

Specialists in Data Platforms

Preliminary results

For the 12 months ended 31 March 2021

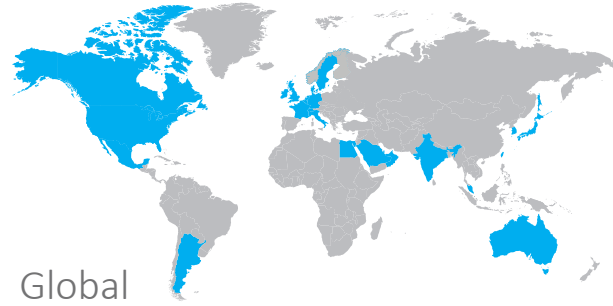
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Global sales and delivery in 27 countries

celebrus •

World class, patented, real-time, enterprise **Customer Data Platform**, **Fraud Data Platform** and **Customer Data Management** software

Listed on the **London Stock Exchange** since 1997
Stock code: D4T4



2020/21 **Celebrus product family** now accounts for **81%** of total sales



Recurring revenue

47% of sales (2020: 45%)

ARR **£10.6m** (2020: £9.55m)

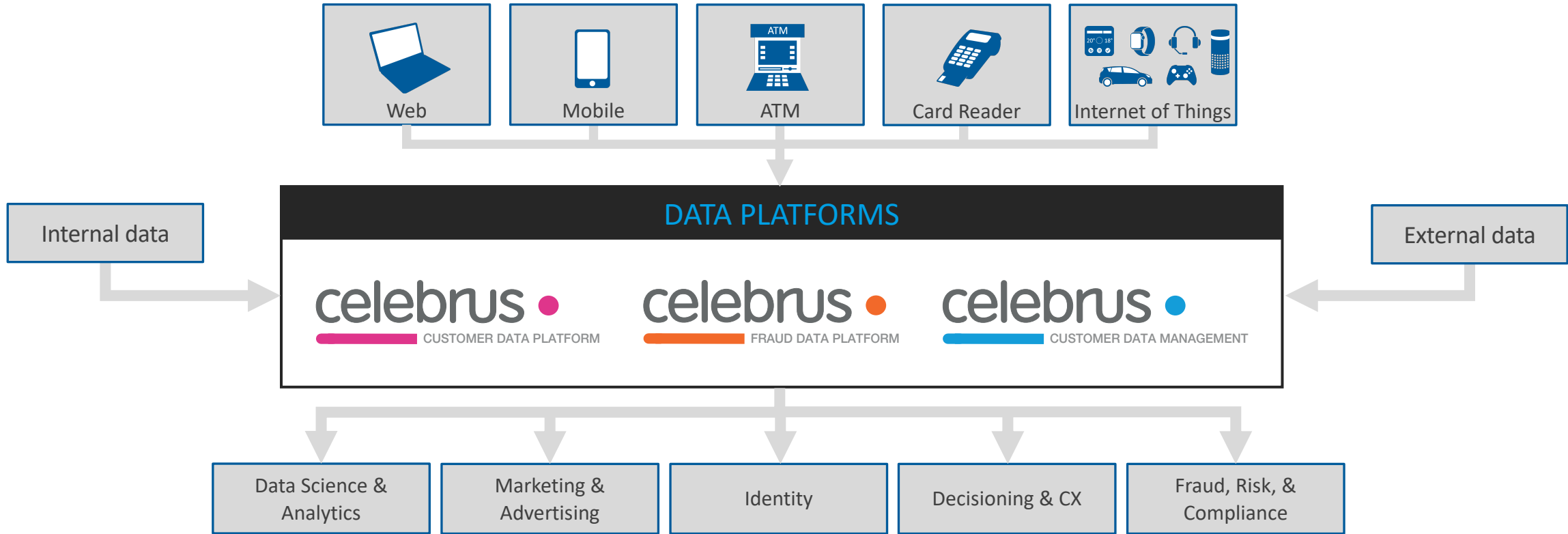


World class major partners in Adobe, Dell EMC, Microsoft, Pegasystems, SAS, Teradata, Quantexa



D4t4 Solutions is a specialist in Data Platforms

that large enterprises need to complete digital transformation





Increased revenues from
Celebrus family of products



Transitioning to Annual
Recurring Revenue model



International expansion



Invested in the next generation
of Celebrus products

- New customer contracts from UK, Europe, Middle East, North America and Pacific Rim, in financial services, health, telecommunications and consumer organisations
- Extended existing client relationships with increased capacity, geographic extensions, additional digital collection channels and multiple third-party integration adapters
- Built enhanced relationships with Teradata, SAS, Pegasystems and Dell directly and via partners
- also early conversations with new partners for FDP, Quantexa
- Celebrus software products and services now make up 81% of total revenue (2020: 80%)
- Recently launched updated Celebrus CDP with profile builder and first party Identity graph features
- Recently launched Celebrus Fraud Data Platform (FDP) for detecting payment, account opening and remote account takeover fraud in real time

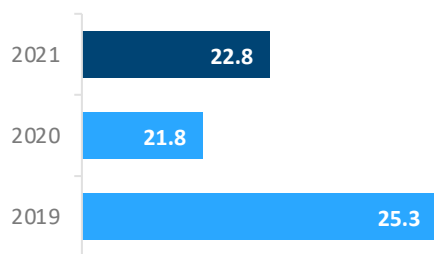
- Revenues up 4.6% to £22.8m (2020: £21.8m) – reflects the move to term / recurring revenue from perpetual licences and resumes top line growth
- Annual recurring revenue (ARR) up 11% to £10.6m (2020: £9.55m)
- Recurring revenue, as percentage of total revenue, increased to 47% (2020: 45.2%)
- Gross profit margin increased to 62.4% (2020: 60.7%) as a result of increased Celebrus sales
- Adjusted profit before tax of £4.45m (2020: £5.05m) reflects higher opex – FDP
- Adjusted fully-diluted EPS was 9.52p (2020: 11.19p)
- Proposed final dividend of 2.0p (2020: 1.9p), total dividend for year 2.81p (2020: 2.67p)
- Year-end cash position £14.24m (2020: £12.77m)

