ActiveOps

Final Results FY24

ActiveOps®

Introductions

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Contents

ActiveOps®

A leading provider of Decision Intelligence software for enterprise service operations

Compelling software offering

Easy-to-implement offering
Provides immediate ROI to customers

Strong SaaS metrics

£25.1m SaaS ARR
89% of total revenues are recurring
107% net revenue retention (110% at constant currency)

Highly cash-generative
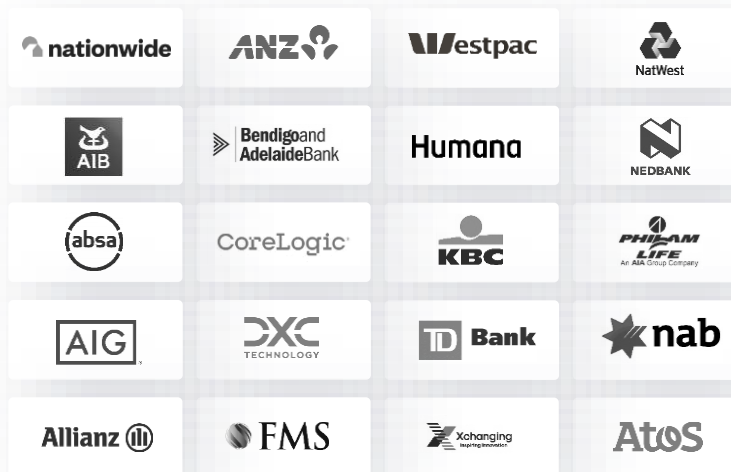
£4.2m operating cash generation in the year
£17.6m cash at bank

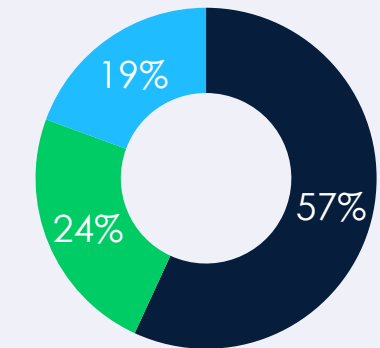## Blue chip, global customer base

74 global, enterprise customers
40+ countries in which our software is used
+£90m addressable ARR opportunity within existing customers with current product offering

nationwide | ANZ | Westpac | NatWest
AIB | Bendigo and Adelaide Bank | Humana | NEDBANK
absa | CoreLogic | KBC | PHILAM LIFE An AIA Group Company
AIG | DXC TECHNOLOGY | TD Bank | nab
Allianz | FMS | Xchanging | Atos

Revenue by Region

19%
57%
24%

■ EMEIA ■ North America ■ APAC

Revenue by Type

11%
89%

■ SaaS Revenue ■ Training & Implementation

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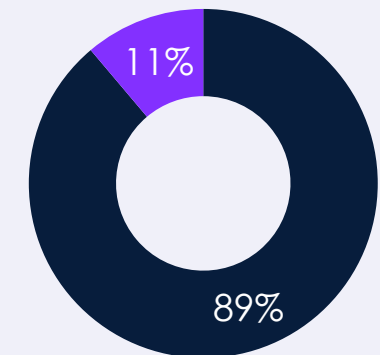
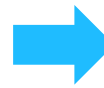# The service operations challenge
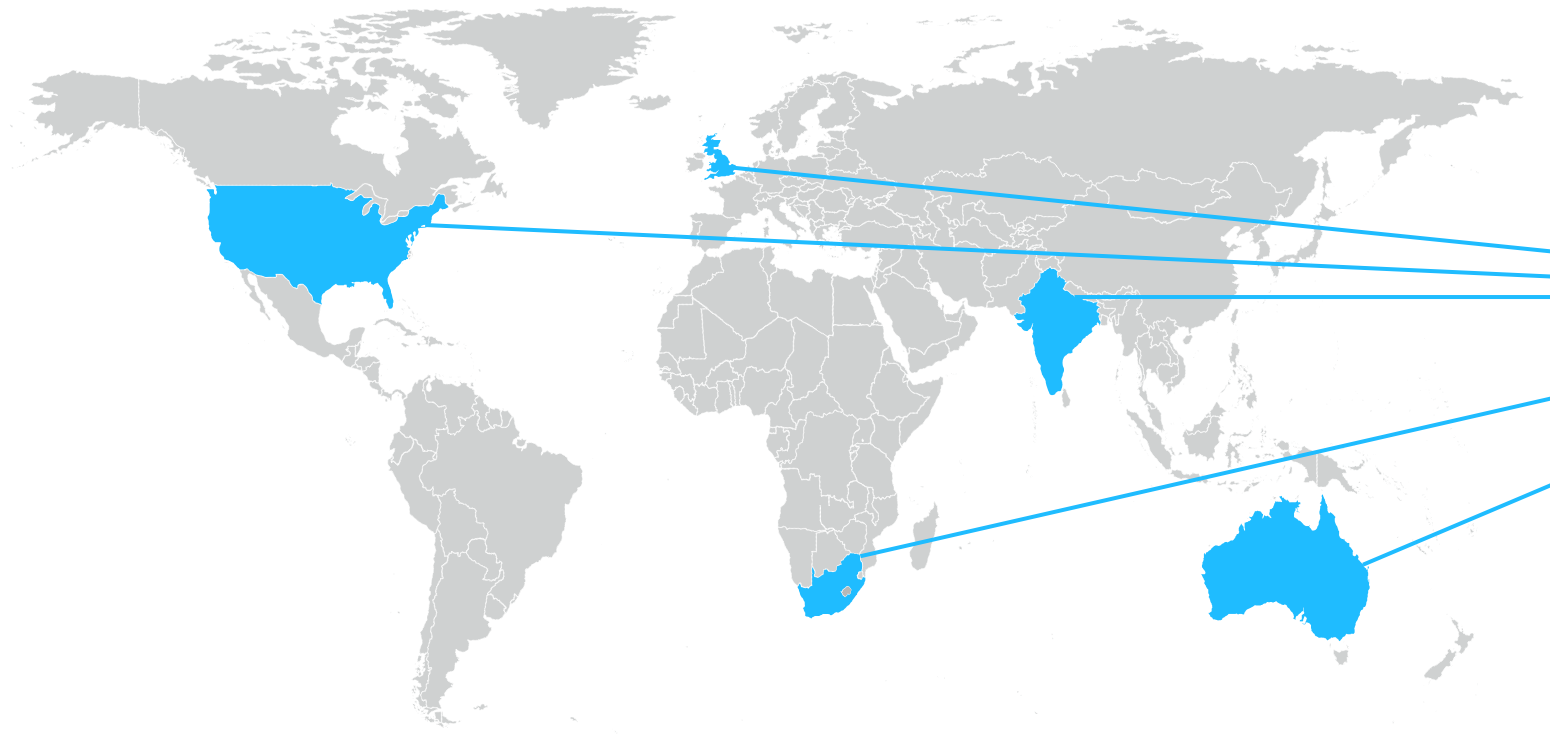
QUALITY   EFFICIENCY & COST   SERVICE   TRANSFORMATION

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Complexity and distributed data make managing ops as hard as ever

- Leaders must meet service commitments and maximise customer/employee experience across hundreds of processes, whilst continually increasing efficiency

- Leaders don't have access to the data and insight needed to make quick, accurate decisions

- Data scattered across the multitude of applications used to process work

- Tools and processes to support decision making absent or inconsistent

- Regulation, transformation, customer/employee expectations continually increase complexity

"Will any teams fail their SLAs?"

