



ALTITUDE
GROUP PLC

Accelerating the roll-out of ChannlPro

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Presentation Team



Peter Hallett
Executive Chairman

- Experienced public company director
- Former CFO of Redstone plc and Castleton Technology plc
- Previously Finance Director at Texas Homecare and First Quench



Nichole Stella
President of US Operations

- Previous experience of successfully implementing scaling strategies in the US
- President and Chief Revenue Officer for Promo Marketing Media Group

The Opportunity



\$23bn highly fragmented industry in the US, with 90% of orders from smaller* distributors transacted inefficiently 'offline'



- **ChannlPro launched**
 - “White Label” solution combining Altitude’s cloud based e-commerce platform (Channl) and offline CRM order system



- **AiMpro** - first “White Label” partnership launched
 - AiMpro provides Altitude with direct access to a distributor group who transacted on \$1.3bn of revenue last year
 - AiMpro roll-out has commenced



- **NAPCO** - second “White Label” partnership signed last Friday, with more in process...

Capital raise is required to accelerate AiM & NAPCO and capitalise on other similar opportunities

**distributors with sales of less than \$2.5m pa,*

Our Progress



CHANNL

Channl launched - providing free e-commerce to smaller distributors

- a unique free e-commerce and order management platform for personalised products
- personalisation technology unrivalled in the industry
- buyers and sellers now connected at **all intersections of the supply chain**
- US wide patent granted



CHANNL | PRO

ChannlPro – a “White Label” e-commerce & offline CRM order system

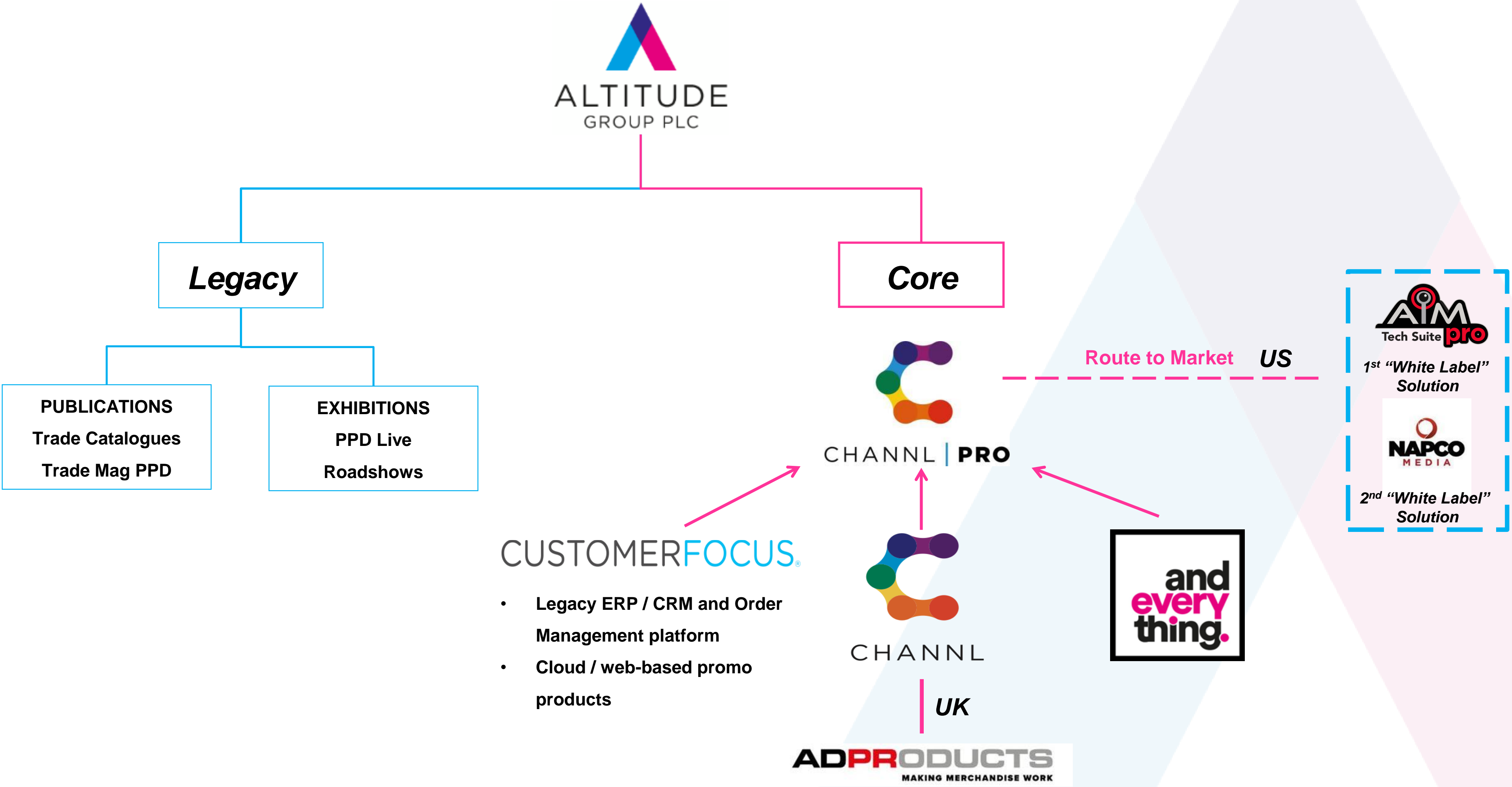
- GTR potential across **all** transactions (online & offline) - \$1.3bn distributor group
- **AiM**, 1st “White Label” customer - \$1.3bn distributor group branded “AiMpro”
- AiMpro launched with members already transacting and 24 suppliers signed up, roll out in progress
- **NAPCO**, 2nd “White Label” customer. Community of c.80,000 printers, c.12,500 of which already engaged in promo



