

STATPRO GROUP PLC
Preliminary Results for the Year ended 31 December 2014

StatPro Group plc, (AIM:SOG, "StatPro", "the Group"), the AIM listed provider of [cloud-based portfolio analysis](#) and [asset pricing](#) services for the global asset management industry, today announces its unaudited preliminary results for the year ended 31 December 2014.

| | 2014 | 2013 | Change | Constant currency |
|---|-----------------|----------|--------|-------------------|
| Revenue | £32.02 m | £32.49 m | (1%) | +6% |
| Annualised recurring contract revenue ⁽¹⁾ | £29.39 m | £28.72 m | +2% | +4% |
| Forward order book of contracted revenue ⁽²⁾ | £38.74 m | £36.86 m | +5% | +7% |
| Profit before tax | £2.37 m | £3.11 m | (24%) | (9%) |
| Adjusted EBITDA ⁽³⁾ | £4.36 m | £5.46 m | (20%) | (10%) |
| Earnings per share – basic | 2.4p | 3.1p | (23%) | |
| – adjusted ⁽³⁾ | 2.7p | 4.5p | (40%) | |
| Dividend per share – total for year | 2.9p | 2.8p | +4% | |

Financial highlights:

- Additional investment in people, product development, data and IT resulted in lower adjusted EBITDA, down 10% at constant currency to £4.36 million (2013 at constant currency: £4.87 million)
- Annualised recurring contract revenue ⁽¹⁾ up 4% to £29.39 million at 31 December 2014 (2013 at constant currency: £28.30 million)
- *StatPro Revolution* annualised recurring contract revenue ⁽¹⁾ up 68% to £5.42 million at 31 December 2014 (2013 at constant currency: £3.22 million)
- Recurring revenue from *StatPro Revolution* accounted for 18% of Group recurring revenue (2013: 11%)
- 46% of software clients by value (2013: 37%) now have contracted for StatPro Revolution, marking an inflexion point in the cloud strategy
- Forward order book of contracted revenue ⁽²⁾ up 7% to £38.74 million at 31 December 2014 (2013 at constant currency: £36.36 million) of which 25% is *StatPro Revolution*
- Dividend increased by 4% to 2.9p (2013: 2.8p)

Operating highlights:

- Strategic contract win worth almost €4 million (£3.1 million) with major European asset manager to transition its existing StatPro Seven software to the *StatPro Revolution* platform; three year contract includes professional services and represents 55% conversion premium ⁽⁴⁾
- Increased focus on revenue per client; average revenue for *StatPro Revolution* clients rose 37% to £17.2k p.a. (2013: £12.5k)
- Good progress on the *StatPro Revolution* platform development, including launch of AIFMD module

(1) Annualised recurring contract revenue is the annual value of revenue contractually committed at year end.

(2) Forward order book of contracted revenue is the total amount of software and professional services revenue that is contractually committed at year end.

(3) Adjusted EBITDA and adjusted earnings per share are EBITDA and earnings per share after adjustment for amortisation of acquired intangible assets, share based payments and exceptional items (notes 5 and 7)

(4) Defined as the percentage increase in total recurring revenue for *StatPro Revolution* compared to total recurring revenue for StatPro Seven from that client

Justin Wheatley, Chief Executive of StatPro, commented:

"We have reached an inflexion point in the roll out of our cloud-based product StatPro Revolution. Its annualised recurring revenue jumped by 68% and now contributes

some 18% of the Group's total recurring revenue – up from 11%. 46% (by value of recurring software contracts) of our client base now use StatPro Revolution.

“As expected, the roll out of StatPro Revolution has opened up a number of new markets and opportunities - both geographically and by type of customer, including hedge funds and private wealth asset managers.

“Our recently signed three year €4 million contract with a large European asset manager to transition its StatPro Seven platform to StatPro Revolution clearly demonstrates the upsell, conversion potential, and value uplift in StatPro Revolution.