"How to absorb work from new KYC/ML checks without additional heads?"

"Our AI initiatives need front line knowledge, but we're too busy"

"Now everyone's remote, I just don't know what's happening"

"Do we have the right number of staff?"

"We work on 7 different systems, I have no overall view of workload"

"I'm sure there's underused capacity, I'm just not sure where"

"I don't have the data to really know what's going on"

"We're different, we can't use the same metrics and tools to manage"

"We know AI will be transformative, but not how to use it to make a quick impact"

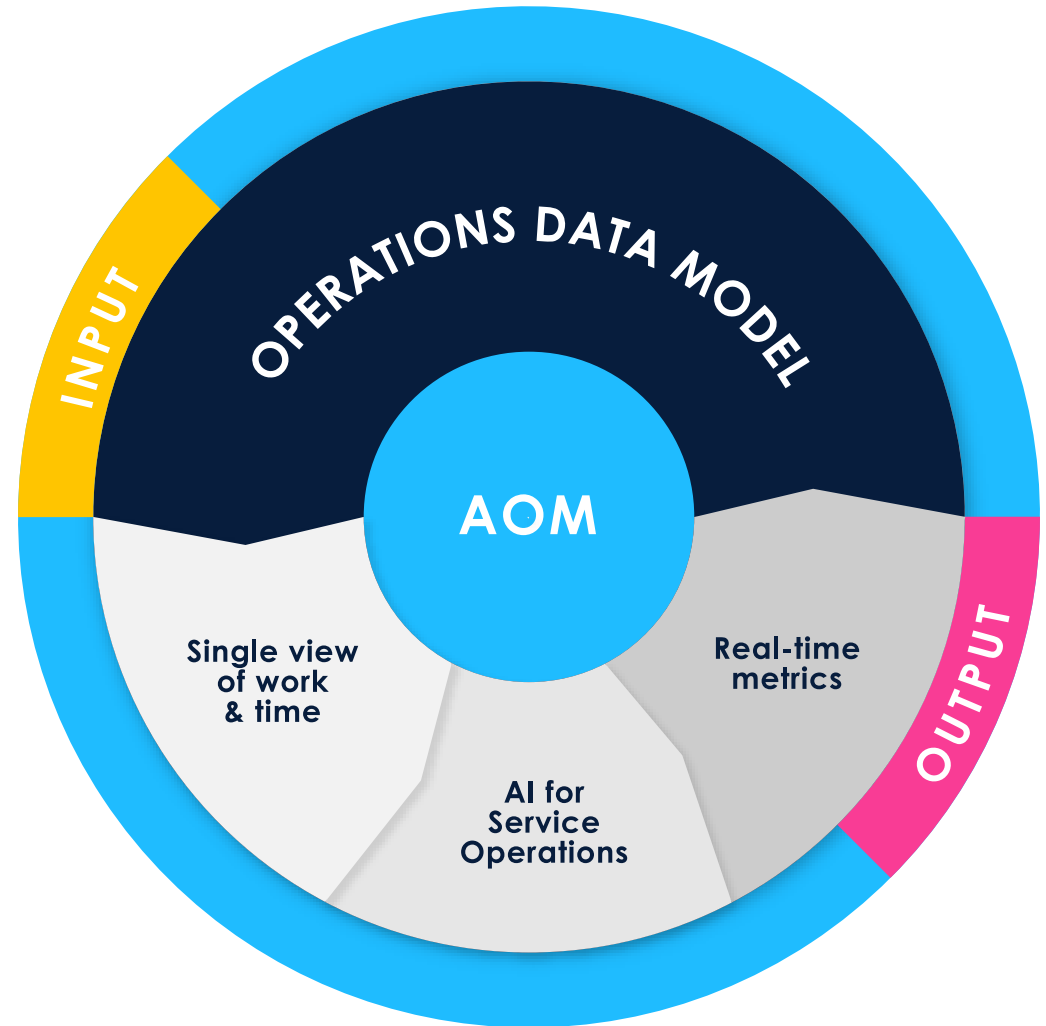ActiveOps®

Decision Intelligence

Consolidation of work-activity from the multitude of applications within which work is performed

Consistent & comprehensive set of insights and metrics to support operations leader decision making

AI powered tools automate, augment or inform the decisions made frequently by operations leaders

Software guides leaders to follow our **AOM best practice method**, ensuring consistency of approach and achievement of benefits across diverse types of operations

Demonstrable ROI in released capacity and increased productivity

OPERATIONS DATA MODEL

INPUT

OUTPUT

AOM

Single view of work & time

Real-time metrics

AI for Service Operations

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Decision Intelligence delivers tangible results

Three of our latest AI powered capabilities

Smart Planning
ControliQ Series 3

Challenge: Matching capacity to workload across thousands of different tasks

Solution: Utilises AI to predict incoming work and optimises allocation of skills and capacity across functions

Outcome: 20% increase in productivity. Increased ability to deliver service levels

Smart Skills
ControliQ Series 3

Challenge: Creating and maintaining the required skills within the operations workforce

Solution: Utilises AI to automatically create/maintain a skills catalogue

Outcome: Reduces risk of skills shortage or mismatch. Removes huge overhead of traditional skills catalogue maintenance

CaseworkiQ

Challenge: Lack of management visibility leads to complex cases breaching service level or consuming excessive resource

Solution: Case progress and resource consumption data drives predictive case alerts providing early warning of problem cases

Outcome: Reduces risk of missed service levels and associated regulatory penalties

We help operations teams do more

Our software & approach enables customers to release capacity

Leading to **amazing results**

0%
Missed SLAs, within regulations

44%
Reduction in staff attrition

80%
Positive employee morale

20%
Decrease in cost per standard hour

80-85%
Utilisation

30,000+
Hours in resource sharing

87 to 30 days
Reducing servicing time

82%
Work in progress volume reduction

19%
Reduction in overtime

8.8 to 74.81
Improvement in NPS score over 4 years

239 FTE
Capacity release with £4m in savings

95%
Accuracy in weekly plans

35%
Reduction in complaints

30%
Reduction in agency staff

39%
Improvement in productivity

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Strong competitive positioning

