move into 2025, the focus is clear:

- Strengthen execution, embedding a partner-first mindset across every part of the business.
- Drive profitable, scalable growth, leveraging our first-mover advantage in AI-powered finance transformation.
- Continue operational discipline, balancing investment with cost control to maintain sustainable financial performance.

As I enter my final year as Chairman, I do so with confidence in Aptitude's trajectory. With a clear strategy, strong leadership, and increasing market adoption of Fynapse, the Company is well-positioned to deliver long-term value for its customers, partners, and shareholders. I extend my sincere thanks to all who have contributed to and supported Aptitude's success.

Dividend and Share Buyback

The Board has proposed an unchanged final dividend of 3.60 pence per share (2023 3.60 pence), making a total ordinary dividend of 5.40 pence per share for the year (2023: 5.40 pence). Subject to shareholder approval at the Group's Annual General Meeting on 28 May, the proposed final dividend will be paid on 13 June 2025 to shareholders on the register at 23 May 2025.

In 2024, the Group operated a share buyback programme and repurchased £4.0m of its own Ordinary Share Capital to 31 December 2024. The buyback programme is in accordance with the

Ordinary Share Capital to 31 December 2024. The buyback programme is in accordance with the Group's authority to make market purchases of its own Ordinary Shares granted to it by shareholders on 14 May 2024. The share buyback programme is for £20m over a three-year period and the Group intends to continue with the buyback as originally stated.

Outlook

Aptitude is entering 2025 with a sharpened focus on scalability, profitability, and long-term growth. The foundational shifts made in 2024 embedding a partner-first, SaaS-led model, refining go-to-market execution and accelerating Fynapse adoption position the Company to capitalise on the £3bn+ market opportunity in AI-powered finance transformation. While the transition from a services-heavy approach will impact short-term revenue, it is a necessary step toward a higher-margin, better quality ARR model. With strong leadership, strategic partnerships, and disciplined execution, Aptitude is well-positioned for sustained growth and market leadership in the years ahead.

Ivan Martin

Chairman

25 March 2025

Chief Executive Officer's Report

Overview

Aptitude is accelerating its transformation. In 2024, we were in line with market consensus expectations while shifting rapidly from an on-premise compliance model to a partner-first, SaaS-led business. We overhauled go-to-market execution, product development, client experience, and partner engagement. Fynapse is gaining traction, our pipeline is expanding, and a smaller number of key partners are fully engaged.

We now face a choice: maintain a services-heavy model for short-term stability or accelerate toward scalable, high-margin growth. We choose acceleration. In 2025, we are doubling down on our partner-first strategy to drive Fynapse adoption, scale ARR, and strengthen revenue and profitability over time.

This is an intensification of our plan to achieve 80% of ARR through partners by 2027, maximising growth and driving competitive advantage. To succeed, we now know we must shift more services to partners and prioritise software revenues, creating a more predictable and scalable business.

Aptitude is targeting a £3bn+ market opportunity as finance functions embrace AI-powered, real-time decision-making. With Fynapse, we are positioned to lead this transformation across Tier 1, 2, and 3 organisations through a partner-first, SaaS-led model.

We are now midway through this transition, with further structural changes planned in 2025 to fully align our organisation and operations. Without this shift, long-term growth will be constrained, impacting partner momentum and competitiveness. While this transformation requires short-term adjustments, it ensures we will build a stronger, more resilient business for the future.

2024 Achievements: Driving Momentum

In just 12 months, we have fundamentally rewired the business to scale efficiently and align with our partner-first, SaaS-first strategy. Key achievements include:

- Expanding the Pipeline - Grew the Fynapse pipeline 15x in active opportunities and 10x in value since July 2023, with 70% of opportunities tied to partners.
- Securing Enterprise Clients - Signed six major Fynapse clients: T-Mobile, HCSC, KPMG, Inspired, One Digital, and Chubb, including three AAH migrations.
- Driving Cross-Sell & Upsell - Revamped Client Experience function, leading to 21 client expansions in 2024, reinforcing future Fynapse adoption.
- Strengthening Go-to-Market Execution - Rebuilt and refined GTM execution for greater market traction.