“The current financial year has started well and is in line with our expectations. With some £38.7 million of contracts secured, of which £9.7 million is for StatPro Revolution, and the momentum building in cloud revenues, we are focused on further implementing our strategy to transition to a pure-cloud business.”

- Ends -

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A briefing for analysts on the results will be held at 9.45am today at the offices of Instinctif Partners, 65 Gresham Street, London, EC2V 7NQ

About StatPro

StatPro is a global provider of award winning portfolio analytics solutions for the investment community. The Group's cloud-based platform provides vital analysis of portfolio performance, attribution, risk and compliance. Thousands of investment professionals use StatPro's premium services directly or through a fund administrator or partner to perform advanced portfolio analysis, data management, reporting and online distribution every day. This multi asset-class, analytics platform helps StatPro's clients increase assets under management, improve client service, meet tough regulations and reduce costs.

With over 20 years' experience combining technology and industry expertise, StatPro believes portfolio analytics should add value, insight and competitive advantage while being flexible, scalable and cost effective. The Group's integrated and global data coverage includes over 3.2 million securities such as equities, bonds, mutual funds, FX rates, futures, options, OTCs, sector classifications and much else besides. StatPro also covers most families of benchmarks including MSCI, FTSE, Russell, NASDAQ and the licence free Freedom Index.

StatPro has grown its recurring revenue from less than £1 million in 1999 to around £29 million at 31 December 2014. StatPro floated on the main market of the London Stock Exchange in May 2000 and transferred its listing to AIM in June 2003. The Group has operations in Europe, North America, South Africa, Asia and Australia, and approximately 500 clients in 37 countries around the world. Approximately 80% of recurring revenues are generated outside the UK.

Overview

StatPro has a 15 year track record of growing sustained long term revenue streams – with an average renewal rate of 94% over that period.

The Group has reached an inflexion point in the roll out of its cloud-based product *StatPro Revolution*. Its annualised revenue jumped by 68% and now contributes some 18% of the Group's total annualised recurring revenue ("ARR") – up from 11%.

The Group anticipates that it will continue the process of converting its clients from its *StatPro Seven* product to *StatPro Revolution*. The timing for converting a client will largely depend on the client's own requirements but StatPro expects the bulk will convert over the next three to four years.

In 2014, approximately 78% of new sales were upsells to existing clients.

At the start of 2014, StatPro launched its AIFMD module which, together with the UCITS module, has sold very well.

At the same time, as expected, the roll out of *StatPro Revolution* has opened up a number of new markets and opportunities - both geographically and by types of customers, including hedge funds and private wealth asset managers.

Total Group revenues grew 6% on a constant currency basis to £32.02 million, (2013 actual: £32.49 million) and the Group's ARR as a whole also grew 4% on a constant currency basis to £29.39 million (2013 at constant currency: £28.30 million). Profits were reduced as expected as StatPro continued its investment programme to underpin future revenues and growth potential. The forward order book of contracted revenue grew by 7% to £38.74 million (2013 at constant currency: £36.36 million). Revenues were up 8% in EMEA and up 2% in North America on a constant currency basis.

The Board is recommending that the dividend increases by 4% to 2.9p (2013: 2.8p)

Strategy

StatPro provides portfolio analysis and data for the international asset management industry, a highly regulated and expanding sector. Its sophisticated solutions address the complexity of investment processes driven by a number of industry factors including multi-jurisdictional compliance, regulatory change and rising demand for cloud-based reporting and analysis.

Globally, the total figure for assets under management is estimated at over \$87 trillion with significant compound growth over the past 20 years (source: Bank of England/StatPro). At the same time, demand from the asset management industry for StatPro products is being driven by the increasing requirement for more types of analysis, as well as the need for greater levels of accuracy and faster delivery of analysis and data.

StatPro achieves high client retention through a combination of long term contracts and deeply embedded systems, underpinned by superior levels of expertise and service and continuous innovation.

In early 2011, StatPro introduced *StatPro Revolution*, its cloud-based highly centralised platform with extensive data and portfolio capabilities. Over the past four years, StatPro has continued to service its existing client base whilst upselling the cloud capabilities that *StatPro Revolution* offers.