andeverything.com – the promotional product industry marketplace

- connecting personalised product web searchers to distributors and suppliers
- enables distributors to be “found” online and sell to new end users

Altitude Operating Overview



Recent Achievements and Short Term Milestones



Sep 2017

- AiM “White Label” ChannlPro partnership signed

Jan 2018

- Live PPAI engagement with c.300 AiM delegates
- PPD Conference

Feb 2018

- NAPCO “White Label” ChannlPro partnership signed
- Provides access to c.80,000 printers
- 24 suppliers signed to AiMpro platform

Apr 2018

- US launch of andeverything.com
- 47 further AiM members begin on boarding to AiMpro

Nov 2017

- AiMpro launch to first 40 AiM members

Dec 2017

- Soft UK launch of andeverything.com
- Completing the ChannlPro Tech Suite

Feb-Mar 2018

- First 36 AiM members on boarded to AiMpro
- Transactional fees invoiced from Feb ‘18



AiM Growth Drivers

- From c.300 members in 2013 to c.1,515 members by end 2017
- Driven by powerful array of member benefits and self-preservation
- The growing competitive threat of major corporates such as 4imprint, Vistaprint, Walmart and the ever present threat of Amazon entering the market has made cooperative associations attractive

and now – AiMpro Tech Suite at no cost to AiM members

AiM Members; Natural Partners

- \$1.3 bn combined revenue
- Exclusively endorsed access to ~5% market share
- Average revenue per member is \$858k pa, restricted resources constrains ability to develop e-commerce and IT
- Receptive to proactive support