- Scaling Partner-Led Sales - Streamlined from 60 partners to six managed partners (Microsoft, Deloitte, EY, KPMG, Capgemini, HSO), exceeding our initial 30% ARR partner-sourced target.
- Transforming Product & Engineering - Appointed a CPTO and implemented a Product vs. Project Management approach, significantly improving efficiency and output.

These changes have strengthened our foundation, but they have also underscored the urgency of accelerating our partner-led model.

Accelerating the Business Model Shift

Aptitude's transition to a partner-first, SaaS-led model is reshaping our business for greater scalability, efficiency, and profitability. Faster Fynapse implementations, a shift to high-margin ARR revenue, and deeper partner enablement are key drivers of this evolution. To sustain momentum, we are investing in partner execution, sales acceleration, and product differentiation, ensuring long-term growth.

Scaling for Growth

To capitalise on the £3bn+ opportunity, we are embedding a partner-first approach that expands market reach, accelerates adoption, and enhances efficiency. By reducing implementation risk, freeing internal resources for innovation, and prioritising software ARR, we will strengthen revenue predictability and competitive positioning. While this requires upfront investment, it cements Aptitude's leadership in AI-powered finance and builds a high-growth, high-margin SaaS business.

Executing with Discipline: Scaling Fynapse for the Future

The transition to AI-powered, autonomous finance is an industry-defining moment, and Aptitude is at the forefront. We are not just launching a product; we are defining a category. The steps taken in 2024, combined with our partner-first approach, ensure we are positioned to drive this market shift.

A High-Performance Culture: Our People Drive Success

Aptitude's success is driven by its people, and I want to thank our team for their dedication during this transformation.

We continue to foster a high-performance, results-driven culture retaining key talent while actively managing underperformance to maximise efficiency and impact.

Outlook: Accelerating Execution in 2025 & Beyond

Aptitude is advancing its transformation, building on the decisive shifts made in 2024. We have embedded a partner-first, SaaS-led model, significantly expanded our pipeline, and secured major enterprise clients, reinforcing our market position.
In 2025 we are accelerating execution - moving from a services-heavy model to a fully partner-driven approach that scales Fynapse adoption, strengthens margins, and enhances long-term revenue quality. While this transition will impact short-term services revenue, it will over time:

- Improve profitability
- Increase revenue predictability
- Align us to achieve 80% of ARR through partners by 2027

With these strategic changes in motion, 2025 revenues and profits are expected to remain similar to 2024, returning to growth in 2026. We look ahead with confidence in our journey, underpinned by a robust, profitable business foundation with high levels of recurring revenue and a strong financial position to invest in our growth opportunity.

Alex Curran
Chief Executive Officer

25 March 2025

Group Financial Performance

Revenue

Recurring Revenues

Annual Recurring Revenue ('ARR') grew by 2% on a constant currency basis in the year to £52.1 million at 31 December 2024 (31 December 2023: £51.3 million, restated for the prevailing exchange rate at 31 December 2024).

ARR is the key financial metric for the Group. Included within ARR are Aptitude's annual licence fees and maintenance for its on-premise clients, subscription fees for the Group's SaaS clients and revenues from its Solution Management Service offering ('Aptitude Assure'), this offering contributed ARR at 31 December 2024 of £5.2 million (31 December 2023: £5.0 million).

Net Retention Rate in the year was 99% (2023: 98%), measured by the total value of on-going ARR at the year-end from clients in place at the start of the year as a percentage of the opening ARR from those clients on a constant currency basis. The Group continues to benefit from standard inflationary clauses in most of its contracts, albeit at a lower level than in previous periods due to the reduction in prevailing inflation rates.

Recurring revenues recognised in 2024 increased by 2% to £54.4 million (2023: £53.4 million). Recurring revenues are a strategic priority for the Group and now represent 78% of overall revenue (2023: 71%). A key part of the Group's strategy is to increase this percentage whilst maximising the growth rate of Aptitude's ARR, increasing both the overall quality of revenue and operating margin.

