



2018 FULL YEAR RESULTS

May 2019

PRESENTATION TEAM



CEO
Nichole Stella

- Experienced career US Promo industry professional
- 14 years in US Promo Industry with Promo Marketing Media Group; 5 years as President and Chief Revenue Officer



CFO
Graeme Couturier

- Previously CFO at Sorted Group, a PE backed business in the delivery technology space
- Board level finance positions at Payzone and We Buy Any Car
- Qualified as an accountant with PWC



Non-Executive Chairman
Peter Hallett

- Experienced public company director
- Former CFO of Redstone plc (now Castleton Technology plc)
- Previous FD at Texas Homecare and First Quench

A BUSY AND TRANSFORMATIVE YEAR

Considerable progress strategically, operationally and financially

A year of change

- Management
- Board

Focused on enhancing and developing relationship with AI Mastermind (AIM), the largest and fastest growing promotional products distributor group in the US

Completed transformative acquisition of AIM for \$5.0 million

- Securing access for Altitude to the annual c.\$1.9 billion AIM revenue throughput pipeline

Funds raised to both acquire and develop the business in the US

The image features a person's hands typing on a laptop keyboard, which is the central focus. The background is a dark blue gradient with various semi-transparent icons and graphics. These include a location pin, a person icon, a cloud with arrows, a person with a stack of coins, a line graph with an upward arrow, and several gears. The overall aesthetic is modern and tech-oriented.

AIM ACQUISITION

WHY WE ACQUIRED AIM

ENABLE ALTITUDE TO CONTROL & MONETISE THE ENTIRE \$1.9BN PIPELINE IN PERPETUITY

- Secures the \$1.9bn pipeline for monetisation
- Enables ALT to leverage the entire AIM order flow in partnership with selected contracted Preferred Suppliers, *regardless of whether the order is placed through AIMPro platform or placed through another method; email, phone, fax, etc.*
- Provides ALT with immediate Member/Distributor Revenue
- Enables ALT to offer additional added value services, leveraging existing applications and expertise, *to help members & supply partners* grow their businesses, whilst increasing ALT revenue

COMPETITIVE LANDSCAPE

AIM is by far the largest PPD member group by gross revenue in the USA (c. 8% Market Share)



\$608m

No membership model

STAPLES

\$592m

No membership model



\$416m

800 "members"

PROforma

\$368m

Undisc members



\$185m

Undisc members



\$174m

Undisc members

A!A

\$175m

Undisc members



\$114m

Undisc members



\$1.9 BN
2108 MEMBERS

AIM members love AIM because...

- “Free” Technology AIM Tech Suite
- End Quantity Pricing from AIM Preferred Suppliers
- **Discounts on:**
 - Credit Card Processing Fees
 - Art & Digitizing Services
 - Shipping Discounts
 - Healthcare Insurance
- **Access to Buying Club Discounts:**
 - Events
 - Quickbooks software
 - Hotels & Office Supplies and more
- **Annual End-buyer Friendly Catalogue**

AIM OVERVIEW - A TRANSFORMATIVE DEAL

AIM is the largest and fastest growing distributor group in the U.S.

AIM MEMBERS

Reach across all US states & territories and Canada on average 30+ new members joining per month

2018

1,917 Member Distributors by the end of 2018



2019

2,108 Member Distributors as of May 2019

191 member increase c. 10% increase in membership

AIM MEMBER CUSTOMERS

Aim customers include globally known household brand names including:



AVERAGE MEMBER GROSS REVENUE



MEMBERSHIP SALES

\$1.9 Billion pa
(2018: \$1.7bn) Sales



Nearly 11.8% revenue growth in 5 months

REPORTED MEMBER REVENUES

1,591 members reported \$250k to \$1 million in annual sales

454 members reported over \$1 Million in annual sales

63 members reported over \$5 million in annual sales

AIM SUPPLIERS

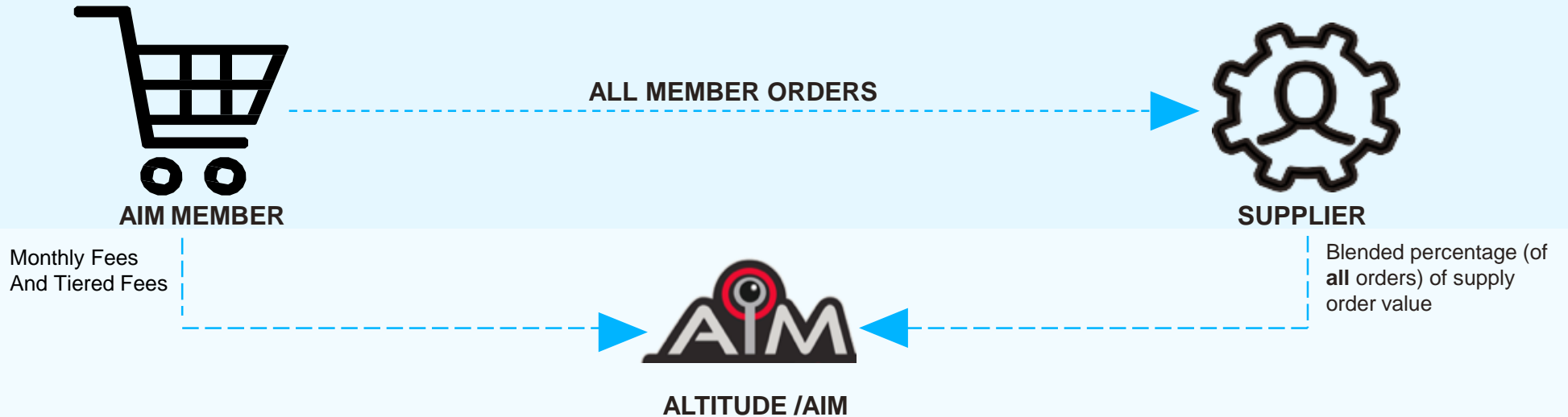


REVENUE CYCLE

Fees Captured from both Member & Supplier Across All Orders

TIERED MEMBER BENEFITS & SERVICES & AGREEMENTS WITH SUPPLIER PARTNERS

149 Key Supplier Partners Signed & Participating
Standard AIM Membership *\$59 per month*
Agency Pro – Marketing & Creative Solution
Tech Pro – Technology Solutions
Sales Pro – Sales & Administrative Solutions



CONTRACTING PREFERRED SUPPLIERS PROGRESS

Contracting Suppliers for the whole pipeline

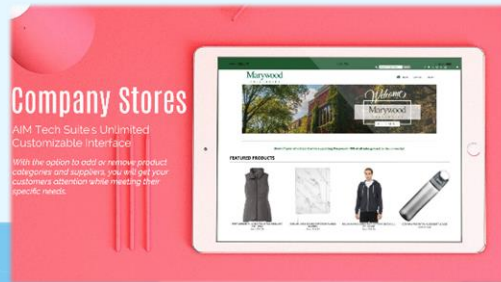
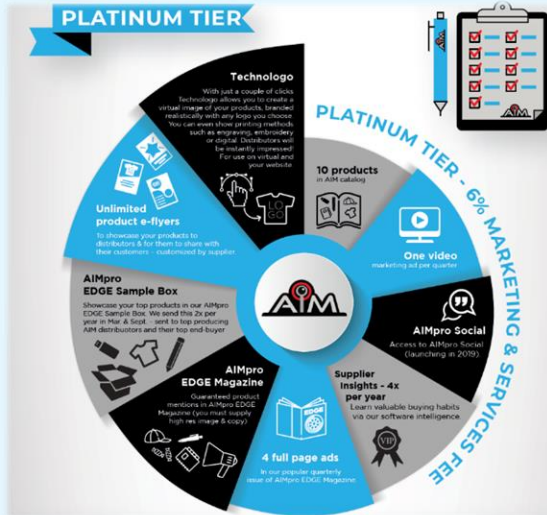


SUPPLIERS — WHY DO THEY WANT IN?

They gain access to the group & we heavily market their products and services by featuring them on the technology platform, in our publication, webinars, social posts to End-buyers from members, through sample programs like the “MerchBox”

“Diamond”, “Platinum” and “Gold” Preferred Supplier Programs Developed & Launched

- **149 Suppliers Now Contracted Post Acquisition**
- **Significant product coverage & revenue potential**



ed is made easy with our g. Make any upcoming trip a th this portable and stylish tomized with your brand's center! Shop all travel our logo via link in bio!