Financial Information

Revenue

£22.8m

+4.6%

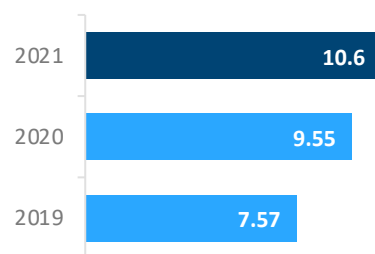


Revenue from sales made to all customers (excluding intra-group sales which are eliminated on consolidation). Reflecting transition to recurring revenue business model

ARR

£10.6m

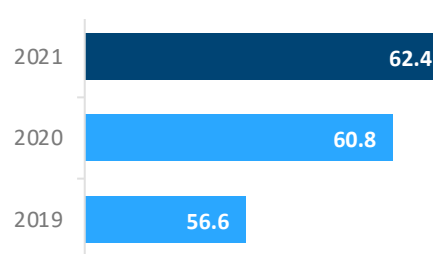
+11.0%



Annual recurring revenue

Gross profit margin

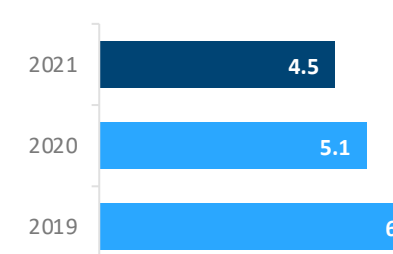
62.4%



Gross profit (being less all direct third-party cost of sales) as a percentage of revenue

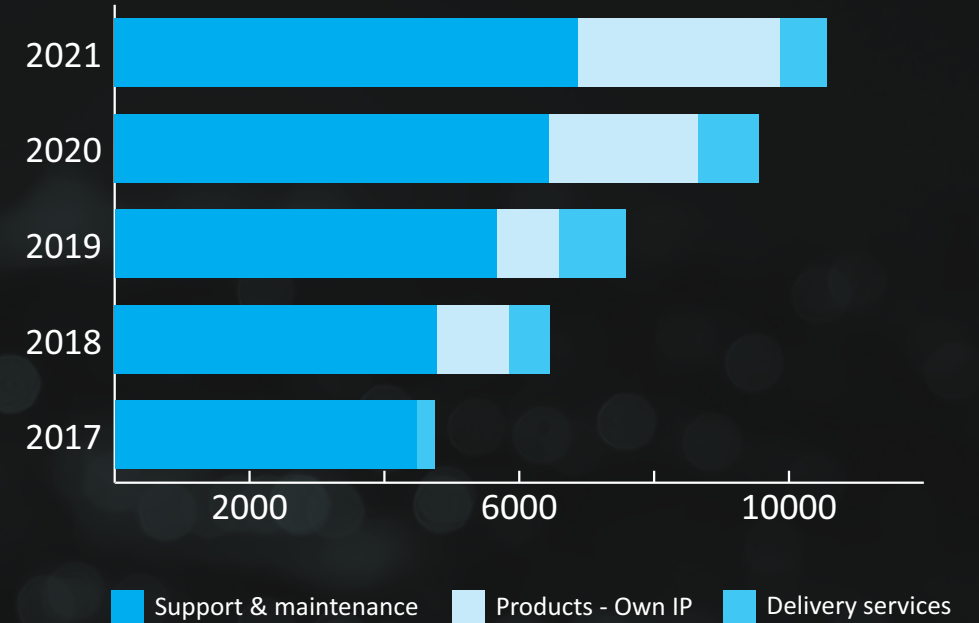
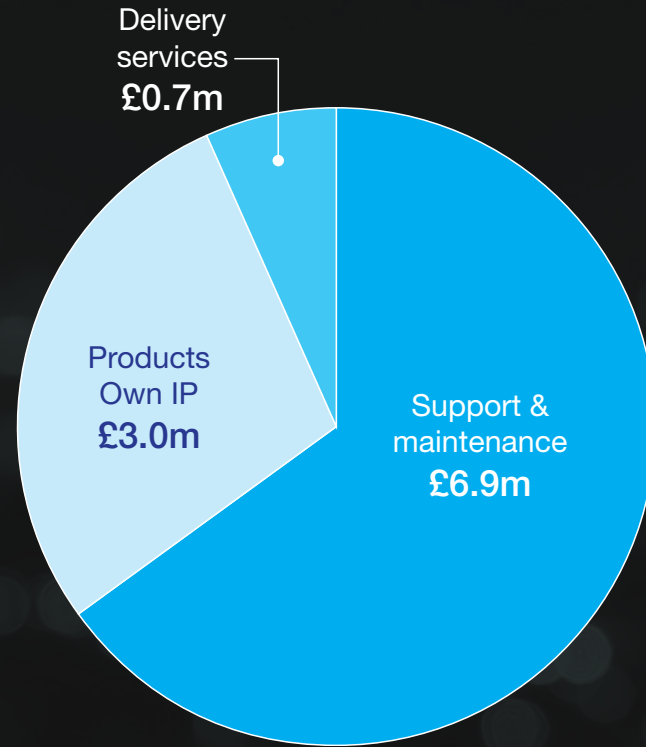
Adjusted Profit before Tax

£4.5m



Profit before amortisation of intangibles, share based payment charges, foreign exchange gain/(loss) and restructuring costs (see KPIs)

Circa £1.05m growth driven by 11% increase in support and annual term licence sales rather than perpetual. This is a key KPI for the Group and will include net new FDP product sales going forward