Three major banking RFPs won this year

	Workforce Management/ Optimisation Software	Employee Productivity Monitoring Software	Multi-Purpose Decision Intelligence Software	In House Developed Solutions	Substitution
ActiveOps Differentiators	15+ years of data with which to train AI models				ROI
	Greater product capability, including ready to deploy AI tools				Certainty of benefit
	Enterprise credentials and focus				No change to core systems and IT
	Active Operations Management (AOM) method				Complementary to other change initiatives
	Specifically designed for service operations			Scalability & maintainability	
Typical Competitors	**NICE** **VERINT** **ALVARIA**	**T**ERAMIND **Time Doctor** **sapience** **PROHANCE**	**quantexa** **DecisionRules** **Aera** TECHNOLOGY	Excel Power BI	Outsourcing Technology Consultancy

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FY24 Key messages

Innovation and investment across product set driving usage

Migration of customers to ControliQ Series 3 going well – platform for future expansion

Group positioning under 'Decision Intelligence for Service Operations' resonating across target sectors

3 new customer wins and strong expansions driving sustainable profitability

SLT hires in our core regions support international expansion

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Financial review

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FY24: Robust financial performance – supported by expansions and extensions

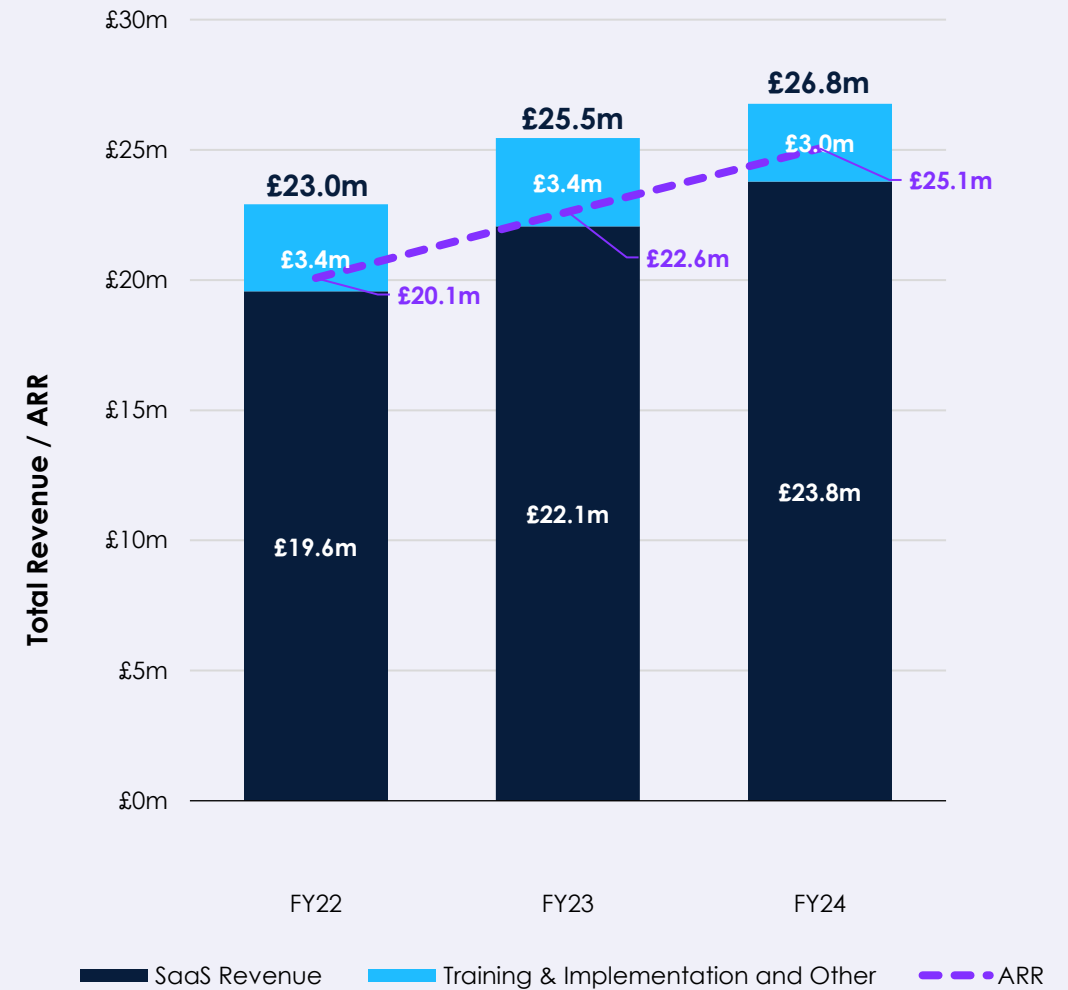**+11%**

CCY increase in SaaS Revenues

£2.4m

Adj. EBITDA (FY23: £0.7m)

£1.0m

Profit before tax (FY23: £0.2m loss)

£17.6m

Well capitalised with Cash at bank

Total Revenue / ARR

FY22: £23.0m — SaaS Revenue £19.6m, Training & Implementation and Other £3.4m, ARR £20.1m
FY23: £25.5m — SaaS Revenue £22.1m, Training & Implementation and Other £3.4m, ARR £22.6m
FY24: £26.8m — SaaS Revenue £23.8m, Training & Implementation and Other £3.0m, ARR £25.1m

Legend: SaaS Revenue · Training & Implementation and Other · ARR

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Robust P&L performance

YE 31 March (£M)	FY23	FY24
SaaS Revenue	£22.1m	£23.8m
T&I Revenue	£3.4m	£3.0m
Group Revenue	**£25.5m**	**£26.8m**
Cost of Sales	(£4.7m)	(£4.3m)
Gross Profit	**£20.8m**	**£22.5m**
Gross Margin %	**82%**	**84%**
Operating Expenses (incl. forex)	(£20.0m)	(£20.0m)
Translation Reserve	(£0.1m)	(£0.1m)
Adj EBITDA	**£0.7m**	**£2.4m**
Adj EBITDA Margin %	**3%**	**9%**
Impairment loss	£0.0m	(£0.2m)
Translation Reserve	£0.1m	£0.1m
EBITDA	**£0.8m**	**£2.3m**
EBITDA Margin %	**3%**	**9%**
Share Based Payments	£0.0m	(£0.2m)
Depreciation & Amortisation	(£1.0m)	(£1.3m)
Operating Profit / (Loss)	**(£0.2m)**	**£0.8m**
Net Interest	£0.0m	£0.2m
Profit/ (Loss) Before Tax	**(£0.2m)**	**£1.0m**