MEMBERSHIP PROGRESS

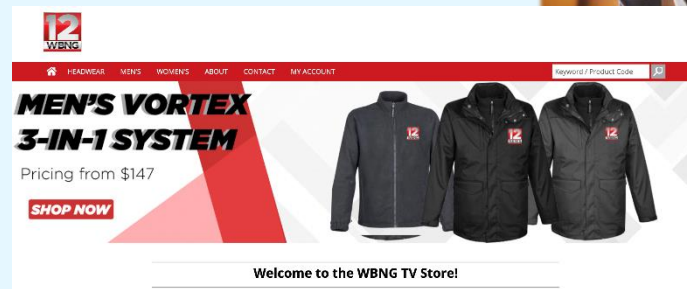


AIM MEMBER – WHY DO THEY WANT IN?

Because we enable them to compete with large companies.

They receive incredible supplier products and pricing, healthcare, top technology & marketing tools that give them the ability to work, look and behave like they belong to a Fortune 500 company

	AGENCY PRO PACKAGE	SALES PRO PACKAGE	
MARKETING	<input checked="" type="checkbox"/> EQP	<input checked="" type="checkbox"/> EQP	MARKETING
	<input checked="" type="checkbox"/> Technology Tools, Unlimited Websites and Company Stores	<input checked="" type="checkbox"/> Technology Tools, Unlimited Websites and Company Stores	
	<input checked="" type="checkbox"/> Shipping Discounts	<input checked="" type="checkbox"/> Shipping Discounts	
	<input checked="" type="checkbox"/> Additional AIM Discounts	<input checked="" type="checkbox"/> Additional AIM Discounts	
	<input checked="" type="checkbox"/> Subscription to AIM Edge Magazine	<input checked="" type="checkbox"/> Subscription to AIM Edge Magazine	
	<input checked="" type="checkbox"/> End Buyer Sample Box*	<input checked="" type="checkbox"/> End Buyer Sample Box*	
	<input checked="" type="checkbox"/> 12 Marketing Social Media Posts Per Month**	<input checked="" type="checkbox"/> 12 Marketing Social Media Posts Per Month**	
	<input checked="" type="checkbox"/> 3 Marketing Videos Per Month*	<input checked="" type="checkbox"/> 3 Marketing Videos Per Month*	
	<input checked="" type="checkbox"/> 3 Marketing Emails Per Month**	<input checked="" type="checkbox"/> 3 Marketing Emails Per Month**	
	<input checked="" type="checkbox"/> Creative Services Agency Time	<input checked="" type="checkbox"/> Creative Services Agency Time	
Cash Back Program: 5% Cash Back when you purchase through participating cash back suppliers in the AIM preferred network.	Cash Back Program: 75% Cash Back when you purchase through participating cash back suppliers in the AIM preferred network.		
P.O. On The Go	P.O. On The Go		
Vendor Relations / Project Tracking	Vendor Relations / Project Tracking		
Technologo® for virtuals and embedded into your website	Technologo® for virtuals and embedded into your website		
15 artwork redraws per year	15 artwork redraws per year		



AIM MEMBER TRANSACTION VISIBILITY

Revenue no longer reliant on AIMPro throughput

KEY POINTS

Synched through AIMPro Platform

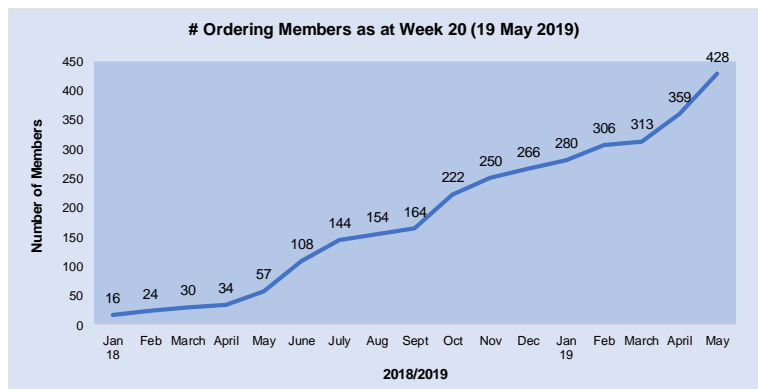
Sales Order Value 20 weeks 2019 **\$31.1m** Weekly average \$2m in April