AiMpro addresses key concerns for free

AiMpro Rollout Progress

7 members transferred from the legacy platform

36 members on-boarded

47 members currently being on-boarded

80 members at demo stage

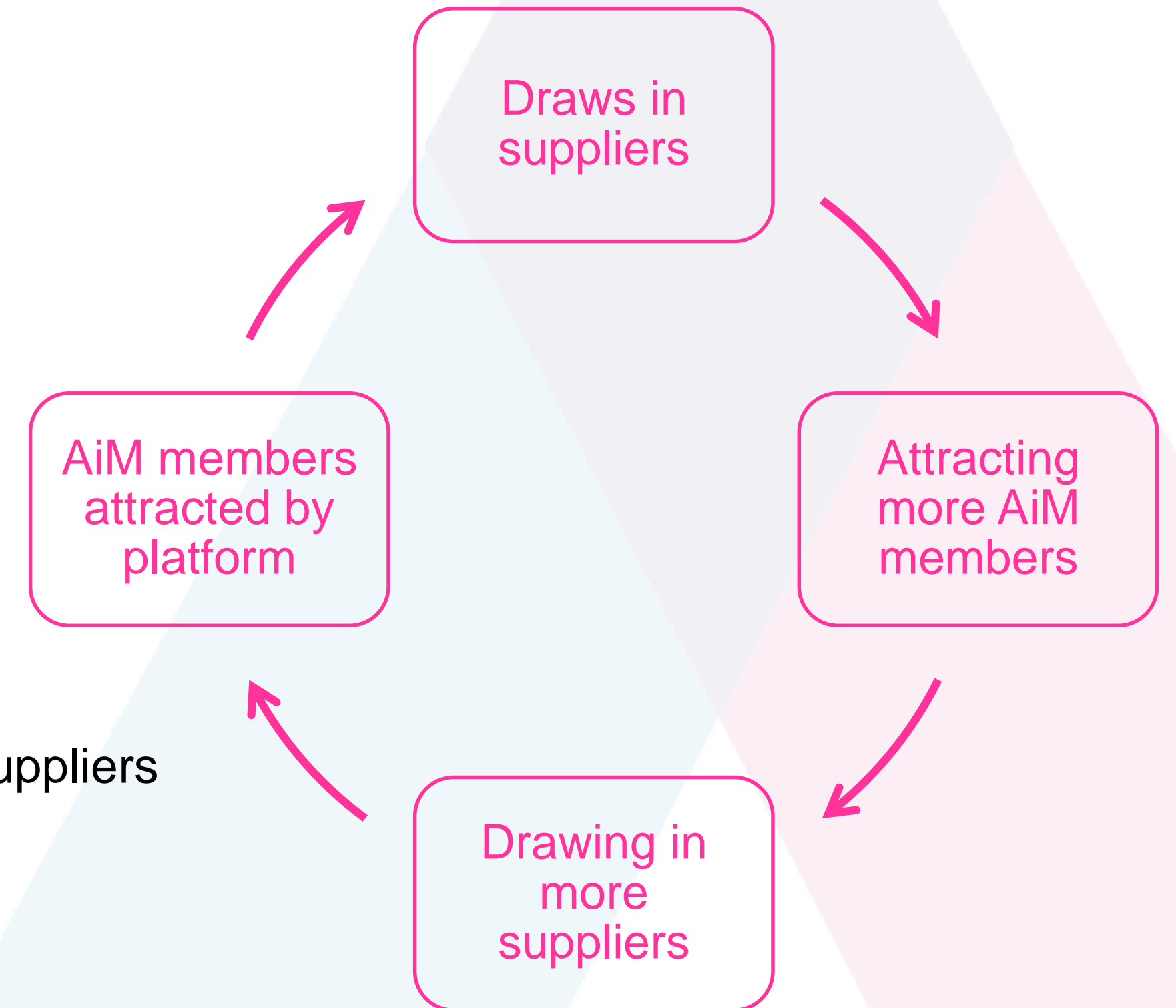
Total current member engagement 170

Video Demonstration



GTR dependent on rate of member & supplier engagement

- Suppliers recognise the benefits of becoming a “Preferred AiMpro Supplier”
 - Exposure to the fast-growing AiM Group
 - Trading platform provides members with full e-commerce capability
 - Efficient order processing and artwork proofing
- 24 of the AiM Top 50 Preferred Suppliers have agreed to transaction fees
- Targeting supplier penetration of 90% by end 2018
- Monetisation of orders dependent on depth of product range “in stock”; not on number of suppliers
- Supplier on-boarding assisted by existing Altitude proprietary “PEP” database
- Supplier base becomes IP to be leveraged in other “ChannlPro” partnerships