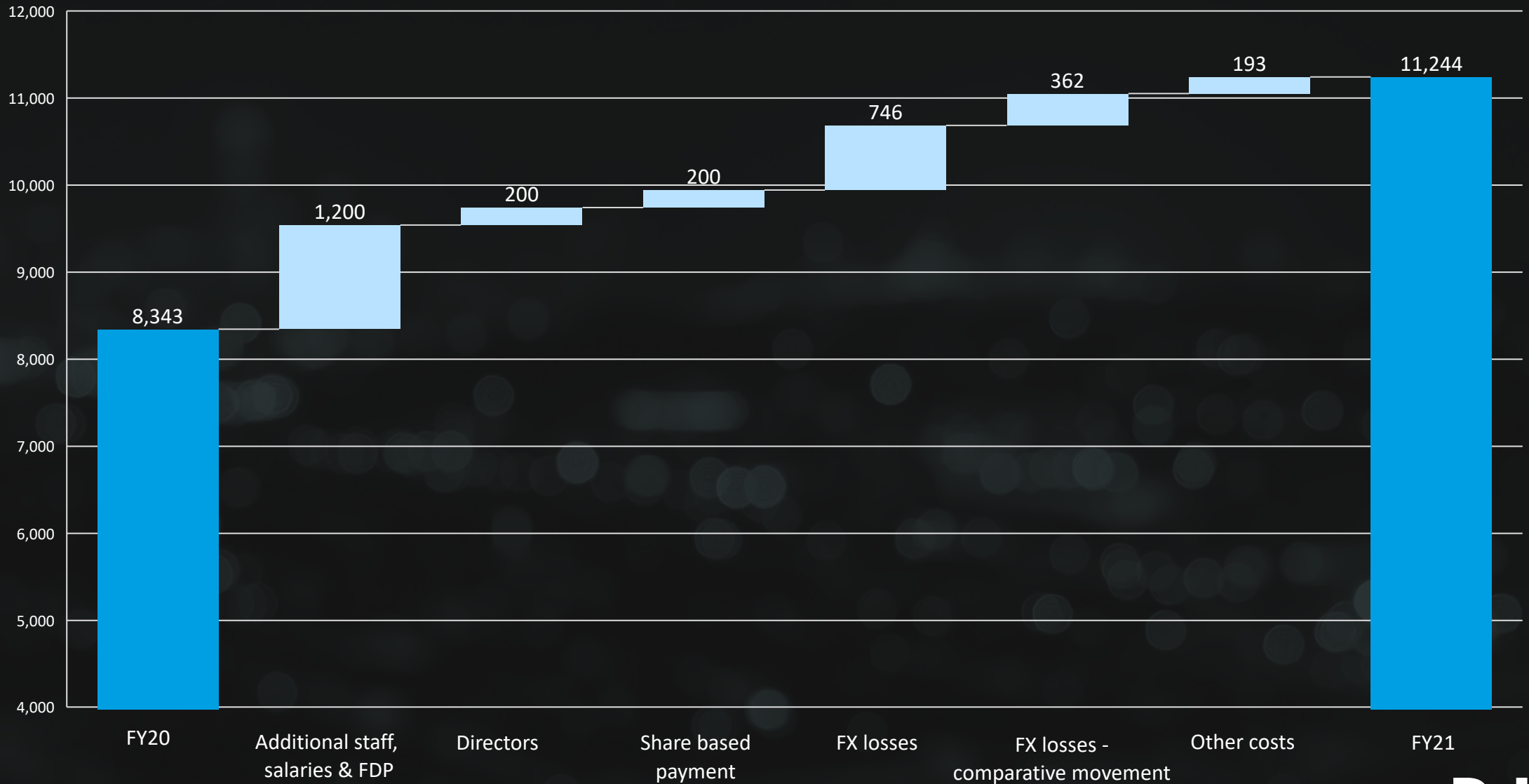
- Sales up 4.6% and 8.6% on a constant currency basis
- Margin continues to improve due to product mix
 - Own IP & Support/Services 81% of sales this year (2020: 80%)
- Admin Expenses have increased as per Slide 12
- Large foreign exchange movement in the year reflecting the strengthening of the £ to \$
- Effective tax 10% due to Patent Box and increased R&D claims
- Adjusted profit and EPS reduced year on year as the Group increases internal investment
- Dividend growth of 5.2%

	2021 £'M	2020 £'M
<i>Products - Own IP</i>	9.0	7.7
<i>Products 3rd party</i>	4.4	4.4
<i>Delivery services</i>	2.9	3.6
<i>Support & maintenance</i>	6.5	6.1
Revenue	22.8	21.7
Cost of sales	(8.6)	(8.5)
Gross Profit	14.2	13.2
	62%	61%
<i>Administration expenses</i>	(11.2)	(8.3)
<i>Other income / expenses</i>	0.1	0.1
PBT	3.1	5.0
Tax	(0.3)	(0.5)
PBT	3.1	5.0
Amortisation	0.3	0.3
Share based payments	0.3	0.1
Foreign exchange movement	0.7	(0.4)
Restructuring costs	0.1	0.1
Adjusted PAT	4.5	5.1
Adjusted fully diluted EPS	9.54p	11.19p
Total Dividend for the Year	2.81p	2.67p

All numbers adjusted for amortisation of intangibles, share based payment charges, FX and one-off restructuring expense

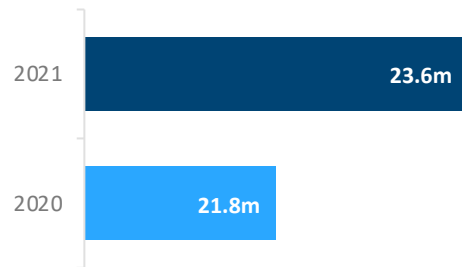
Analysis of administration expenses variance year on year