Sales Order Value 12 months 2018 **\$19.9m** Weekly average \$383k

Ordering members

19 May 2019 **428**

31 December 2018 **266**



- Monetisation no longer reliant on AIMPro usage
- Tech underpins everything and is “sticky”
 - **893 AIM members** already actively using ALT tools
 - **2,900 live website & company stores**
- Ordering Members growth 60.9% YTD vs LY (20 weeks), Sales Order growth 56.2% YTD vs LY (20 weeks)
- Contracted Preferred suppliers billing commenced Q1
- Critical mass of Preferred Suppliers effective Q2
- Restricted visibility currently across all members. Combination of:
 - AIMPro throughput
 - Excel collation by ALT
 - Preferred supplier self-certification
- Preferred supplier data self-certification standard industry practice. Q2 is key

REVENUE FROM ENHANCED MEMBER SERVICES

			No	Total Fees pa	Recruit Partner	AIM REV
CURRENT	\$59 AIM membership Fee Current member benefits package	Current members	2,108	\$1.5m	\$1.0m	\$0.5m
POTENTIAL	TIER 1 - Included in \$59 AIM membership Fee Current member benefits package	Run Rate Revenue				\$0.5m
	TIER 2 & 3	Incremental revenue potential to				Blended % of \$1.9bn

FULL LAUNCH OF ENHANCED MEMBERSHIPS IN APRIL - 51 AIM MEMBERS SIGNED UP TO DATE & A FULL PIPELINE OF INTEREST FROM AIM MEMBERS & POTENTIAL NEW AIM MEMBERS WANTING TO JOIN

AIM SINCE ACQUISITION

In the 4 months since the acquisition of AIM we have:

- Successfully integrated AIM, renamed AIM Smarter, with a focus on accelerating and growing the US business
 - Expanded the US team
- Formalized agreements with 149 suppliers as part of the Preferred Supplier Programme
- Added marketing & sales support services due to strong demand from Members. 51 already signed up to tiered packages

Through technology, marketing and partnerships with suppliers we have begun to assist in increasing the order flow *regardless of whether it is transacted through the AIMPro platform.* Our focus has been:

- Strengthen the quality of the supply chain
- Develop “Gold”, “Platinum” and “Diamond” packages for suppliers
- Agreeing contracts with preferred suppliers (149 now signed)

Resulting in:

- \$31m captured through “synching” members thus far
- 893 Active Users / 2900 Live Sites
- Weekly order average has doubled from \$1.0 to \$2.0m per week in April (2018 averaged \$383,000 per week)
- AIM membership grew by 10% to 2,108 from 1,917 in 5 months YTD, 51 members signed up to tiered packages

The background features a blurred image of a person's hands typing on a laptop keyboard. Overlaid on this are various semi-transparent icons: a location pin, a person icon, a cloud with arrows, a person with a stack of coins, a line graph with an upward arrow, and gears. The overall color palette is dark blue and black with white and light blue accents.

FINANCIAL REVIEW

Graeme Couturier
Chief Financial Officer

ALTITUDE FINANCIALS (UNAUDITED)

INCOME STATEMENT

	2018	2017	VARIANCE	
	£m	£m	£m	%
Revenue	6.6	6.0	0.6	10%
Gross Profit	4.0	4.3	(0.3)	(8%)
	61%	72%		
Adjusted Operating Costs	(4.8)	(3.4)	(1.4)	(41%)
Adjusted Operating (Loss)/Profit	(0.8)	0.9	(1.7)	
Share Based Payments	(0.7)	(0.1)	(0.6)	
Interest, depreciation and amortisation	(0.8)	(0.4)	(0.4)	
Exceptional Charges	(0.4)	(0.3)	(0.1)	
(Loss)/Profit before tax	(2.7)	0.1	(2.9)	
R&D Tax credit	0.4	-	0.4	
(Loss)/Profit after tax	(2.3)	0.1	(2.5)	
Earnings Per Share				
Basic	(4.38p)	0.24p		
Fully Diluted	(4.38p)	0.24p		

- Revenue Movement:
 - Full year revenue from ADP £1.6m (2018 7 months)
 - First time throughput revenue £0.1m
 - Expiration of US legacy SaaS contract
- Gross profit reduction £0.3m, due to full year impact of ADP, less deterioration of UK exhibitions & publications
- Adjusted Operating Costs increase:
 - (£0.9m) US scale up of operations
 - (£1.0m) Full year ADP costs (2017: 7 months)
 - £0.5m General cost reduction
- Increase in Share-based payments reflects executive & Torch awards
- Amortisation charge includes £0.2m re prior years