Strong growth in EBITDA
Positive EBITDA in every month

SaaS Revenue Growth +8%
(constant currency 11%)

Training & Implementation -12%
Continues to be an important revenue stream

Gross Margin % +2.0pts
- Impact of product mix
- SaaS margin: 87% (FY23: 85%)
- T&I margin: 59% (FY23: 63%)

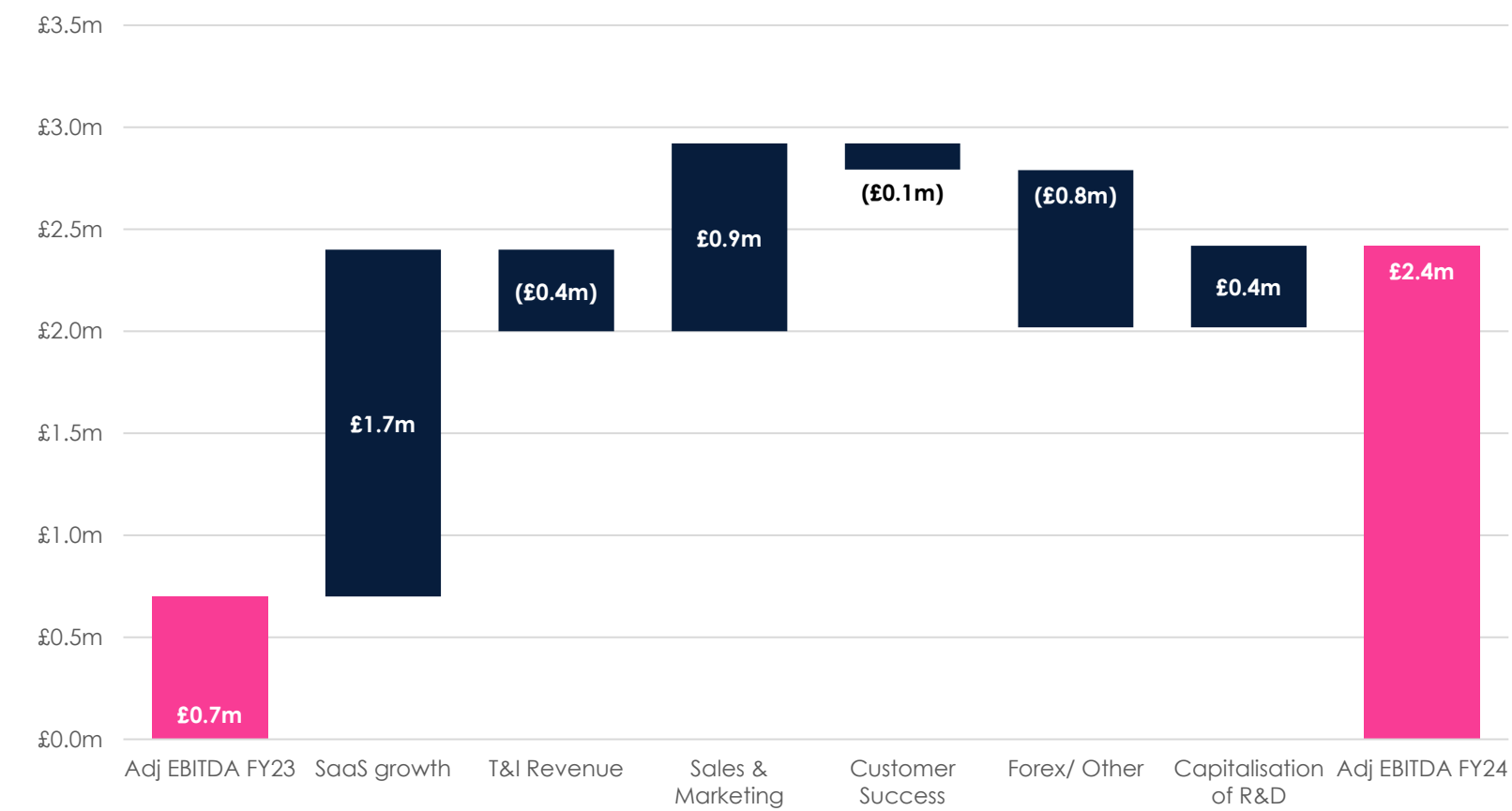**Underlying Opex reduction from FY23**
Favourable FX gain in FY23 of £0.7m vs. £0.04m this year, partially offset by increase
in capitalised dev spend fo £0.4m in FY24 vs FY23

Operating cash flow of £4.2m
175% of EBITDA (FY23: £3.4m, 486%)

Note: Adjusted EBITDA excludes exceptional costs, Share Option Charge, Depreciation & Amortisation and includes forex.

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EBITDA Bridge

Sales & Marketing

Reduction in cost as a result of right-sizing NA Sales & Marketing capacity

Forex/Other

YE23 benefitted from £0.7m favourable FX movement

Capitalised R&D

Continued investment in product roadmap

Strength of SaaS model

Annual Recurring Revenue +11%
to £25.1m (FY23: £22.6m)
+14% at constant currency

Net Revenue Retention 107%
(FY23: 110%)
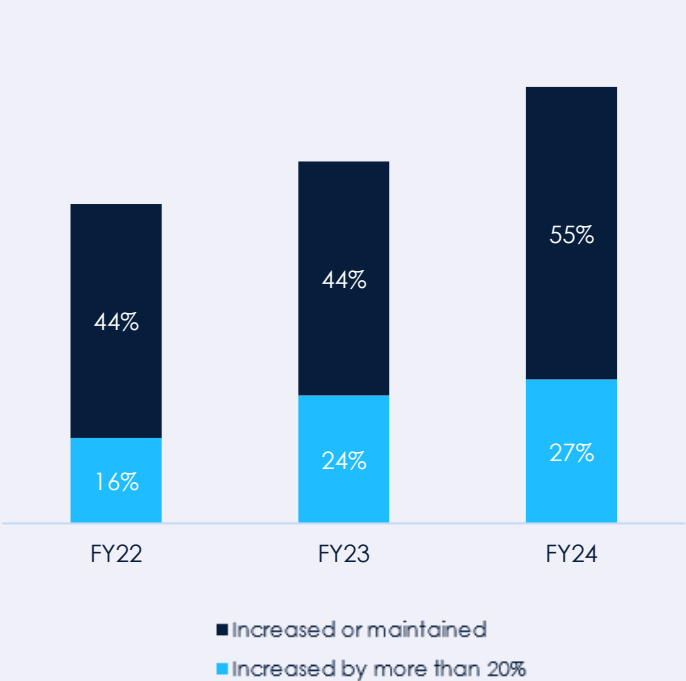110% at constant currency