At the same time, *StatPro Revolution* has opened a range of new addressable markets to StatPro within the asset management sector, including hedge funds, private wealth businesses and fund administrators wishing to offer portfolio analytics as a service to their clients.

At the end of 2014, recurring revenue from *StatPro Revolution* accounted for 18% of Group recurring revenues, marking an inflexion point in the revenue mix for StatPro on the path to becoming a pure cloud services provider.

This has resulted both from upselling *StatPro Revolution* to existing clients as well as new sales resulting from the enlarged market opportunity that *StatPro Revolution* addresses. At the end of 2014, 46% of recurring software contract value was derived from customers who have signed up for *StatPro Revolution*, as StatPro migrates its stable cash generative customer base onto this lower cost, higher-margin cloud-based solution with international scalability.

Current trading and outlook

In 2015, StatPro has continued to maintain high levels of recurring revenue whilst driving growth in sales of *StatPro Revolution* to both its existing customer base and to new types of customers, including hedge funds and private wealth managers.

The Group's recently signed three year €4 million (£3.1 million) contract with a large European asset manager to transition its *StatPro Seven* platform to *StatPro Revolution* clearly demonstrates the upsell, conversion potential and value uplift in *StatPro Revolution*.

The current financial year has started well and is in line with the Board's expectations. The Group has some £38.7 million in contracted revenue secured over the next few years, of which £9.7 million is for *StatPro Revolution*. With this level of momentum, the Group believes it will continue to see further growth in *StatPro Revolution* revenues.

Operational review

Strategy implementation

2014 has been a successful year; StatPro has seen strong growth in *StatPro Revolution* ARR, up 68% to £5.42 million (2013: £3.22 million) and continued stability for the *StatPro Seven* platform with total ARR of £20.28 million at end December 2014 (£21.21 million before impact of *StatPro Revolution* conversions) (2013: £21.20 million).

The Group has made good progress in implementing a strategy to convert clients from the *StatPro Seven* Platform to the *StatPro Revolution* Platform with 46% by value of software clients using *StatPro Revolution*. StatPro has a growing list of clients that it expects to convert to *StatPro Revolution* in due course as it rolls out further functionality.

In June 2014, StatPro implemented a new pricing policy, requiring a minimum relationship fee from new clients of \$18,000 pa (up from \$1,200 pa). This has increased new revenue per client although the numbers of new clients being added has slowed. By focusing attention and resources on more profitable clients, StatPro has also improved its basic operating cost model. In 2015, the Group will focus on migrating those clients that pay less than \$18,000 pa to the new minimum subscription level.

In 2014, senior management visited over 150 of StatPro's largest clients (representing approximately 80% by value of our subscription base), spanning Europe, North America, Australia, Asia and South Africa, to gauge their clients' perspectives on their businesses and how StatPro's new technology is supporting them.

Acceptance of cloud-based services is now almost universal. The economic case for the cloud now looks irresistible and, even where there is still some doubt, it is likely that these fears will be overcome. The greatest common worry for StatPro's clients is to meet an ever growing list of regulations, whilst keeping IT budgets at a reasonable level. For many clients, there is also the threat of competitors being able to use technology to deliver a far better service at a lower cost point.

The Group anticipates that it will continue the process of converting its clients from *StatPro Seven* to *StatPro Revolution* over the next few years. The timing for converting a client will largely depend on the client's own requirements but StatPro expects the bulk will convert over the next three to four years.

Approximately 78% of new sales in 2014 were upsells to existing clients. The Group believes that *StatPro Revolution* is particularly well adapted for repeat sales to clients and that existing clients will continue to be a rich source of new business.

With a large base of approximately 500 clients, StatPro has a readymade market to sell additional services, portfolios and modules.

Product development

Cloud

Development of the *StatPro Revolution* cloud platform has gone well in 2014 with some very significant new functionality being delivered. At the start of 2014 StatPro launched its AIFMD module which, together with the UCITS module, has sold very well and now accounts for approximately 18% of *StatPro Revolution* recurring revenue. StatPro was proud to receive an award for this module for the Best Risk Initiative 2014 from *Waters Buy Side Technology Magazine*.