Non-Recurring Revenue

Non-recurring revenue, comprised of implementation services, software development and non-recurring software fees, totalled £15.6 million for the year ended 31 December 2024 (2023: £21.3 million) representing a 26% reduction. The reduction in non-recurring revenues is in line with the Group's expectation as it works more closely with its partners in this area and as a result of shorter implementation cycles for Fynapse. The reduction in non-recurring revenues from 2023 is also a result of the successful go-lives of a large number of Aptitude Insurance Calculation Engine clients following the passing of the compliance deadline at the end of 2023.

Research & Development Expenditure

Total expenditure on product management, research & development decreased 1% in the year ended 31 December 2024 to £17.7 million (2023: £17.8 million). Research and development investment continues to be monitored by the Group in line with overall return on investment for each product. In December 2024, the Product and Technology functions were restructured to further support the AI Autonomous Finance opportunity and drive efficiency across the function. Research & development costs represent 25% of revenue for the year ended 31 December 2024 (2023: 24%), with the proportion of research and development costs expected to reduce in future periods.

The Board has continued to determine that none of the internal research & development costs incurred during the year meet the criteria for capitalisation. Consequently, these have been expensed as incurred through the income statement.

Operating Profit and Margins

Adjusted Operating Profit for the year ended 31 December 2024 was in line with expectations at £9.9 million (2023: £9.7 million). Adjusted Operating Margin increased to 14% (2023: 13%), strengthened by the Group's improving revenue mix and disciplined cost control. Operating profit on a statutory basis was £5.7 million (2023: £5.3 million). The continued success of Fynapse, with its cloud-native capabilities, is expected to further enhance margins and profitability.

Foreign Exchange

With 50% (2023: 50%) of the Group's revenues being generated from North American clients, the majority of which are invoiced in US Dollars, the financial results are impacted by changes in the US dollar exchange rate. Aptitude's 2023 revenue and Adjusted Operating Profit would have been reported at £74.2 million and £9.6 million respectively on a constant currency basis (compared to actual result of £74.7 million and £9.7 million). Constant currency is calculated by comparing the 2024 results with 2023 results retranslated at the rates of exchange prevailing during 2024.

Non-Underlying Items

Non-underlying items of £4.2 million (2023: £4.4 million) are principally related to the £0.9 million of Product and Technology function restructuring (2023: £0.2 million) and intangible amortisation of £3.4 million (2023: £3.4 million). There were no further restructuring costs in relation to the integration of MPP with the wider business in 2024 (2023: £0.8m).

Taxation

The total tax charge before adjusting for the impact of non-underlying and other sundry items of £2.0 million (2023: £1.7 million) represents 20.09% of the Group's profit before tax (2023: 17.95%).

Statutory Results

Statutory Results

The Group reported a profit for the year attributable to equity shareholders of £5.0 million (2023: £4.1 million).

Earnings per Share

Adjusted Basic Earnings per Share increased by 2% to 13.9 pence (2023: 13.6 pence) and Basic Earnings per Share increased 22% to 8.8 pence (2023: 7.2 pence).

Dividend

A final ordinary dividend of 3.60 pence per share is proposed (2023: 3.60 pence), making a total ordinary dividend of 5.40 pence per share for the year (2023: 5.40 pence).

Balance Sheet

The Group continues to have a strong balance sheet with net assets at 31 December 2024 of £57.9 million (2023: £60.3 million). Cash at 31 December 2024 was £30.4 million (31 December 2023: £34.1 million) and net funds of £20.3 million (31 December 2023: £22.7 million). The Group continued to fund both the ordinary dividend of £3.1m (2023: £3.1m) and the share buyback programme £4.0m (2023: nil) in the year, providing enhanced returns to shareholders.

Trade receivables (net) at 31 December 2024 increased to £12.1 million (2023: £10.3 million) of which £6.8 million (2023: £5.0 million) were overdue for payment at the year end. Of these overdue balances £3.7 million has been collected at 24 March 2024. DSO (debtor days) increased to 55 at 31 December 2024 (2023: 53). The growth in the Group's Annual Recurring Revenue resulted in deferred income at 31 December 2024 increasing to £32.2 million (2023: £31.5 million).