Very low customer churn (2.7% ARR)
(FY23: 5.2%)
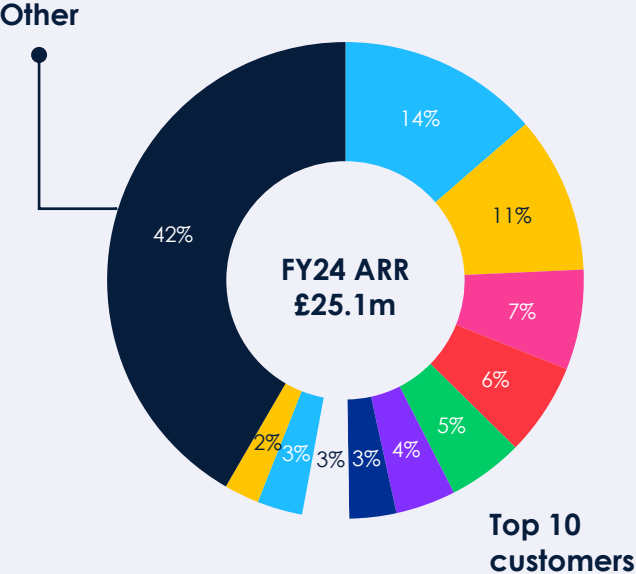
CaseWorkiQ ARR Growth +95%
Momentum in CaseWorkiQ continues to build -
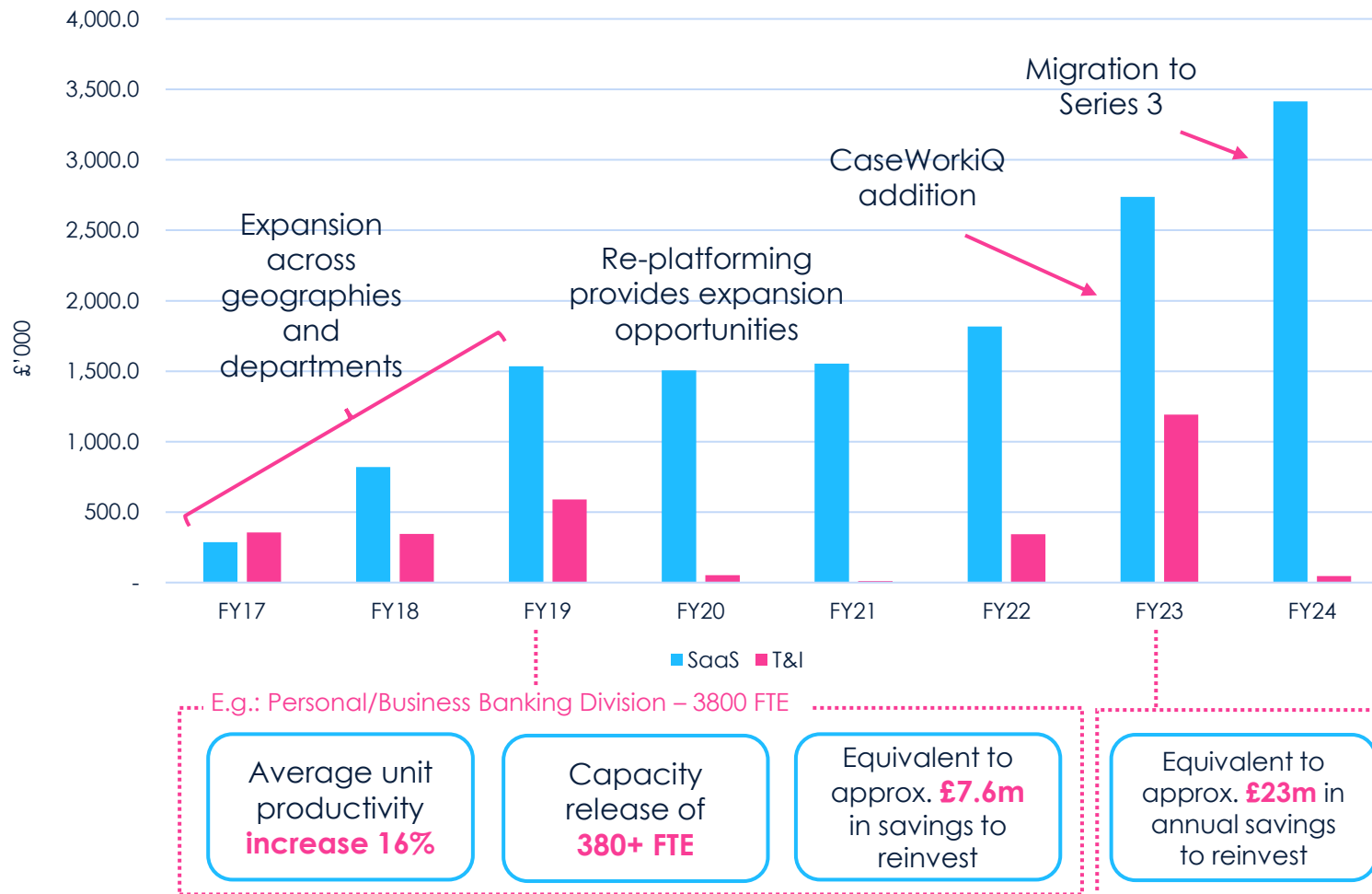CaseWorkiQ ARR growth of 95%

Land and Expand success

82% of customers globally increased or maintained ARR, including 27% who increased ARR by 20% or more

	FY22	FY23	FY24
Increased or maintained	44%	44%	55%
Increased by more than 20%	16%	24%	27%

■ Increased or maintained
■ Increased by more than 20%

FY24 SaaS ARR by customer

Other

FY24 ARR £25.1m

42% 14% 11% 7% 6% 5% 4% 3% 3% 3% 2%

Top 10 customers

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UK tier 1 banking customer expansion

£'000

4,000.0
3,500.0
3,000.0
2,500.0
2,000.0
1,500.0
1,000.0
500.0
-

Expansion across geographies and departments

Re-platforming provides expansion opportunities

CaseWorkiQ addition

Migration to Series 3

FY17 FY18 FY19 FY20 FY21 FY22 FY23 FY24

■ SaaS ■ T&I

E.g.: Personal/Business Banking Division – 3800 FTE

| Average unit productivity **increase 16%** | Capacity release of **380+ FTE** | Equivalent to approx. **£7.6m** in savings to reinvest | Equivalent to approx. **£23m** in annual savings to reinvest |

Successful expansion across departments, geographies and cross-sale of new solutions - driven by proven ROI

ARR uplift of more than 10x ARR from year 1 to year 8

ControliQ Series 4 presents further expansion potential

Replicable across a high proportion of our existing 70+ customer base

Addressable opportunity in existing customers of £90m ARR

*based on first 12 months implementation of ControliQ

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A strong financial platform

Double digit ARR growth and sustainable profit
before tax provide strong basis for expansion