Admininstration Costs FY21



Revenue (Constant Currency Basis)

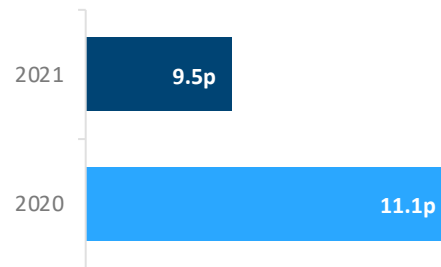
8.3%



Currency revenue from sales made to all customers are translated at a PY average rate for YoY comparison

Adjusted diluted EPS

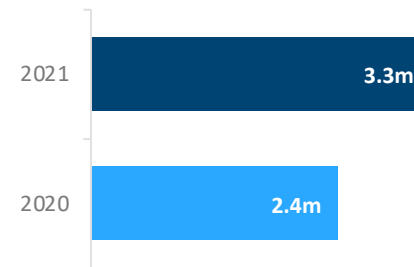
9.5p



As the Group transitions to recurring revenues the earnings will increase in stability and visibility

Net cash from operations

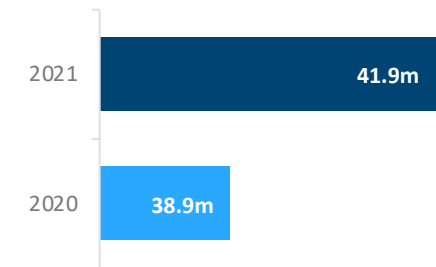
37.5%



Continued net cash generation from operations strengthens the Group's overall financial position

Total assets

7.7%



Strong financial position with no external borrowings

- Strong Financial Position
- £0.2m of development costs capitalised, similar to last year
- £10.1m Trade receivables due to high level of invoicing in Q4 and late payment of a large invoice (received after year end)
- Inventory reflects when 3rd party products were delivered
- £14.2m cash and no borrowings. The Group has sought no Government funding or delayed any tax payments
- Current liabilities up also due to Q4 sales and bonuses
- Retained earnings continue to grow (9.3%) and at £20m

	2021	2020
Financial Position	£'M	£'M
Non-current assets	13.7	14.0
Receivables	13.8	10.8
Inventory	0.1	1.3
Cash	14.2	12.8
Total Assets	41.8	38.9
Current liabilities	10.8	9.4
Non-current liabilities	0.2	0.2
Total Liabilities	11.0	9.6
Share Capital	0.8	0.8
Equity - all other	10.0	10.2
Retained Earnings	20.0	18.3
Total Equity	30.8	29.3
Total liabilities and equity	41.8	38.9

- Net Cash +£1.4m to £14.2m
- Tax refund following overpayments, R&D and Patent Box claims
- Financing costs reflect net purchases of own shares £0.4m compared to net receipt of £1m
- Net cash generated from operating activities up by 37.5% to £3.3m

	2021	2020
<u>Cash Flow</u>	£'M	£'M
Opening Cash	12.8	11.0
Operating Cash before WC	4.0	5.6
WC movements	(0.8)	(2.5)
Taxes received/paid	0.1	(0.7)
Net Cash from operations	16.1	13.4
Investments	(0.2)	(0.4)
Financing	(1.7)	(0.2)
Closing Cash	14.2	12.8
Net Cash from operating activities	3.3	2.4

- Fundamentals of the business remain strong
- Innovation remains core as shown by the launch of version 9.2,9.3 of Celebrus and after year end 9.4. In addition, new FDP product in June 21
- Additional opex due to additional staff, salary increases to ensure retention and FDP expenses
- Continued emphasis on KPIs for:
 - ✓ More predictable, less “volatile” revenues
 - ✓ Higher quality revenues with an overall (long term) increase in sales
 - ✓ Increase in margins
 - ✓ Improved ability to forecast and scale the business appropriately
 - ✓ Continued strong cash generation
 - ✓ Increase in shareholder value

Our business

celebrus ●
CUSTOMER DATA PLATFORM

Connect instantly with customers, as if you're selling face-to-face

celebrus ●
FRAUD DATA PLATFORM

Catch the fraudster before the fraud

celebrus ●
CUSTOMER DATA MANAGEMENT

Turn your raw data into actionable insights

Product family includes

- Real time data collection
- Real time fraud detection
- Real time data migration
- Real time data monitoring and management
- Real time mass file deletion alert software

Celebrus product sales now account for 81% of revenues

- Includes Celebrus software licences, delivery services and support and maintenance

- Transition revenues to a recurring revenue model by 2023-24
- Expand sales reach by increasing global enterprise partnerships
- Continued investment for growth
- Increase direct sales capability for CDP, CDM and FDP
- Extend data capture product family capabilities to include:
 - Celebrus for Customer experience (CX)
 - Celebrus for Risk
 - Celebrus for Fraud
- Introduction of new KPI's - ARR for Fraud

- Large and growing market of fraud protection software, estimated to be worth currently \$18+ billion per annum
- Financial services is currently still the largest single market for CDP software
- Fraud detection market set to grow at 12.8% per annum through 2025

- FDP is expected to drive modest initial recurring revenues in the first year of launch (FY22)
- As well as the initial £1.5m investment in FDP (the vast majority of which has been expensed in prior years) the launch will incur additional expenditure in the current financial year for the Group as it grows the team and increases awareness of the brand globally
- Customer and partner interest levels are encouraging, with several currently using and evaluating the technology.

The data challenge

Data Difficulties Spell Trouble For Firms



Firms must figure out how to collect, curate, and understand data across all parts of the customer lifecycle.