Additionally, StatPro launched Advanced Equity Attribution, which means that *StatPro Revolution* offers the very latest and most sophisticated functionality available for equity attribution. The Group believes this will encourage the conversion of clients on *StatPro Seven* to *StatPro Revolution* in order to access the improved functionality.

During the course of 2015, StatPro will launch the Advanced Risk Module within *StatPro Revolution*, which offers significantly more functionality than the risk module in *StatPro Seven*. The Group anticipates that many of its risk clients using *StatPro Seven* will convert to this product in due course.

The Group is also building a new high volume calculation platform using Apache™ Hadoop® technology which will enable it to offer *StatPro Revolution* to clients with extremely large portfolios and benchmarks. This will form an integral part of StatPro's advanced fixed income attribution module planned for release in 2016.

StatPro has decided to rebrand StatPro R+ as the performance module within *StatPro Revolution*, thus simplifying the naming convention for all new products on the *StatPro Revolution* platform. The *StatPro Revolution* performance module is progressing as planned and StatPro will be releasing the full replacement of *StatPro Seven* to several clients on a beta basis in the second half of the year and go live in 2016.

StatPro markets its data services in *StatPro Revolution* as part of a bundled service, and continues to expand the depth and quality of data for *StatPro Revolution*. To make the user experience as smooth as possible, StatPro has woven together raw data with its very large pricing library to produce further data for risk and fixed income analysis.

Each market has different conventions and habits and *StatPro Revolution* is able to cater for hundreds of methodologies to give users the view of their portfolio to suit their specific requirements. This is one of the ways that *StatPro Revolution* is a considerable improvement on *StatPro Seven*. *StatPro Revolution* provides software, IT and data in a combined service that enables StatPro to offer a significantly enhanced service.

StatPro Seven

Repeat revenue from *StatPro Seven* was very solid in 2014 with new sales largely offsetting reductions. New sales tend to come from existing clients buying additional modules and user licences as well as new sales of *StatPro Composites*.

StatPro continues to support its clients on the *StatPro Seven* platform, offering upgrades and maintenance. *StatPro Seven* provides essential services for the Group's clients by delivering accurate and comprehensive analysis for reporting to their clients.

Client feedback indicates that the operators of *StatPro Seven* want greater control over their data so that they have higher confidence that they will always publish accurate analysis. Whereas in the past, sending out approximately correct performance numbers was common practice, the new regulatory

environment makes this unacceptable. This in turn has led to clients expanding the use of accurate systems like *StatPro Seven* to a broader range of portfolios such as private wealth mandates. This is where *StatPro Revolution* will offer the crucial solution: complete control of data and huge scale and speed compared to *StatPro Seven* and other systems using older technology.

Financial Review

Revenue

Overall, Group revenue increased by 6% at constant currency but fell by 1% at actual rates to £32.02 million (2013: £32.49 million).

Contracted revenue

The forward order book of contracted revenue increased by 7% at constant currency (5% at actual rates) to £38.74 million at 31 December 2014 (2013 at constant currency: £36.36 million). The proportion by value of recurring software licences and data clients at the end of 2014 secured to the end of 2015 or beyond amounted to 77% (2013: 78%); the weighted average length of contracts committed remained unchanged at 16 months.

New contracted revenue

New sales of recurring software and data contracts were up 19% to £3.87 million (2013: £3.24 million). Professional services revenue increased by 33% to £2.76 million (2013: £2.07 million). Approximately 78% of new recurring contracted revenue came from existing clients (2013: 77%).

Recurring revenue

The Group's business model of Software as a Service (SaaS) and recurring revenue contracts continues to provide excellent visibility of revenue. The annualised recurring revenue from software licences and data fees at the end of December 2014 increased by 4% at constant currency to £29.39 million (2013: £28.30 million). The net growth rate for *StatPro Revolution* was 68% (2013: 114%).