Healthy balance sheet

High levels of recurring revenue

Strongly cash generative

Multiple expansion opportunities

Sustainably profitable

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Strategy and opportunity

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Leading the AI revolution in Service Operations

The critical need for Decision Intelligence

- AI will automate more processes and reduce human teams

- Leaders don't have the data and insight needed to make informed decisions in the time required

- They need smart, accurate and highly predictive information

- Data and deriving real-time intelligence becomes the lifeblood of success

We are perfectly placed

1 AI Apps to support key decisions in service operations

2 15+ years of operational data to learn from

3 State-of-the art technology platform

4 ActiveOps Method describes good practice

Well-invested, market-leading technology

ControliQ Series 3
Launched

ControliQ Series 4
Coming soon

Allowing our customers to take advantage of the latest in AI tools for the back-office, increase automation and release capacity

Requires zero technical effort and enables customers to do more with data and insights

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3
Service Indicators

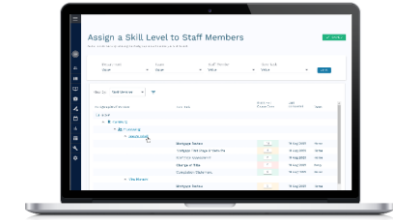Prediction of future SLAs performance based on operational plans.

4 Now available Beta
Smart Skills

An automated review of current skills performance and workload which highlights skills gaps based on predicted demand

3
Smart Planning

AI/ML automatically generated forecasts to enable more accurate plans and freeing time for every team leader
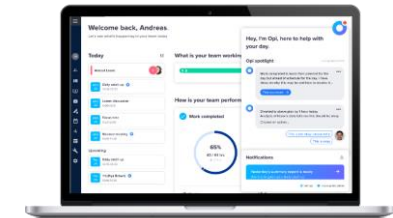
4 Available 2024
AOM Virtual Coach

AI/ML powered virtual assistant trained to provide real-time coaching using the AOM methodology

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Marketing building momentum

✅ Decision Intelligence messaging implemented internally and externally

✅ Inbound and outbound – content driven marketing strategy in flight

✅ Data-driven Marketing engine in place to drive strategy

FY23 vs FY24 Inbound leads (MQLs)

▶▶▶▶ **19%+**

FY23 vs FY24 leads (MQLs)

▶▶▶▶▶▶▶ **27%+**

FY23 vs FY24 pipeline opps (SQLs)

▶▶▶ **17%+**

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Next phase: investing in our Global Sales team

Opportunities

- Identified need for specialist sales support to convert growing well qualified leads
- Increasing sales capacity across the US, South Africa, APAC and the UK

Near term KPI tracking

- Number of hires
- Time to first conversion of each sales team member
- Rate at which qualified leads progress through funnel stages

Key to delivering increase in new win rate, alongside continued successful customer expansion

Will be carried out within a framework of maintaining a net profit position

Will be FY26 before we see top line impact

Strong balance sheet provides us with the funds to invest

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Better positioned to address our significant opportunity

Targeting ARR of +£3m from tier 1 customers

> Existing customer base represents approx. £90m of potential ARR

> Across our target sectors, geographies and organisational size, we have an addressable TAM of £900m ARR

Banks

Business Process Outsourcers (BPOs)

Insurance & Healthcare

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Current trading and outlook

Trading in the first few months of FY 25 has been **in line with the Board's expectations**

Good level of **customer expansions** and **a new customer** with significant expansion potential

Exciting product roadmap, **including release in FY25 of ControliQ Series 4**, incorporating **further AI and Machine Learning** features

Results of investment in product and marketing give confidence **now is the right time to invest in global sales team**

Board **confident for the remainder of the year** and **excited for the future**

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Why ActiveOps?

World of work has never been more complex, presenting growing opportunity

World class customer base with significant expansion potential

Investing in our sales team to secure our next phase of growth

Robust business model, high levels of ARR and low customer churn with strong cash profile & balance sheet

Differentiated, market leading offering – with AI built in

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Questions?

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Solid Balance Sheet

Strong cash position

Balance of £17.6m

AS AT 31 March (£M)	FY23	FY24
Non-Current Assets	**£6.5m**	**£6.5m**
Trade and Other Receivables	£6.4m	£5.9m
Cash and Cash Equivalents	£15.4m	£17.6m
Corporation Tax Recoverable	£0.0m	£0.0m
Total Current Assets	**£21.8m**	**£23.5m**
Total Assets	**£28.3m**	**£30.0m**
Trade and Other Payables	(£1.6m)	(£2.2m)
Accruals and Deferred Income	(£17.3m)	(£17.8m)
Lease Liability - Current	(£0.1m)	(£0.1m)
Current Liabilities	**(£19.1m)**	**(£20.1m)**
Lease Liability - Non-Current	(£0.4m)	(£0.2m)
Provisions - Non-Current	(£0.1m)	(£0.2m)
Deferred Tax	(£0.9m)	(£0.7m)
Non Current Liabilities	**(£1.4m)**	**(£1.1m)**
Total Liabilities	**(£20.4m)**	**(£21.2m)**
Net Assets	**£7.9m**	**£8.8m**
Total Equity	**£7.9m**	**£8.8m**

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ESG Update

Commitment to reporting

Following review, we have added further elements of the Global Reporting Initiative ("GRI") framework to monitor impact on the environment, the satisfaction, equality and diversity of our staff. Continue to the Quoted Companies Alliance ("QCA") code

## Carbon reduction remains a key priority

Environmental impact remains small, with data centres and travel remaining as the two main contributors to our carbon footprint.

Celebrating our people and a supportive working environment

ActiveOps "Change Group" provides a forum for representatives from all areas of the business to have input to proposed changes within the business and updates to policies and practices which affect our customers and people. Group will continue to look at ways of further supporting our team members and to increase the diversity of the business, with several areas being developed in the upcoming year.

Robust governance principle

A strong corporate governance foundation is important, and the group has adopted the Quoted Companies Alliance (QCA) code which is constructed around ten broad governance principles.