82%

of respondents say their organisation is constantly trying to capture more types of customer data

BUT

61%

say capturing and making sense of digital customer data is difficult for them

AND

55%

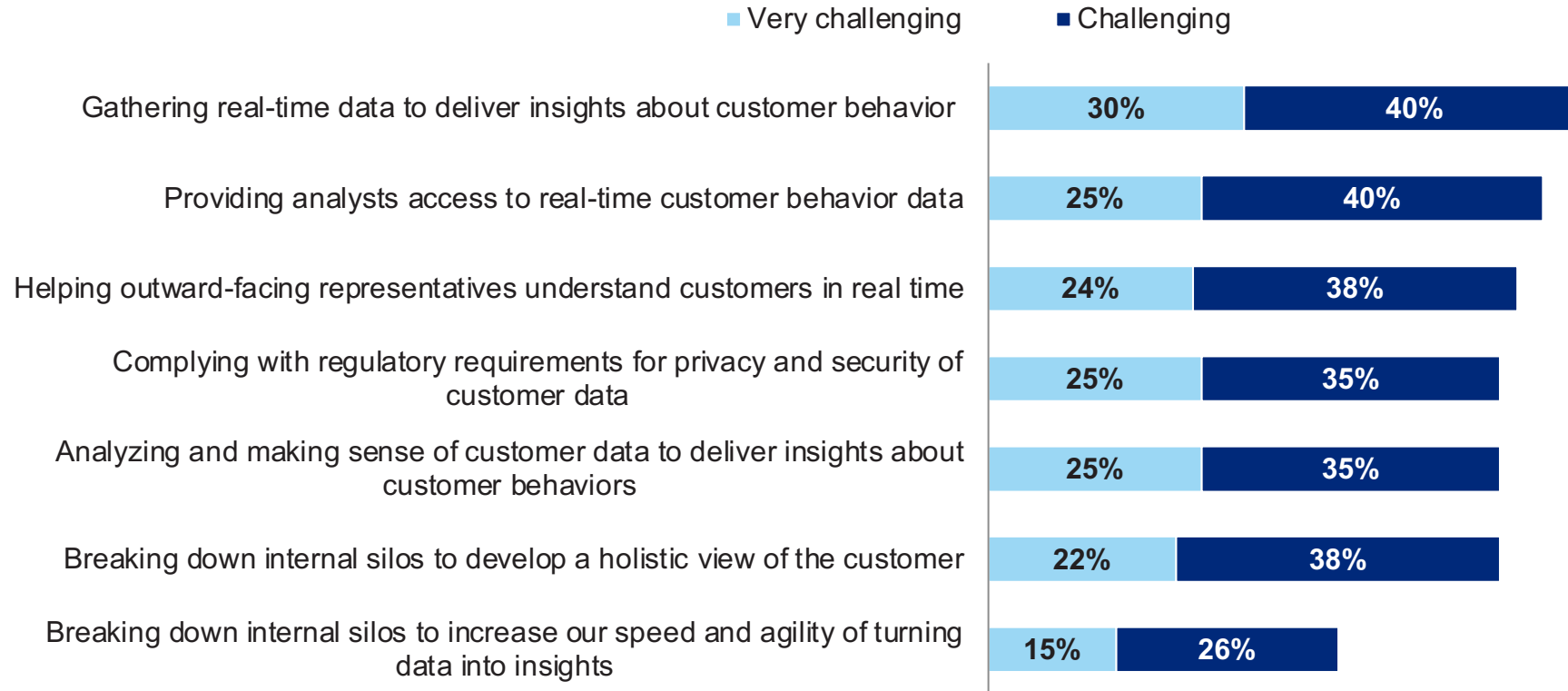
admit understanding customers across all touchpoints and lifecycle stages is difficult.

Base: 170 Global Customer Experience Decision Makers

Source: Forrester Opportunity Snapshot: A Custom Study Commissioned by Celebrus and Teradata, May 2021

Firms Struggle With Data At Nearly Every Stage

“How challenging are the following tasks for your organisation?”



Issues with capturing and managing customer data in real time block insights, agility, and actionability.

Base: 170 Global Customer Experience Decision Makers

Source: Forrester Opportunity Snapshot: A Custom Study Commissioned by Celebrus and Teradata, May 2021

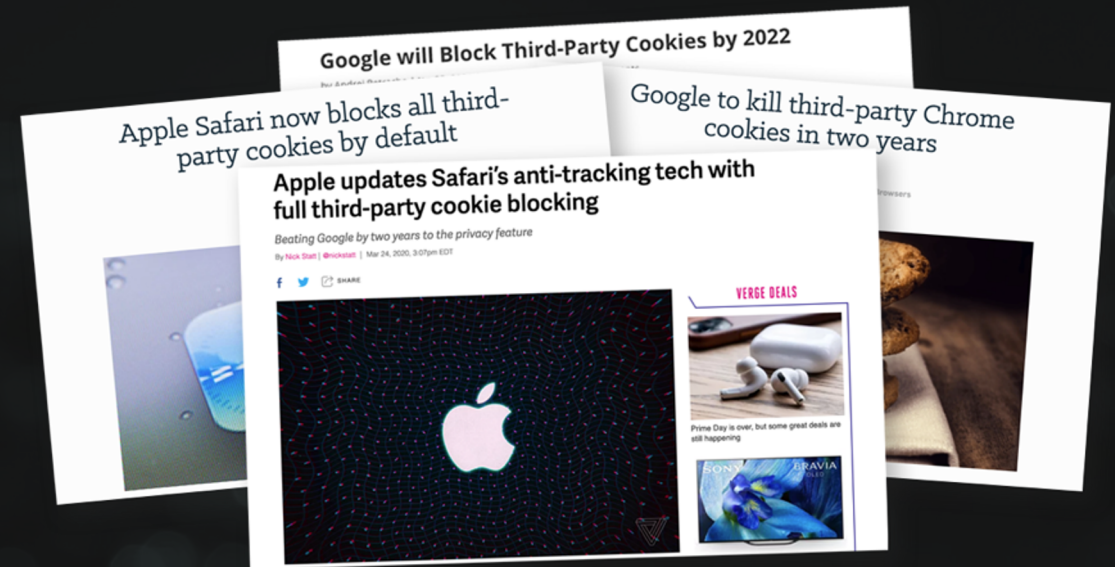
Identity in the industry

The challenge ahead

The ability to manage identity and build complete, consumer profiles in a compliant manner is a challenge for 3rd party solutions