ALTITUDE FINANCIALS (UNAUDITED)

CASHFLOW STATEMENT

	2018	2017	VARIANCE
	£m	£m	£m
Profit after tax	(2.3)	0.1	(2.9)
Amortisation and depreciation	0.8	0.4	0.4
Share based payments	0.7	0.1	0.6
Operating Cash Inflow	(0.8)	0.6	(1.9)
Movement in Working Capital	(1.3)	(0.9)	0.1
Operating Cash Inflow/(Outflow)	(2.1)	(0.3)	(1.8)
Acquisition of Ad Products Assets	-	(0.7)	0.7
Capex - tangible	(0.3)	(0.1)	(0.2)
Capex – intangible	(0.8)	(0.6)	(0.2)
Cashflow before financing	(3.1)	(1.7)	(1.4)
Issue of shares for cash	1.6	2.9	(1.3)
Net Cash Inflow/(Outflow)	(1.5)	1.2	(2.7)
Balance b/f	1.9	0.7	1.2
Balance c/f	0.4	1.9	(1.5)

- Operating cash outflow of (£0.8m) largely reflects £0.9m US scale up of operations
- Investment in working capital arises from:
 - No 2019 UK National Show (£0.6m)
 - Increase in ADP inventory (£0.2m)
 - R&D claim receivable (£0.4m)
- Intangible capex reflects AIMPro
- R&D tax credit cash of £0.4m received 11 Jan 19

ALTITUDE FINANCIALS (UNAUDITED)

BALANCE SHEET

	2018	2017
	£m	£m
Tangible fixed assets	0.3	0.1
Intangible assets	1.7	1.6
Deferred tax asset	0.4	0.4
Current assets:		
Inventory	1.7	1.5
Trade & other receivables	1.4	1.5
Cash	0.4	1.9
Total assets	5.9	7.0
Trade & other payables	(1.5)	(2.6)
Net assets	4.4	4.4
Share capital & reserves	11.2	9.5
Retained losses	(6.8)	(5.1)
Total equity	4.4	4.4

- Prudent capitalization/amortization of Intangible assets
- Balance sheet ungeared, no Bank borrowings
- 30 April Cash balance £3.8m

POTENTIAL CHANGE OF YEAR END*

- From 31 December to 31 March
- 15 month accounting period 2019/20
- 31 March more in line with US promotional products industry
- Better cut off date for auditable visibility of calendar year supplier revenue
- Interims to 30 June reported as normal in September/October, trading update for 12 months to 31 December followed by full results for 15 months to 31 March 2020

**Subject to regulatory approval*

FUNDING GROWTH

- **February 2018: Development fundraise £1.5m @ 60p**
 - 2.5m shares
 - to develop the relationship with AIM and to roll out AIMPro
- **January 2019: Acquisition fundraise £9m @ 68p**
 - 13.2m shares issued for cash
 - 0.9m consideration shares to vendor
 - to finance the Acquisition of AIM
 - to provide working capital to develop and enhance the enlarged group
- Company is debt free
- Shares currently in Issue **68,785,223 (22 May 2019)**



OUTLOOK & SUMMARY

Nichole Stella
Chief Executive Officer

FUTURE FOCUS

- **Continued investment in US resource personnel**
 - Staff numbers now 32 rising to c.40 by the year end 2019
 - Building high quality team
- **Distributor Members**
 - Based on Member Feedback - Tiered 'beta' packages launched in March, with full launch in April, full marketing has just begun with great response
 - 51 AIM Members signed onto tiered packages
 - Pipeline is full
 - Billing for services began in May
- **Preferred Suppliers**
 - Continue to sign Key Supplier Partners
 - Deliver marketing services to Supplier Partners to Drive Growth
- **UK: unique software on a SaaS revenue model for distributors**
 - Launch enhanced service package to loyal customers
 - Broader launch in H2

EXECUTIVE SUMMARY

- **Focused on enhancing and developing relationship with AI Mastermind (AIM), the largest and fastest growing promotional products distributor group in the US**
- **Completed transformative acquisition of AIM for \$5.0 million**
 - Successfully integrated the business under one brand – “AIM Smarter”
 - Secured access for Altitude to the annual c.\$1.9 billion AIM revenue throughput pipeline
 - Successfully launched enhanced service packages to the distributor members
- **Funds raised to both acquire and develop the business in the US**