GTR fee potential from \$1.3bn of throughput revenue

Offline Orders

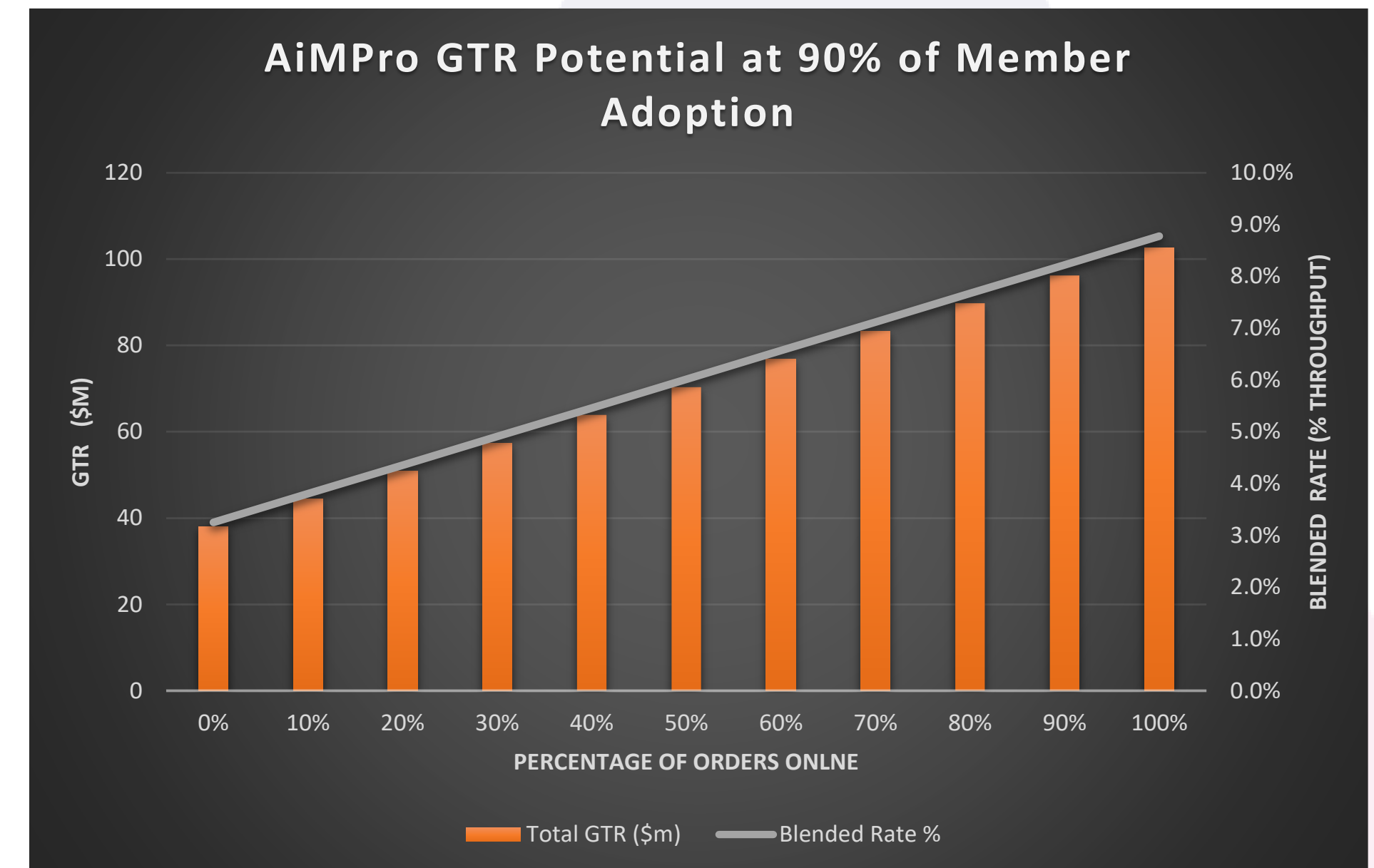
Contractual commission from suppliers	~6%
<i>as a % of End User retail value</i>	~3.9%

Online Orders

Expected contractual commission from suppliers	~12% - 15%
<i>as a % of End User retail value</i>	~7.8% - 9.75%

andeverything.com Orders

Contractual commission from distributors	~12%*
<i>as a % of End User retail value</i>	