Capital Allocation Policy

Aptitude aims to deliver high returns to shareholders through targeting sustainable profit growth and strong free cash flow. The Group invests in developing its business driven by the opportunity with Fynapse, while maintaining robust liquidity to manage the working capital cycle. Aptitude's capital allocation priorities are as follows:

- Managing working capital - The first priority of the Group is to maintain sufficient cash reserves to manage the annual working capital cycle, while maintaining appropriate levels of net funds. A level of net cash not less than 1.5 x adjusted EBITDA is the Group's stated minimum.
- Investment for organic growth - The Group continues to invest in the organic growth of the business including the need to continue to invest in our people and technology and through capital expenditure where required.
- Maintenance of the Group's progressive dividend - The Group is committed to provide progressive dividends to shareholders, and this remains the preferred ongoing method to return cash to shareholders without impacting on the investment required to grow the business.
- Enhanced returns to shareholders - As the Group continues to generate excess cash after the above priorities, the Group will look to make enhanced returns to shareholders, including through the existing share buyback programme.

While the above framework is intended to guide decision making for the allocation of capital, the Board may choose to exercise discretion in its application should there be a business requirement.

Mike Johns
Chief Financial Officer

25 March 2025

GROUP INCOME STATEMENT

FOR THE YEAR ENDED 31 DECEMBER 2024

	Note	Year ended 31 Dec 2024 Before non-underlying items	Non-underlying items	Total	Year ended 31 Dec 2023 Before non-underlying items	Non-underlying items	Total
Continuing operations		£000	£000	£000	£000	£000	£000
Revenue	1	70,044	-	70,044	74,685	-	74,685
Operating costs	2	(60,126)	(4,243)	(64,369)	(64,959)	(4,441)	(69,400)
Operating							

Operating profit		9,918	(4,243)	5,675	9,726	(4,441)	5,285
Finance income		368	-	368	282	-	282
Finance costs		(450)	-	(450)	(527)	-	(527)
Net finance costs		(82)	-	(82)	(245)	-	(245)
Profit before income tax		9,836	(4,243)	5,593	9,481	(4,441)	5,040
Income tax expense	3	(1,484)	871	(613)	(1,786)	871	(915)
Profit for the period		8,352	(3,372)	4,980	7,695	(3,570)	4,125
Earnings per share							
Basic	4			8.8p			7.2p
Diluted	4			8.6p			7.1p

GROUP STATEMENT OF COMPREHENSIVE INCOME

FOR THE YEAR ENDED 31 DECEMBER 2024

	Year ended 31 Dec 2024	Year ended 31 Dec 2023
	£000	£000
Profit for the year	4,980	4,125
Other comprehensive income/(expense)		
Items that will or may be reclassified to profit or loss:		
Cash flow hedges reclassified to income statement	(713)	(1,242)
(Loss)/gain on effective cash flow hedges	(254)	1,044
Deferred tax on cash flow hedges	242	50
Currency translation difference	(247)	(954)
Other comprehensive expense for the year, net of tax	(972)	(1,102)
Total comprehensive income for the year	4,008	3,023

GROUP BALANCE SHEET

FOR THE YEAR ENDED 31 DECEMBER 2024

	Notes	As at 31 Dec 2024 £000	As at 31 Dec 2023 £000
ASSETS			
Non-current assets			
Property, plant and equipment including right-of-use assets	6	4,016	4,484
Goodwill	7	46,006	46,006
Intangible assets	8	15,412	17,739
Other long-term assets		730	1,016
Deferred tax assets		1,250	1,379
		67,414	70,624

Current assets			
Trade and other receivables	9	14,861	12,526
Financial assets - derivative financial instruments		387	1,141
Current income tax assets		1,721	1,037
Cash and cash equivalents		30,400	34,085
		47,369	48,789
Total assets		114,783	119,413
LIABILITIES			
Current liabilities			
Financial liabilities			
- borrowings	10	(7,180)	(1,250)
- derivative financial instruments		(214)	-
Trade and other payables	11	(40,622)	(40,773)
Lease liabilities	12	(527)	(426)
Current income tax liabilities		(1,802)	(1,588)
Provisions	13	(25)	(100)
		(50,370)	(44,137)
Net current (liabilities)/assets		(3,001)	4,652
Non-current liabilities			
Financial liabilities - borrowings	10	-	(7,139)
Lease liabilities	12	(2,416)	(2,588)
Provisions	13	(358)	(268)
Deferred tax liabilities		(3,722)	(4,967)
		(6,496)	(14,962)
NET ASSETS		57,917	60,314