StatPro Seven annualised recurring revenue was resilient at £20.28 million (2013: £21.20 million) with net cancellation rate of 4% (2013: 5%). Excluding the impact of conversions to *StatPro Revolution*, the recurring revenue for *StatPro Seven* (at £21.21 million) was flat year on year (2013: 2% reduction).

| Software licences and data fees | Annualised recurring contract revenue 2014 | Annualised recurring contract revenue 2013 |
|--|---|---|
| | £ million | £ million |
| As at 31 December 2013 | 28.72 | 29.52 |
| Net impact of exchange rates | (0.42) | (1.05) |
| At 1 January 2014 (at Dec 2014 rates) | 28.30 | 28.47 |
| | | |
| New contracted revenue | 3.87 | 3.24 |
| Cancellations / reductions | (2.78) | (2.99) |
| Net increase | 1.09 | 0.25 |
| | | |
| Recurring licence fees as at 31 December 2014 | 29.39 | 28.72 |

Revenue by segment

Revenue increased in the EMEAA region by 8% at constant currency to £20.82 million (2013 at constant currency: £19.36 million). In the North American region, revenue increased by 2% at constant currency to £11.20 million (2013 at constant currency: £10.94 million), as shown below.

| | 2014 £ million | 2013* £ million | Change % |
|----------------|-------------------|--------------------|-------------|
| Revenue | | | |
| EMEA | 20.82 | 19.36 | 8% |
| North America | 11.20 | 10.94 | 2% |
| | 32.02 | 30.30 | 6% |
| FX | - | 2.19 | |
| Group revenue | 32.02 | 32.49 | (1%) |

* At constant currency

Revenue by service

Cloud revenues (incorporating *StatPro Revolution*, *Risk* and *Data*) grew by 28% as shown in the table below:

| Revenue | 2014 £ million | 2013* £ million | Change % |
|--------------------------------------|-------------------|--------------------|-------------|
| StatPro Revolution and cloud-related | 11.16 | 8.72 | 28% |
| StatPro Seven and non-cloud-related | 20.86 | 21.58 | (3%) |
| | 32.02 | 30.30 | 6% |
| FX | - | 2.19 | |
| Group revenue | 32.02 | 32.49 | (1%) |

* At constant currency

StatPro Revolution revenue profile

StatPro Revolution recurring revenue is now 18% of the Group total (2013: 11%) and has grown at a higher rate than other revenues as the service is developed on a highly scalable technology platform.

The total recurring revenue from clients whose subscription includes *StatPro Revolution* was £11.95 million (2013: £9.12 million) representing 46% (2013: 37%) of total software recurring revenue.

Following the decision in 2014 to raise the minimum client fee, the average revenue per *StatPro Revolution* client has increased by 37% and the revenue distribution profile for *StatPro Revolution* is as follows:

| StatPro Revolution | Annualised revenue | Number of clients | Average revenue per client | Annualised revenue* | Number of clients | Average revenue per client |
|--------------------------|--------------------|-------------------|----------------------------|---------------------|-------------------|----------------------------|
| Annualised revenue bands | 2014 £'000s | 2014 Number | 2014 £'000s | 2013 £'000s | 2013 Number | 2013 £'000s |
| <£2k | 139 | 127 | 1.1 | 143 | 136 | 1.1 |
| £2k - £10k | 414 | 97 | 4.3 | 277 | 68 | 4.1 |
| £10k-£50k | 1,419 | 62 | 22.9 | 884 | 34 | 26.0 |
| £50k-£100k | 1,328 | 19 | 69.9 | 952 | 13 | 73.2 |
| >£100k | 2,122 | 10 | 212.2 | 967 | 6 | 161.2 |
| Total | 5,422 | 315 | 17.2 | 3,223 | 257 | 12.5 |

*At constant currency

Operating expenses

Operating expenses (before amortisation of intangible assets and exceptional items) as expected increased by 3% (10% at constant currency) to £25.53 million (2013: £24.71 million). The increase in expenditure related to several areas of the business as part of the investment in cloud technology. This included additional employee costs in client services, sales and development, data costs and cloud infrastructure. The average number of employees was 251 (2013: 249).