GTR Potential - 90% of members @ average fees

100% OFF line
\$38m



100% ON line
\$103m

*And up to an additional 8% on top from suppliers



Illustrative CAC/LTV per AiM Member



• Customer Acquisition Cost (“CAC”)	\$3,100
Including cost of prospecting and on-boarding	+
• Cost to Serve (“CTS”)	\$5,700*
<hr/>	
Total Cost of Acquisition	\$8,800
• Lifetime Value (“LTV”)	\$44,000**
• CAC / LTV	5.0 X

* Costs to service AiM member over 3 year estimated lifetime

** 3 year AiM member lifetime assumption based on experience re Altitude legacy applications



NAPCO Publications

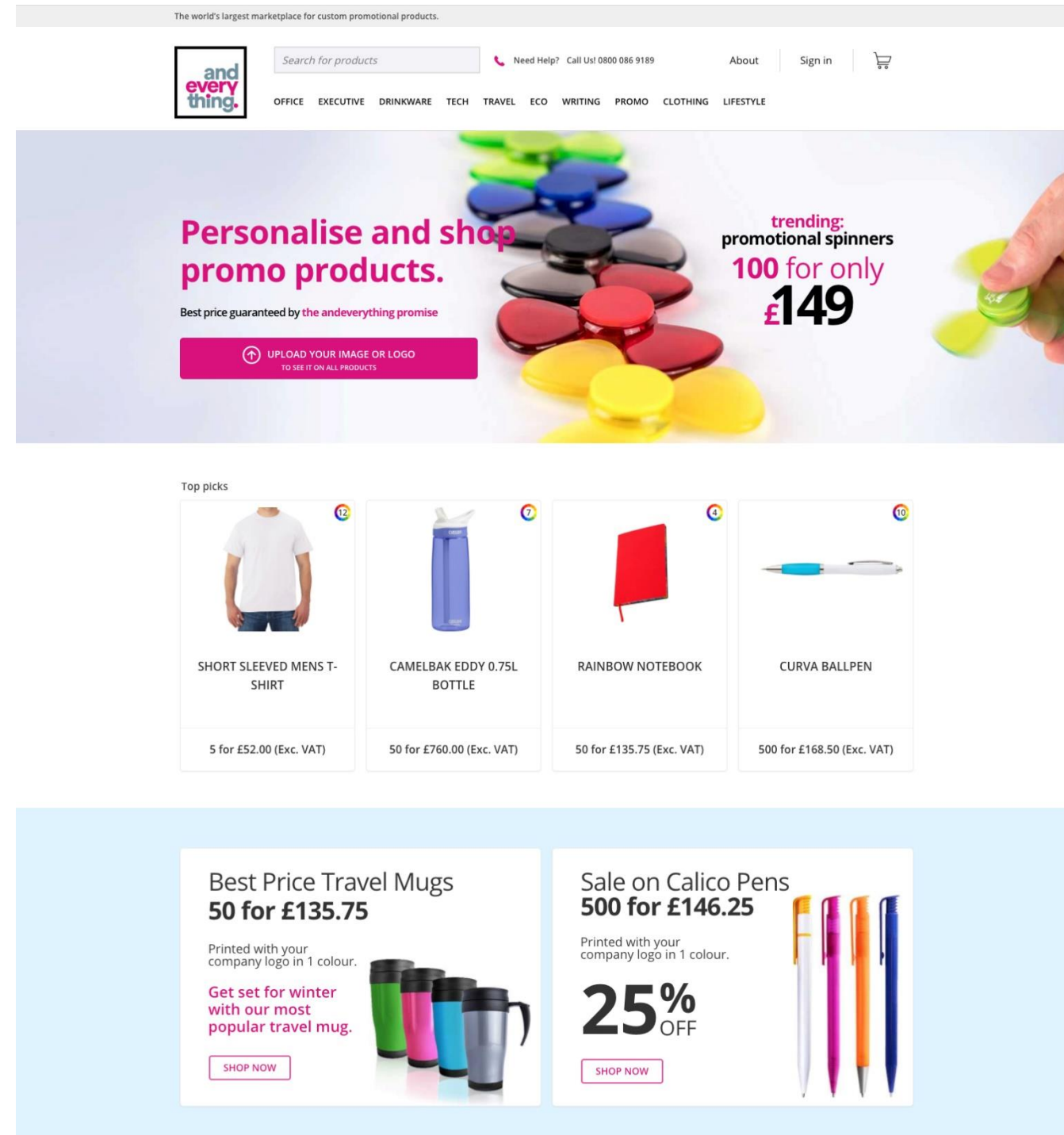
In-plantGraphics

**PRINTING
IMPRESSIONS®**

- New 2 year partnership agreement with Printing Packaging & Publishing division of NAPCO Media (North American Publishing Company), based in Philadelphia US
- Altitude will provide a “White Labelled” ChannlPro platform mirroring the AiMpro product
- Access to c.80,000 print businesses of which c.12,500 are already active in the PPD market
- ChannlPro platform will provide easy access to the PPD market for the whole NAPCO print community
- Leverage the same supplier database already partnering via AiMpro



“andeverything.com” complementary marketplace aggregator



- **Soft/test launched in UK mid-January, US launch scheduled later in 2018**
- andeverything.com (“AE”) is an aggregating marketplace for promotional products with full Channl personalisation technology
- Distributors subscribe for products to be listed
- AE is supported by SEO spend
- AE totally complementary to AiMpro and other ChannlPro platforms
- Revenue derived from commission (~12%) payable by the distributor/ChannlPro member
- Where order placed on a Channl or ChannlPro supplier, additional fees earned
- Launch in the US will enhance ChannlPro offering & attraction

6 Weeks Test Data (UK only)

3,000 homepage visits
270 carts initiated
1% cart conversion rate
1st order within 24 hrs of go live
25 distributors listing or being on boarded
Over 1,000 products listed

AdProducts, Customer Focus technology and Exhibitions & Publications



- Acquired June 2017 for net asset value £0.8m, to supply Channl in UK
- UK promotional products supplier/printer: 2016 Revenue £3.5m, EBITDA £0.3m