GROUP BALANCE SHEET

FOR THE YEAR ENDED 31 DECEMBER 2024

		As at 31 Dec 2024 £000	As at 31 Dec 2023 £000
SHAREHOLDERS' EQUITY			
Share capital	14	4,204	4,204
Share premium account		11,959	11,959
Capital redemption reserve		12,372	12,372
Other reserves		34,325	34,989
Treasury shares reserve	15	(3,812)	-
Accumulated losses		(23)	(2,349)
Foreign currency translation reserve		(1,108)	(861)
TOTAL EQUITY		57,917	60,314

GROUP STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY

FOR THE YEAR ENDED 31 DECEMBER 2024

Attributable to owners of the Parent

Foreign currency | Capital | Treasury

	Share capital £000	Share premium £000	Accumulated losses £000	translation reserve £000	redemption reserve £000	Other reserves £000	shares reserves £000	Total equity £000
Group								
Balance at 1 January 2024	4,204	11,959	(2,349)	(861)	12,372	34,989	-	60,314
Profit for the year	-	-	4,980	-	-	-	-	4,980
Cash flow hedges reclassified to income statement	-	-	-	-	-	(713)	-	(713)
Loss on effective cash flow hedges	-	-	-	-	-	(254)	-	(254)
Deferred tax on cash flow hedges	-	-	-	-	-	242	-	242
Exchange rate adjustments	-	-	-	(247)	-	-	-	(247)
Total comprehensive income for the year	-	-	4,980	(247)	-	(725)	-	4,008
Share options - value of employee service	-	-	611	-	-	-	-	611
Transfer on exercise of options	-	-	(287)	-	-	85	202	-
Purchase of own shares	-	-	-	-	-	(24)	(4,014)	(4,038)
Deferred tax on share options	-	-	103	-	-	-	-	103
Dividends to equity holders of the company	-	-	(3,081)	-	-	-	-	(3,081)
Total Contributions by and distributions to owners of the company recognised directly in equity	-	-	(2,654)	-	-	61	(3,812)	(6,405)
Balance at 31 December 2024	4,204	11,959	(23)	(1,108)	12,372	34,325	(3,812)	57,917

GROUP CASH FLOW STATEMENT

FOR THE YEAR ENDED 31 DECEMBER 2024

	Note	Year ended 31 Dec 2024 £000	Year ended 31 Dec 2023 £000
Cash flows from operating activities			
Cash generated from operations	16	8,852	11,945
Interest paid		(226)	(316)
Income tax paid		(1,854)	(635)
Net cash flows generated from operating activities		6,772	10,994
Cash flows from investing activities			
Purchase of property, plant and equipment, excluding right-of-use assets		(481)	(601)

Interest received		368	282
Purchase of intangible assets		(1,120)	-
Net cash used in investing activities		(1,233)	(319)
Cash flows from financing activities			
Dividends paid to company's shareholders	5	(3,081)	(3,096)
Purchase of own shares		(4,058)	(186)
Repayments of loan		(1,250)	(1,250)
Extension fee on loan		-	(40)
Repayment of capital lease obligations		(592)	(534)
Net cash generated used in financing activities		(8,981)	(5,106)
Net (decrease)/increase in cash and cash equivalents		(3,442)	5,569
Cash, cash equivalents and bank overdrafts at beginning of year		34,085	29,245
Exchange rate gains/(losses) on cash and cash equivalents		(243)	(729)
Cash and cash equivalents at end of year		30,400	34,085

Notes to the Audited preliminary results for the year ended 31 December 2024

1. Segmental analysis

Business segments

The Board has determined the operating segments based on the reports it receives from management to make strategic decisions.

The only business segment for both periods was Aptitude and therefore no segmental analysis is provided for this period.