***VERY ENCOURAGING INITIAL PERIOD
POTENTIAL FOR RAPID GROWTH RE-AFFIRMED***

LOOKING TO THE FUTURE WITH CONFIDENCE

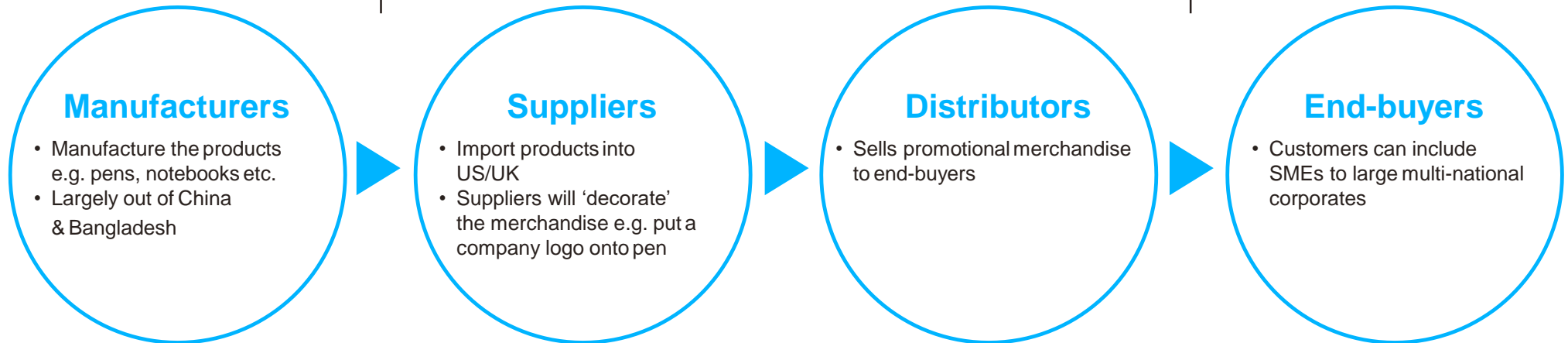
The image features a person's hands typing on a laptop keyboard, set against a blue-tinted background. The background is filled with various digital and business-related icons, including a location pin, a person icon, a cloud with an up/down arrow, a person with a stack of coins, a gear, a bar chart, and a line graph. The word "APPENDIX" is prominently displayed in the center in a bold, white, sans-serif font, underlined with a thin blue line.

APPENDIX

PROMOTIONAL PRODUCTS - SUPPLY CHAIN OVERVIEW

Where we add value

Altitude Group plc provides a patented technology platform (ChannlPro) to distributors which has a supply chain already built in and combines an e-commerce trading platform with a cloud based CRM and order management system



Altitude provides complete e-commerce website solutions

Legacy business
Exhibitions
Publications

US PROMOTIONAL PRODUCTS MARKET

Gaining traction in US Market

A highly fragmented market

- Perceived largest player 4Imprint - less than 3% market share
- 42% of market (~\$9.8bn) conducted by 22,700 distributors with revenues <\$2.5m pa*

And an inefficient market structure

- Elongated inefficient supply chain
 - Transactions largely initiated offline
- > **88.5%** of orders placed face-to-face/fax/phone/email with small distributors*
- < **11.5%** of orders processed online with smaller distributors

Has resulted in

- Creation of distributor groups and mid-sized operators trying to counter the threat of large online retailers... **by far the largest of these is AI Mastermind (AIM)**
- Buyer groups need access to cost effective, full service e-commerce solutions... **such as ChannlPro**

* PPAI 2017 Annual sales volume estimate

	USA
Current market size	\$23bn*
Online share	23%
Number of product suppliers	4,000
Distributors/Resellers	23,000

A person's hands are shown typing on a laptop keyboard. The image is overlaid with a blue semi-transparent layer containing various business and technology icons, including a location pin, a person with a plus sign, a person with a stack of coins, a gear, a bar chart, a line graph, and a person with a plus sign. The text "THANK YOU" is centered in white, bold, uppercase letters, with a thin blue horizontal line underneath it.

THANK YOU