Apple Intelligent Tracking Prevention (ITP), browser limitations, and ongoing legislation renders 3rd party solutions incapable of managing identity or compliance

Celebrus CDP and FDP are true 1st party solutions embedded in a client's digital infrastructure and are not impacted by any of these changes



Compliance

Privacy regulations



Privacy continues to evolve each day, and while consumers demand a personalised experience, they also expect that brands will be good stewards of their data and only capture consented data for marketing purposes. In the Fraud sector, “legitimate interest” becomes the legal basis for collection and must be kept separate from marketing datasets.

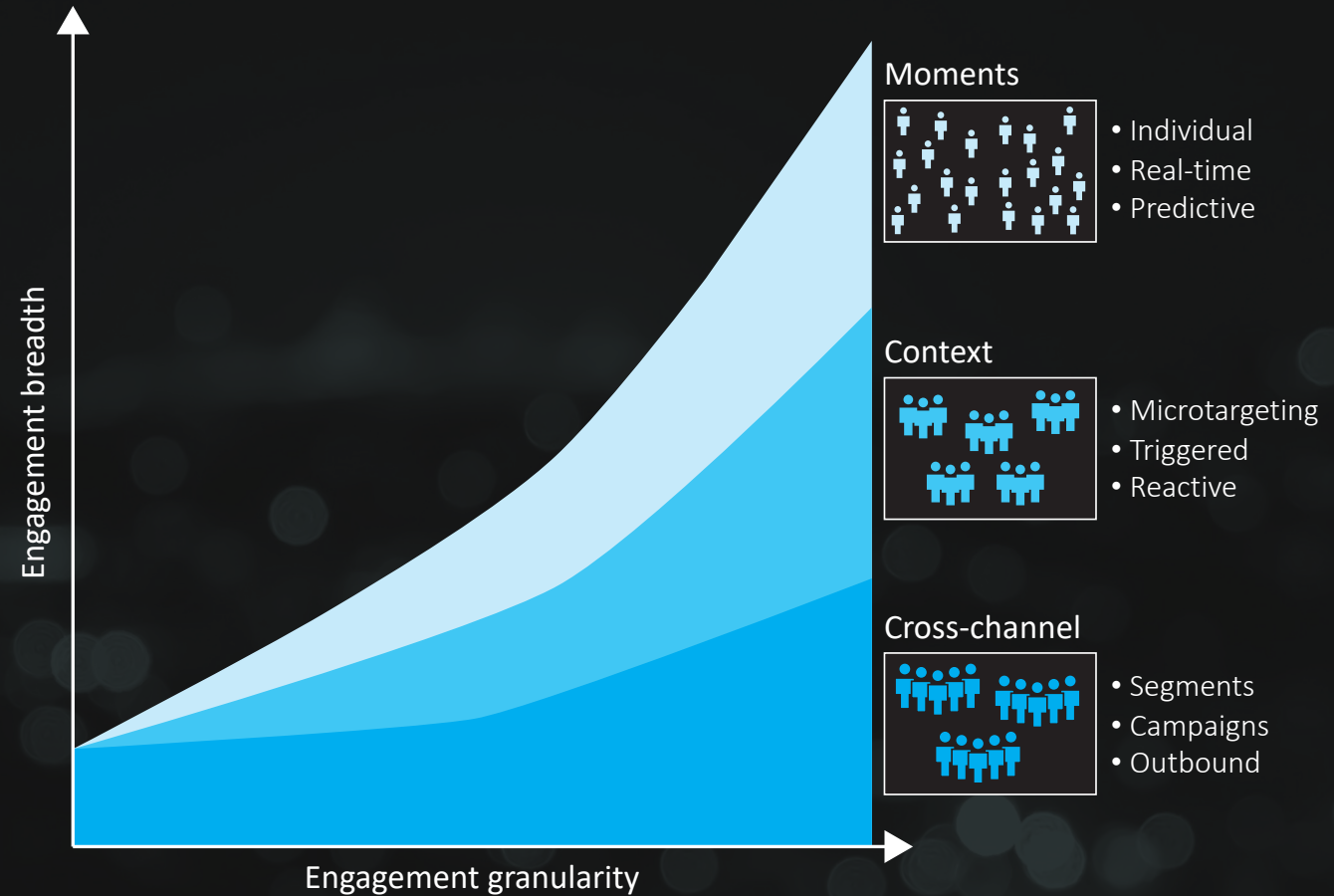
Activation

Creating moments

Moments-based marketing is a consumer expectation of brands when those consumers opt in to sharing their information.

These moments must be individual, real-time, and predictive.

To do that, organisations must leverage the gold standard approach to Identity, and have the right data in the right place at the right time...and in the right format!



Source: Forrester 'Future of Enterprise Marketing Technology'

Behavioural biometrics and PII

are critical to unlocking fraud detection and preventions

Once a Fraud Threat is developed, losses are realised quickly

Fraud Management Platforms in the market today lack the density of data in real-time to catch the fraudster before the fraud. This is the core opportunity of the Celebrus FDP and the gap that we fill for New Account, Account Takeover, and Payment Fraud in our initial release.