The principal activity of the Group throughout 2023 and 2024 was the provision of business-critical software and services.

1 (a) Geographical analysis

The Group has two geographical segments for reporting purposes, the United Kingdom and the Rest of the World.

The following table provides an analysis of the Group's sales by origin and by destination.

	Sales revenue by origin		Sales revenue by destination	
	Year ended 31 Dec 2024 £000	Year ended 31 Dec 2023 £000	Year ended 31 Dec 2024 £000	Year ended 31 Dec 2023 £000
United Kingdom	38,430	41,087	12,220	11,747
Rest of World	31,614	33,598	57,824	62,938
	70,044	74,685	70,044	74,685

2. Non-underlying items

	31 Dec 2024 £000	31 Dec 2023 £000
Amortisation of intangibles	3,381	3,381
Reorganisation costs	862	1,060
	4,243	4,441

3. Income tax expense

	Year ended 31 Dec 2024 £000	Year ended 31 Dec 2023 £000
Analysis of charge in the year		
Current tax:		
- tax charge on underlying items	(1,562)	(2,463)

- adjustment to tax in respect of prior periods on underlying items	192	(241)
Total current tax	(1,370)	(2,704)
Deferred tax:		
- tax (charge)/credit on underlying items	(114)	951
- tax credit on non-underlying items	871	871
- adjustment to tax in respect of prior periods on underlying items	-	(33)
Total deferred tax	757	1,789
Income tax expense	(613)	(915)

The net adjustment to tax in respect of prior periods on underlying items totalling £192,000 (2023: £274,000) relates to the reduction in the assumed benefit from research and development relief in the UK.

The total tax charge of £613,000 (2023: £915,000) represents 11.0% (2023: 18.2%) of the Group profit before tax of £5,593,000 (2023: £5,040,000). The change in effective tax rate is due to research and development tax relief.

After adjusting for the impact of non-underlying items, tax losses and prior year tax charge, the tax charge for the year of £1,976,000 (2023: £1,702,000) represents 20.09% (2023: 17.95%), which is the tax rate used for calculating the adjusted earnings per share.

The difference between the total tax charge and the amount calculated by applying the effective United Kingdom corporation tax rate of 25% (2023: 23.50%) to the profit on ordinary activities before tax is as follows:

	Year ended 31 Dec 2024 £000	Year ended 31 Dec 2023 £000
Profit before tax	5,593	5,040
Tax at the United Kingdom corporation tax rate of 25% (2023: 23.50%)	(1,398)	(1,185)
Effects of:		
Adjustment to tax in respect of prior periods	192	(274)
Adjustment in respect of foreign tax rates	67	62
Non-underlying expenses not deductible for tax purposes	(69)	(138)
Other	190	166
Research and development tax relief	124	226
Polish research and development tax relief	300	190
Change in future tax rates	(19)	38
Total taxation	(613)	(915)

United Kingdom corporation tax is calculated at 25% (2023: 23.50%) of the estimated assessable profit for the year. Taxation for other jurisdictions is calculated at the rates prevailing in the respective jurisdictions.

4. Earnings per share

To provide an indication of the underlying operating performance per share, the adjusted profit after tax figure shown below excludes non-underlying items and has a tax charge using the effective rate of 20.09% (2023: 17.95%).

	Year ended 31 Dec 2024 £000	Year ended 31 Dec 2023 £000
Profit before tax and non-underlying items	9,836	9,481
Tax charge at a rate of 20.09% (2023: 17.95%)	(1,976)	(1,702)
	7,860	7,779
Tax adjustments in respect of prior years	192	(274)
Non-underlying items net of tax	(3,372)	(3,570)
Recognition of tax losses	300	190
Profit on ordinary activities after tax	4,980	4,125

	2024 Number (thousands)	2023 Number (thousands)
Weighted average number of shares	56,837	57,338
[illegible]	[illegible]	[illegible]

Effect of dilutive share options	1,010	670
	57,847	58,008

	2024 Basic EPS pence	2024 Diluted EPS pence	2023 Basic EPS pence	2023 Diluted EPS pence
Earnings per share	8.8	8.6	7.2	7.1
Non-underlying items net of tax	5.9	5.8	6.2	6.2
Prior years' tax charge/(credit)	(0.3)	(0.3)	0.5	0.5
Recognition of tax losses	(0.5)	(0.5)	(0.3)	(0.3)
Adjusted earnings per share	13.9	13.6	13.6	13.5

Adjusted earnings per share are calculated using adjusted profit after tax.