- 2017 post-acquisition trading in line with expectations
- New product range to support Channl UK

CUSTOMERFOCUS SaaS Technology

- Comprising “Promoserve” ERP system and multiple SaaS web and cloud-based applications, UK & US
- ERP prices increased in 2017, SaaS model moving to throughput basis
- Group 2017 revenues in line with expectations
- Revenue remains stable as resources diverted to supporting ChannlPro in US

Exhibitions & Publications

- Both non-core
- Exhibitions traded in line with expectations in 2017
- Both utilised to maximise exposure of AdProducts, Channl, andeverything.com and SaaS applications
- Revenue declining in each in line with declining sectors



Transaction Overview



Use of Proceeds

- **Accelerate the roll-out of AiMpro**
 - Expand US workforce to accelerate on-boarding process of members and suppliers
- **Commence the roll-out of new “ChannlPro” solution to NAPCO**
 - Complete “White Label” customisation for NAPCO
 - Commence on-boarding of members and suppliers in 2018
- **Complete commercial development of andeverything.com**
 - Enhance and refine user experience and design
 - Facilitate US launch primarily in support of ChannlPro solutions

Expected Timetable

Marketing	19-22 February
Book Build	23 & 26 February
Announcement	27 February
Posting of Circular	27 February
General Meeting	15 March
Allotment of Shares	16 March

Summary



- **ChannlPro “White Label” solution launched**
 - Enables monetisation of online and offline transactions
 - Mitigates slow speed of market migration to online



- **AiMpro launched – first “White Label” partner**
 - Access to \$1.3bn of revenue throughput
 - 24 suppliers already signed up to the platform
 - Speed of on-boarding key to delivery of material GTR to Altitude



- **NAPCO – second “White Label” partner signed**
 - Leverage of AiMpro suppliers to speed up roll-out



- **Aggregator ‘andeverything.com’ soft launched**
 - Source of potential incremental revenue from ChannlPro partners



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Appendix



Headline Financials

Year Ending 31 December (£m)

Data	H1 2016	FY 2016	H1 2017
Revenue (£m)	3.0	4.3	3.0
Adjusted EBITDA	0.7	0.6	0.8
Adjusted PBT	0.4	0.1	0.5
Adjusted EPS*	0.9	0.1	1.0