FRAUDSTERS OPERATE QUICKLY

48%

of losses are from accounts less than a day old, though only 0.3% of fraud happens on new accounts

RSA, June 2020

CUSTOMER EXPERIENCE IS CRITICAL

63%

of European consumers abandoned a digital banking application in 2020. Complexity and the length of application process are two major factors

Signitat, Nov 2020

CUSTOMER EXPEREINCE IS CRITICAL

90%

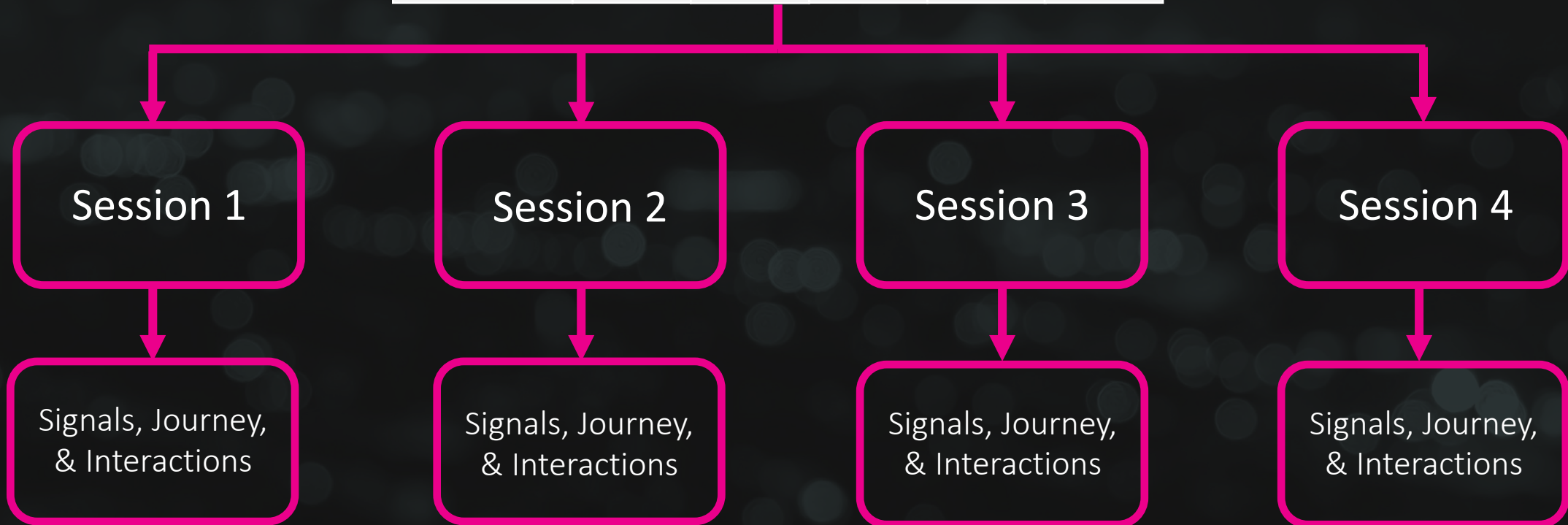
of mule accounts can be detected before a fraud occurs with behavioral biometrics

Aite Group, April 2020

Identity graph

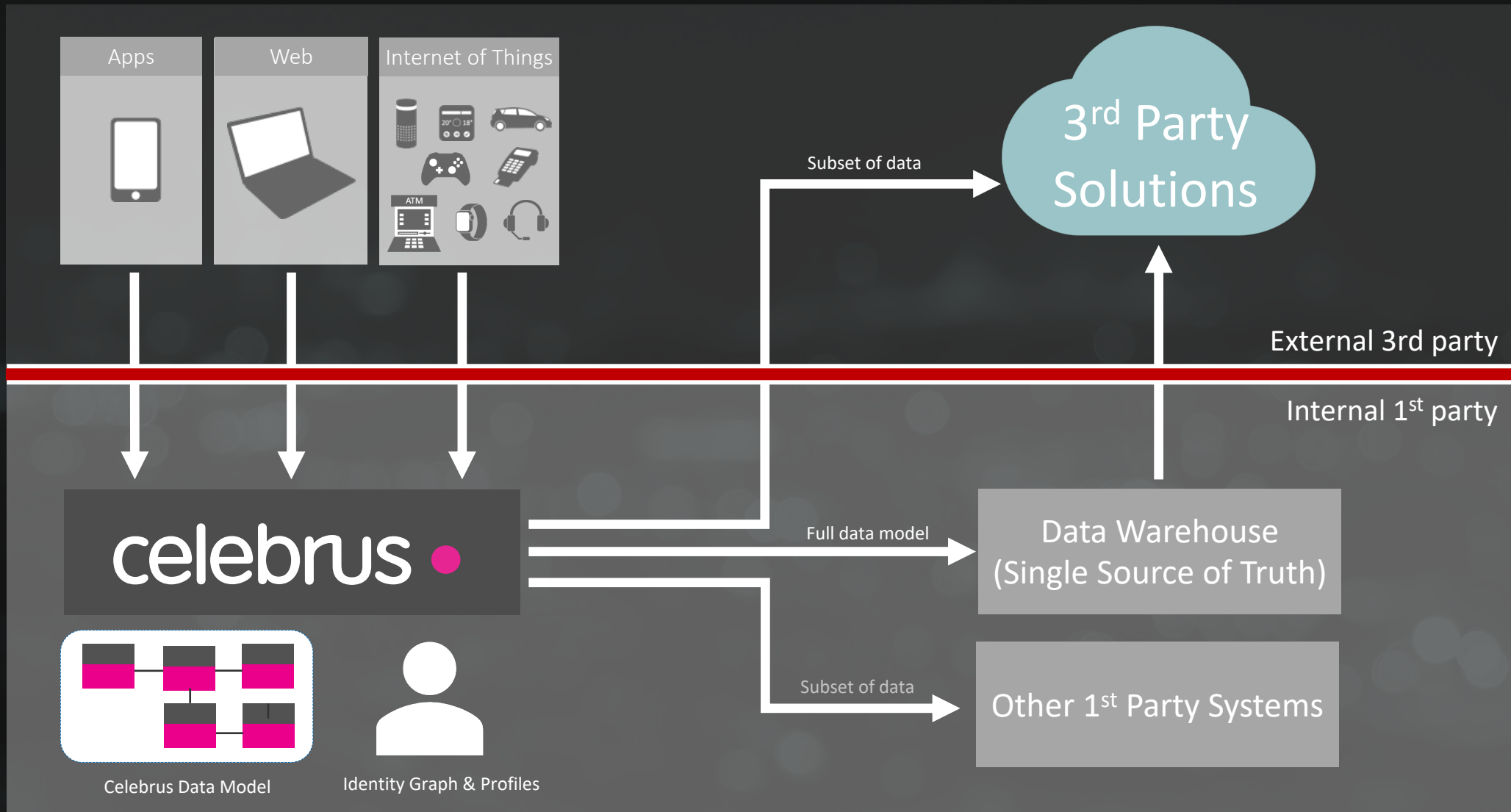
Many IDs, many sessions – available in milliseconds and 100% compliant