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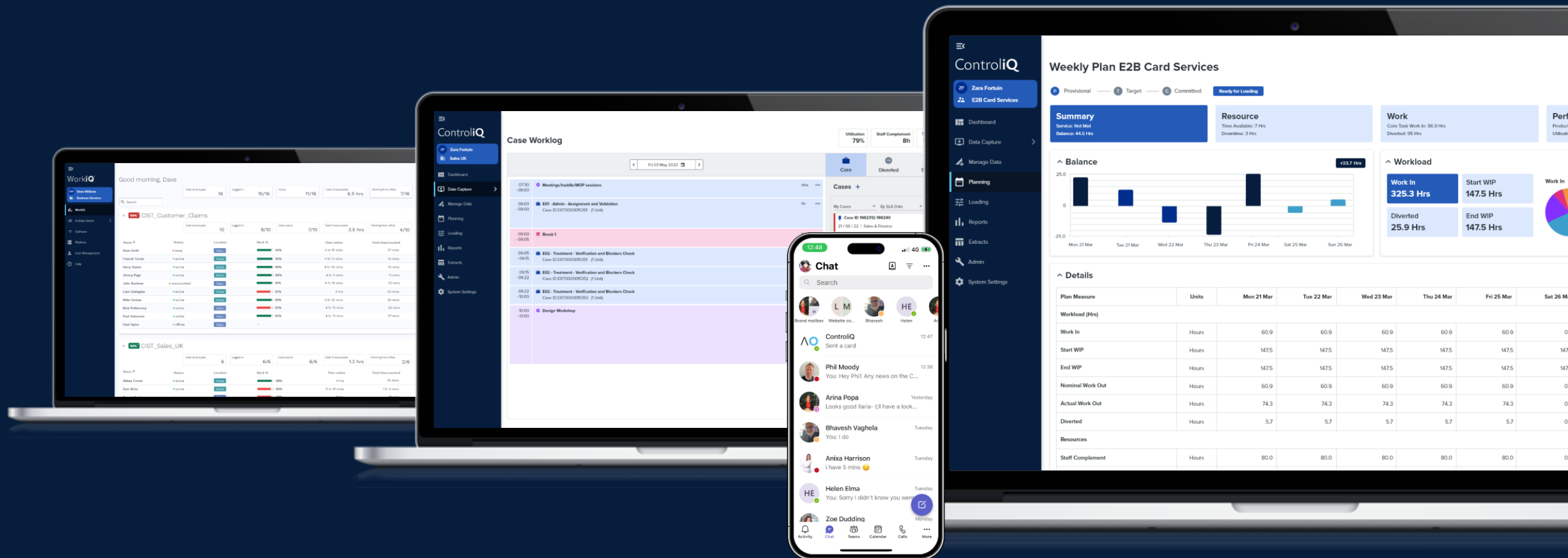
WorkiQ®

Employee intelligence

Our diagnostic insights highlight what is impacting performance, work and employee experience

CaseworkiQ

Intelligence for case-driven teams

Predictive analytics to keep casework and SLAs on track, real-time view, real-time decisions

ControliQ®

Cornerstone of high performing service ops teams

Prescriptive, AI-driven analytics that identifies capacity and utilisation, and prompts action to drive efficiency, effectiveness and control

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Thank you.

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Choose **More.** Choose ActiveOps®

Casework**iQ**

Predictive analytics to keep casework and SLAs on track, real-time view, real-time decisions.

✓ Understand case effort

Measure time spent by case and task. Gain accurate case-effort metrics, which enable performance measurement, optimization of case-load across people/teams and headcount planning.

✓ Match resources to caseloads

Automated forecasting of work-levels, capacity and performance levels. Balance allocation of cases to people and teams to maximize performance and completion of work within SLA.

✓ Live status

Real-time view of your team and what they are working on. Make better decisions about how to utilize your team to meet SLA deadlines.

✓ Visualize case flows

Drill into the details of every case. Who did what, when, and how long did it take? How many hand-offs occurred? Did errors lead to rework? Steer cases to a successful outcome and turbo-charge your process improvement projects.

✓ Case SLA tracker

A real-time view of every case and its progress relative to SLA. Identify cases at risk of breaching SLA. Spot cases consuming inappropriate effort.
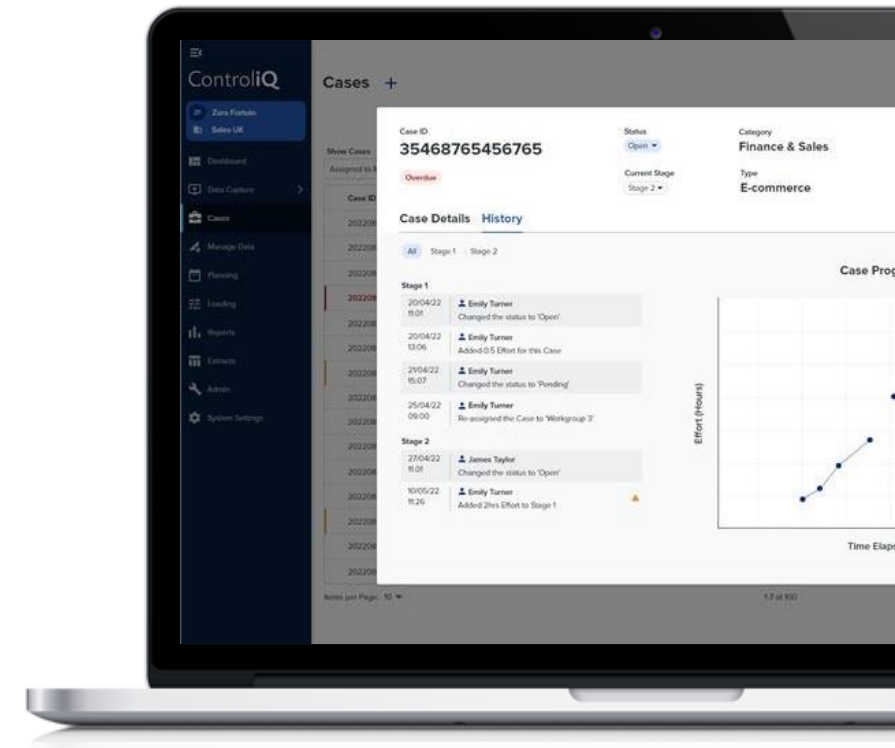
✓ Measure all activities

Single currency to measure people's performance across all spectrums of work, including skill sets and quality measures.

✓ Identify bottlenecks

Identify all the bottlenecks in your processes to help you consider the next action required to move the case forward.

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Control**iQ**®

A predictive and prescriptive AI-driven solution, enabling you to identify hidden capacity and provide insights to drive productivity and effectiveness.

Are you struggling to find capacity?

Are you missing some service levels while over-performing on others?

Are you burdened with overtime and contractors, eating into your budgets?

Are you worried some of your team are working too hard and others not hard enough?

Do you wish you had complete, trusted and timely insight into how your capacity is used?

Are you struggling to realize the benefits of your automation and process improvement projects?

✓ AI-driven capacity planning*

Balance people and resources with workloads to match the service level required. Predict service issues and take action to limit risk and identify areas of over-servicing. Redeploy capacity to match demand across teams.

✓ Unlock hidden capacity

Real-time reporting of teams with hidden capacity. Easily see opportunity within teams, depts, and individuals.