5. Dividends

	2024 pence per share	2023 pence per share	2024 £000	2023 £000
Dividends paid:				
Interim dividend	1.80	1.80	1,024	1,032
Final dividend (prior year)	3.60	3.60	2,057	2,064
	5.40	5.40	3,081	3,096
Proposed but not recognised as a liability:				
Final dividend (current year)	3.60	3.60	2,006	2,064

The proposed final dividend was approved by the Board on 25 March 2025 but was not included as a liability as at 31 December 2024, in accordance with IAS 10 'Events after the Balance Sheet date'. If approved by the shareholders at the Annual General Meeting this final dividend will be payable on 13 June 2025 to shareholders on the register at the close of business on 23 May 2025. The final dividend will be subject to changes for the value of the buyback completed when payable.

6. Property, plant and equipment including right-of-use assets

	31 Dec 2024 £000	31 Dec 2023 £000
Opening net book value 1 January	4,484	5,103
Additions	879	601
Net disposals	(14)	(117)
Exchange movements	(29)	(54)
Depreciation	(1,304)	(1,049)
	4,016	4,484

7. Goodwill

	31 Dec 2024 £000	31 Dec 2023 £000
Opening net book value 1 January	46,006	46,006
	46,006	46,006

8. Intangible assets

	31 Dec 2024 £000	31 Dec 2023 £000
Opening net book value 1 January	17,739	21,120
Additions	1,120	-
Amortisation	(3,447)	(3,381)
	15,412	17,739

In the year, the Group purchased perpetual software licenses and determined a useful economic life of 10 years. The amortisation charge has been shown in underlying costs.

9. Trade and other receivables

	31 Dec 2024 £000	31 Dec 2023 £000

Trade receivables	13,197	10,678
Less: provision for impairment of receivables	(1,107)	(358)
Trade receivables - net	12,090	10,320
Other receivables	216	14
Prepayments	1,754	1,796
Accrued income	801	396
	14,861	12,526

Within the trade receivables balance of £13,197,000 (2023: £10,678,000) there are balances totalling £6,755,000 (2023: £5,036 ,000) which, at 31 December 2024, were overdue for payment. Of this balance, 55% (2023: 34%) has been collected at 24 March 2025 (2023: 18 March 2024).

10. Financial liabilities

	31 Dec 2024 £000	31 Dec 2023 £000
Bank loan	7,180	8,389
The borrowings are repayable as follows:		
Within one year	7,188	1,250
In the second year	-	7,188
	7,188	8,438
Unamortised prepaid facility arrangement fees	(8)	(49)
At 31 December	7,180	8,389

On 15 October 2021, the Group and Company entered into a loan agreement with Bank of Ireland consisting of a £10 million term loan in addition to a revolving credit facility of £10 million. The loan is secured on all the assets of the Group. Operating covenants are limited to the Group's net debt leverage of 2.0 : 1 and interest cover of 4.0 : 1. At 31 December 2024, the Group's net debt leverage was -2.41 : 1 and interest cover was 17.23 : 1. The term loan is repayable over three years with an initial 12-month repayment holiday followed by annual capital repayments of £1,250,000. The term loan contains two one-year extension options, one of which was exercised in 2023. In 2024, Bank of Ireland announced its withdrawal from the UK market, and as a result the additional one year extension was not sought, in line with other UK clients of the organisation. In light of the decision by the Bank of Ireland the loan is now repayable, in full, within 12 months of the balance sheet date. Accordingly, the amount of £5.9m that would have been disclosed as a long term liability is now reported as a current liability. The loan is denominated in Pounds Sterling and carries interest at SONIA-5 NCCR LAG plus 1.75%. The Group entered into an interest swap on 2 November 2021, effectively fixing the interest rate at 2.95% over the original term of the loan.