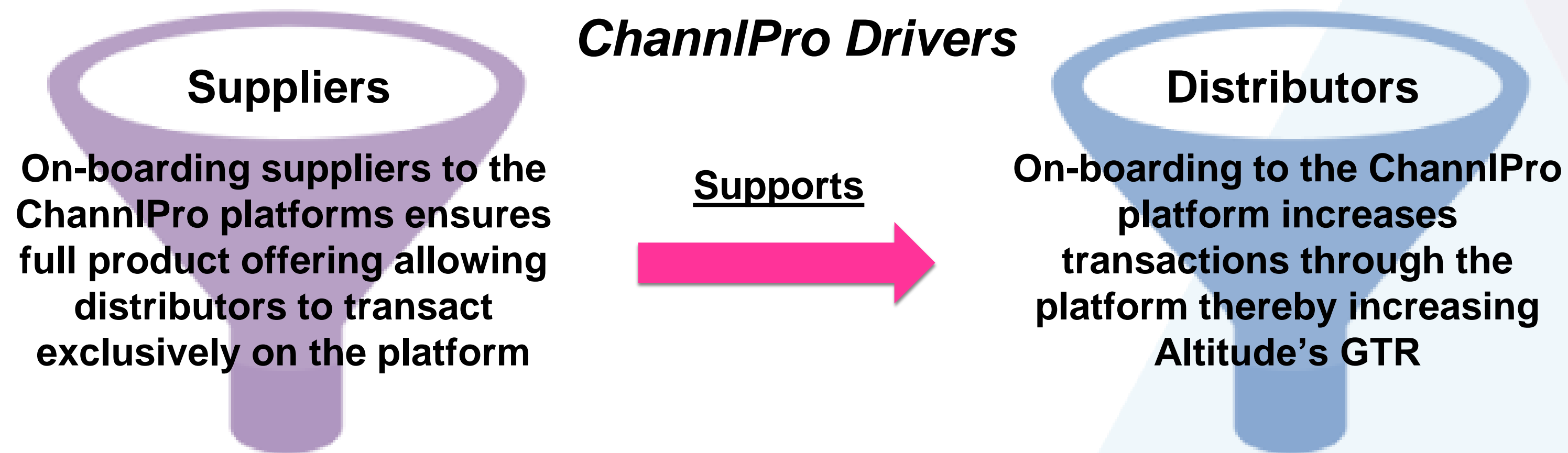
**EPS figures are reflected in GBX*



ChannlPro - Overview

“White Label” solution for distributor and supplier platforms

- ChannlPro combines Channl’s e-commerce trading solutions with Altitude’s existing CRM and order management system, to allow both online and offline transactions to execute through Channl
- The ChannlPro solution is **tailored** for each **specific user**: The *End Customer, Distributor* and *Supplier*



- ChannlPro solution provided to distributors for free
- Altitude derives revenue from all suppliers – average blended rate of c.3% on offline orders and c.8.5% on online orders
- Migration from offline to online will have a material impact on Altitude’s GTR
- On-boarding of suppliers and distributors to each ChannlPro platform will drive transaction volumes and therefore Altitude’s GTR
- **Speed and facilitation of on-boarding members to ChannlPro is a key factor in growing Altitude’s GTR**



Out-bound Marketing

- Email Marketing
- Social Media Marketing to specific AiM Members
- Direct Mail Campaigns

Success Training

- Learning Centre
- Weekly AiMpro Webinars
- Daily Demos

Out-bound Call ‘Blitz’ Campaigns

- Direct Call & Demo Campaign from the Customer Success team
- Customer Support

Events

- PPAI Expo Las Vegas (Networking and Live AiM Training)
- National AiM Roadshow Events
- Presence at AiM Power Meetings, Spring and Summer 2018.