✓ Flex your resources

Adjust and rebalance capacity between departments and teams based on real-time needs. Respond to unexpected events with ease, using your capacity responsively.

✓ AI skills identification**

Automatically create a skills inventory across all tasks/people with zero human effort - ensuring skills are kept current.

✓ Team performance

Gain a deep understanding of all work, all capacity, productivity, utilization and quality, with reporting for every level of the hierarchy, not just teams.

✓ Engage your people

Rebalance and reprioritize work – problem-solve together. Review adherence to service, discuss team mood, locations, and non-work activity, recognize positive performance metrics and make informed decisions.

✓ Consistent insights

Dashboards to give you clear and actionable insights to understand and drive performance, regardless of the type of team or work.

✓ See the big picture

Accurately measure the impact of decision intelligence and your change programs on the efficiency of delivering key business outcomes.

✓ Operational Intelligence (OPI)**

AI-generated prescriptive advice to achieve a higher level of consistency in operational decision making.

*Series 3   **Series 4

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WorkiQ®

Know when, where and how your employees are working - Employee intelligence you need to make the right decisions to improve performance and wellbeing.

Do you know what your hybrid workforce is working on and where?	Do you lack reliable data which tells you which people are overstretched and who is underloaded?	Is it impossible to get the data you need from some applications to manage ops effectively?	Do you understand how your people are using your applications?	Can you see the differences in work patterns between office and remote working?	Do you need insight into people's working day but wish to preserve employee privacy?

✓ **Transparent team activity**

Know how your teams and team members are spending their time. Focus time on the things that are most important.

✓ **Stop burnout**

Help your employees manage work-life balance and avoid burnout. Understand employee working routines, excess hours, logging in during holidays, lack of breaks and erratic work patterns. Act early and use the data to support your conversations.

✓ **Identify work efficiency**

Identify blockers to employee performance. Link performance to in-day employee routines. Identify the most efficient process completion, understand employee adherence to contracted hours and spot training needs.

✓ **Balance workloads**

Understand the balance of work between teams and departments. See how your workgroups utilize their time in comparison to others. Spot potential process differences.

✓ **Flexible reporting**

Build your own reports to access the info you require about your individuals, teams and departments. Schedule bespoke reports to deliver specific and regular insights.
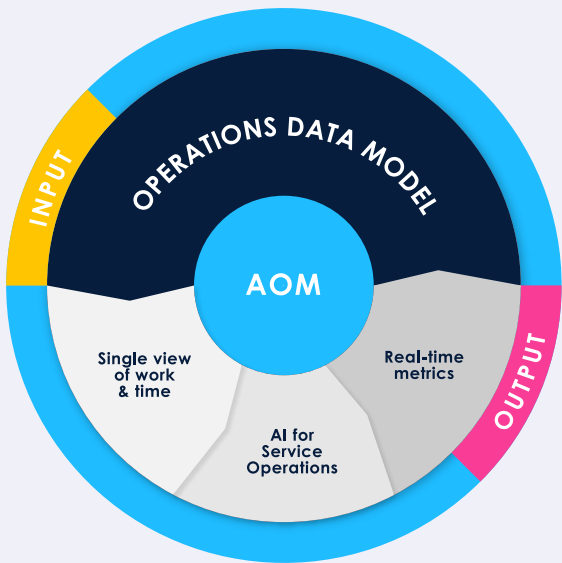
✓ **Hybrid workforce management**

Understand work patterns and performance across locations intra-day. Office productivity vs. home productivity. See which applications employees are working in.

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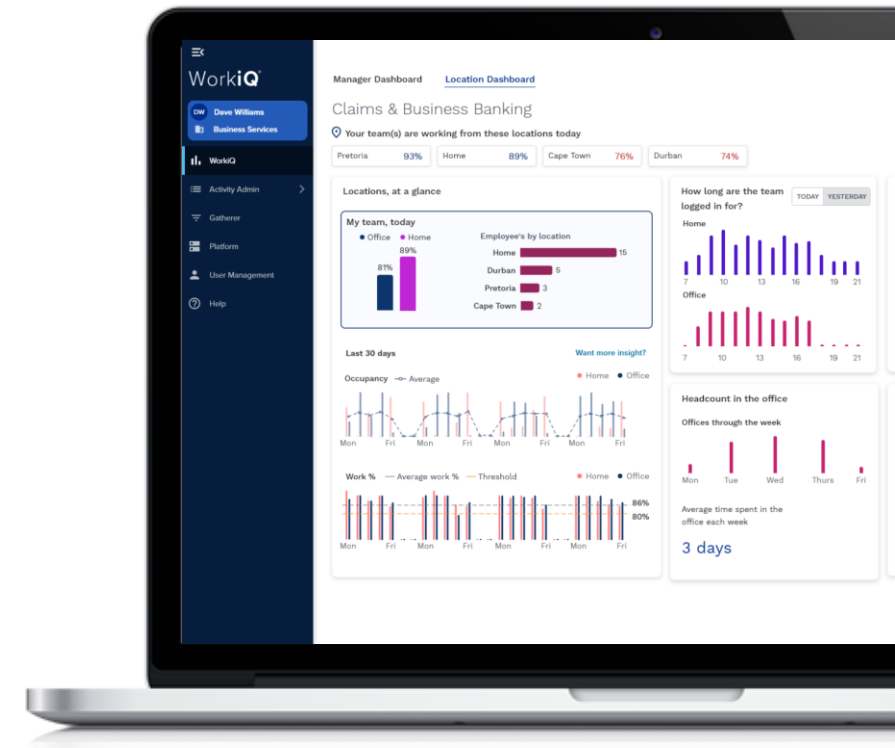
Critical questions faced by ops leaders

Diagnostic, predictive and prescriptive insight to help service ops teams answer critical questions

OPERATIONS DATA MODEL

INPUT

AOM

Single view of work & time

AI for Service Operations

Real-time metrics

OUTPUT

Strategic

Will we meet our service commitments today, tomorrow and in the future?

Are we delivering the benefits of transformation?

Can I achieve my efficiency goals whilst sustaining and improving sacrificing customer experience?

Are we getting the balance between productivity and employee experience right?

Are we managing operational risk effectively?

How much resource do I need to complete the work that I have?

Where are there capacity and skills which are not being fully utilized?

Am I on track to meet my SLAs today, tomorrow and next week?

How do I keep my people engaged?

Are my people at risk of burnout?

Which cases are consuming excessive effort and dragging down performance?

How do I get a single view of data to give me transparency of capacity, performance and productivity?

How do I know which cases are in danger of missing SLA in enough time to correct the situation?

What action do I need to take to ensure my team has the skills we need now and in the future?

Are my people working away from the office working as effectively as those within it?

Tactical

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