11. Trade and other payables

	31 Dec 2024 £000	31 Dec 2023 £000
Trade payables	405	482
Other tax and social security payable	929	1,614
Other payables	154	168
Accruals	6,909	7,034
Deferred income	32,225	31,475
	40,622	40,773

	31 Dec 2024 £000	31 Dec 2023 £000
Amounts payable under capital lease agreements:		
Within one year	633	538
Within two to five years	2,111	1,997
After five years	544	906
Total	3,288	3,441
Less: future finance charges	(345)	(427)
Present value of lease obligations	2,943	3,014
Less: Amount due for settlement within 12 months (shown under current liabilities)	(527)	(426)
	2,416	2,588

12. Lease obligations

	31 Dec 2024 £000	31 Dec 2023 £000
The present value of financial lease liabilities is split as follows:		
Within one year	527	426
Within two to five years	1,890	1,728

After five years	526	860
	2,943	3,014

13. Provisions

	Provisions	
	31 Dec 2024	31 Dec 2023
	£000	£000
At 1 January	368	316
Charged/(released) to income statement	19	158
Utilised in period	-	(114)
Foreign exchange movement	(4)	8
At 31 December	383	368

£307,000 (2023: £288,000) of the total provision at 31 December 2024 of £383,000 (2023: £368,000) relates to the cost of dilapidations in respect of its occupied leasehold premises.

14. Share capital

Ordinary shares of 7 1/3p each	Number	£000
Issued and fully paid:		
At 1 January 2024	57,337,611	4,204
At 31 December 2024	57,337,611	4,204

15. Treasury shares reserve

	31 Dec 2024	31 Dec 2023
	£000	£000
At 1 January	-	-
Purchase of own shares	(4,014)	-
Transfer of exercise of options	202	-
At 31 December	(3,812)	-

1,185,400 shares were purchased by the Company in 2024 for a total cost of £4.0m under the Company's share buyback programme.

16. Cash flows from operating activities

Reconciliation of profit before tax to net cash generated from operations:

	Year ended 31 Dec 2024 £000	Year ended 31 Dec 2023 £000
Profit before tax for the year	5,593	5,040
Adjustments for:		
Depreciation	1,304	1,049
Amortisation	3,447	3,381
Share-based payment expense	611	125
Finance income	(368)	(282)
Finance costs	450	527
Changes in working capital:		
(Increase)/decrease in receivables	(2,049)	63
(Decrease)/increase in payables	(136)	2,042
Cash generated from operations	8,852	11,945

17. Statement by the directors

The preliminary results for the year ended 31 December 2024 are prepared in accordance with UK adopted International Accounting Standards (IAS) and interpretations by the IFRS Interpretations Committee applicable to companies reporting under UK adopted IFRS. They do not include all the information required for full annual statements and should be read in conjunction with the 2024 Annual Report. The accounting policies adopted in this preliminary announcement are consistent with the Annual Report for the year ended 31 December 2024.

The comparative figures for the financial year 31 December 2023 have been extracted from the Group's statutory accounts for that financial year. The 2023 financial statements, which were prepared in accordance with UK adopted international accounting standards and company law, have been reported on by the Group's auditors and delivered to the registrar of companies.

The financial information set out in this preliminary announcement does not constitute the Company's statutory accounts for the years ended 31 December 2024 or 31 December 2023. The Annual Report for 2024 will be delivered to the Registrar of Companies in due course. The auditors' report on those accounts was unqualified and neither drew attention to any matters by way of emphasis nor contained a statement under either section 498(2) of Companies Act 2006 (accounting records or returns inadequate or accounts not agreeing with records and returns), or section 498(3) of

Companies Act 2006 (failure to obtain necessary information and explanations).

The Board of Aptitude Software Group plc approved the release of this audited preliminary announcement on 25 March 2025.

The Annual Report for the year ended 31 December 2024 will be posted to shareholders in due course and will be delivered to the Registrar of Companies following the Annual General Meeting of the Company. The report will also be available on the investor relations page of our web site (www.aptitudesoftware.com). Further copies will be available on request and free of charge from the Company Secretary at 8th Floor, 138 Cheapside, London, EC2V 6BJ.