2018 US Resources



2018 US RESOURCE PLANNING

- VP Marketing Appointed
- Director of Distributor Sales Appointed
- Director of Supplier Sales Appointed
- Creative Director Appointed
- Technical Integration Specialist x3 1 Appointed
- Director of Education
- Staff Accountant
- Customer Success Team Leader x 2
- Customer Success Executive x9
- General Implementation x3
- Business Analyst x2

TOTAL HEADCOUNT BY END 2018

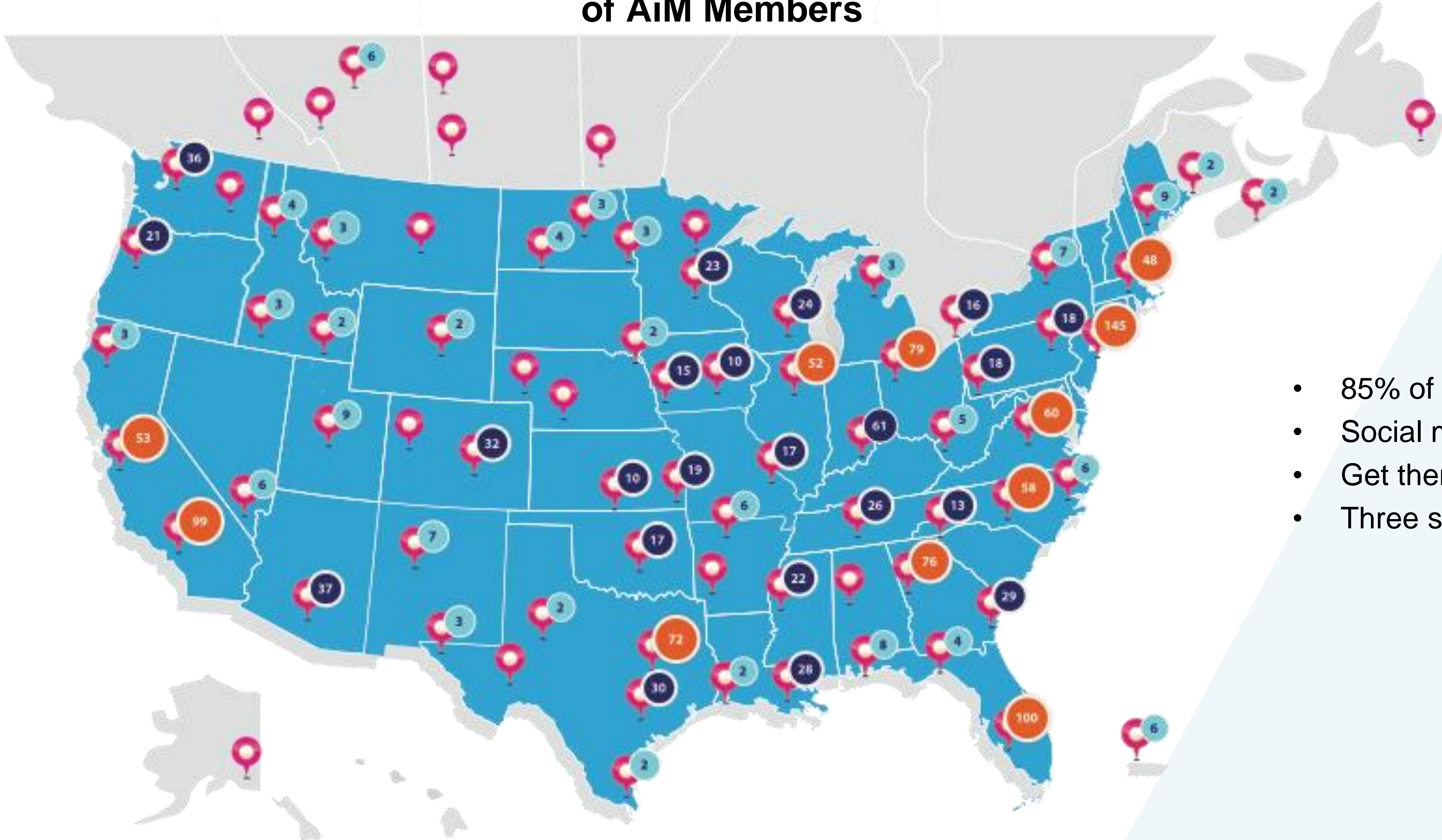
c.55

\$3.0m US cost 2018 (excl commission)

2018 AiM Roadshow Tour



US States with High Concentration of AiM Members



2018 National Tour

- 85% of members (see distribution map)
- Social media targeting
- Get them in, get them on, get them benefitting
- Three sessions a day