Celebrus Identity Graph					
Celebrus System ID	Identifiers				
1	Web cookie	Mobile cookie	Email	Loyalty ID	...



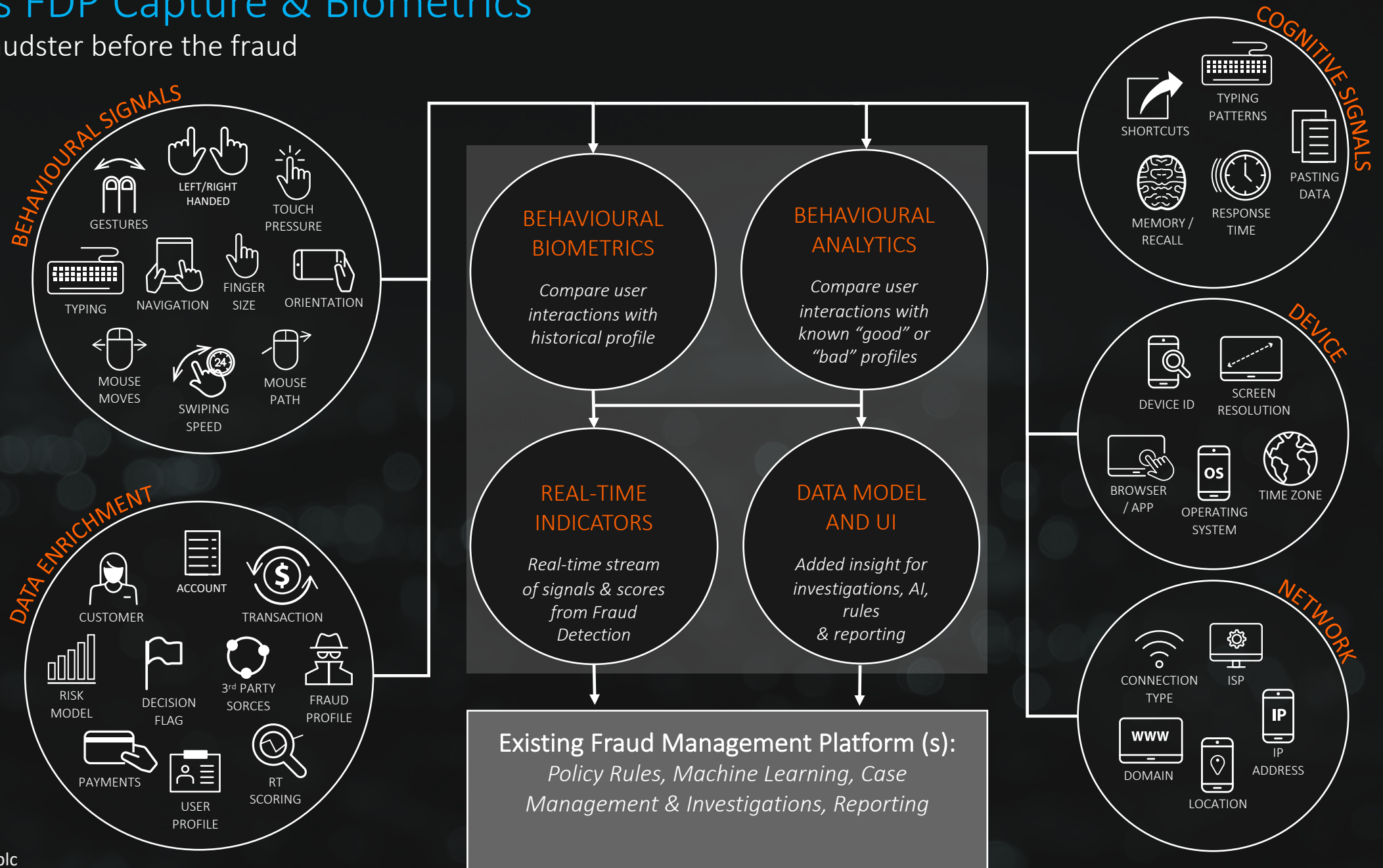
Compliance

1st Party data control



Celebrus FDP Capture & Biometrics

Catch the fraudster before the fraud



- Our strategic focus continues to pay off with good growth in the business and significant progress in the transition to ARR
- We continue to lead our technology segment, through innovation and customer and partner led development
- We are expanding geographically and are working to develop new partner relationships in different verticals
- As demonstrated by the number of post-period events, alongside market tailwinds, we have entered the current financial year with strong momentum
- With the launch of our new fraud offering, and with our improved revenue visibility, order book and pipeline, we are optimistic about the year ahead
- Creation of new Group Operations Board below main D4t4 Board to focus entirely on execution and delivery of group strategy, providing leaner executive function on main Board