Exceptional items

There were no exceptional items in 2014. Following a project to streamline core internal services (IT, finance and HR), the Group decided to re-locate the Toronto team to a smaller office. Whilst not treated as an exceptional item, there was a one-off charge relating to the office lease of around £0.35 million.

The exceptional charge of £0.35 million in 2013 related to additional contingent consideration for the SiSoft acquisition (see notes 3 and 14).

Profitability

As a result of the planned increase in investment in cloud technology, the adjusted EBITDA was £4.36 million (2013: £5.46 million).

| Adjusted EBITDA | 2014 | 2013* | Change |
|--------------------------------------|------------------|------------------|---------------|
| | £ million | £ million | % |
| StatPro Revolution and cloud-related | (6.24) | (6.91) | 10% |
| StatPro Seven and non-cloud-related | 10.60 | 11.78 | (10%) |
| | 4.36 | 4.87 | (10%) |
| FX | - | 0.59 | |
| Adjusted EBITDA | 4.36 | 5.46 | (20%) |
| Adjusted EBITDA margin | | | |
| StatPro Revolution and cloud-related | (55.9%) | (79.2%) | |
| StatPro Seven and non-cloud-related | 50.8% | 54.6% | |
| Adjusted EBITDA margin - total | 13.6% | 16.1% | |

* At constant currency

Finance income and expense

Net finance expense was £0.29 million (2013: £0.27 million), and is mainly the finance costs of the Group's currently unutilised credit facility.

Profit before tax

The impact of currency movements was to decrease adjusted profit before taxation by £0.54 million. Profit before taxation was £2.37 million (2013: £3.11 million). Adjusting for amortisation of acquired intangible assets, share based payments and exceptional items, the adjusted profit before taxation was £2.58 million (2013: £4.05 million).

Taxation

The tax charge is £0.77 million (2013: £1.03 million). The overall effective tax rate is 33% (2013: 33%). This is higher than the prevailing UK rate mainly due to the impact of operations in countries with higher tax rates than the UK.

Earnings per share

Adjusted earnings per share was 2.7p (2013: 4.5p). Actual and diluted earnings per share was 2.4p (2013: 3.1p).

Dividends

The Directors are recommending an increased final dividend of 2.05p per share (2013: 1.95p) making a total dividend for 2014 of 2.9p per share (2013: 2.8p), up 4%. The final dividend will be paid on 27 May 2015 to all shareholders on the register at the close of business on 1 May 2015.

Total dividends paid in 2014 amounted to £1.89 million (2013: £1.86 million). The dividend cover (calculated as adjusted eps: dividends per share) was 0.93 times (2013: 1.61).

Balance sheet

The Group's net assets at the year end were £45.69 million (2013: £46.91 million).

Cash flow and financing

2014 was another year of positive cash generation with cash inflow from operating activities of £7.71 million (2013: £9.40 million), although lower than the prior year, mainly due to lower operating profits and working capital movements. The Group ended the year with net cash of £2.68 million (2013: £4.00 million). The Group retains its long-term financing facility, amounting to £7.5 million, which was undrawn at 31 December 2014.

Research and development and capex

The research and development team is now focused solely on the Group's cloud-based solutions, the StatPro *Revolution* platform. R&D as planned expenditure increased overall by 12% to £4.99 million (2013: £4.44 million), equating to 16% of Group revenue (2013: 14%). The total expenditure on StatPro *Revolution* including marketing and other costs was £5.52 million (2013: £4.92 million).

Development costs of £3.62 million were capitalised in the year (2013: £3.40 million) and amortisation on internal development was £3.35 million (2013: £3.40 million). Expenditure on other intangible assets was £0.44 million (2013: £0.08 million) and total capital expenditure on property, plant and equipment was £1.86 million (2013: £0.93 million).

**GROUP INCOME STATEMENT FOR THE YEAR ENDED 31 DECEMBER 2014
(Unaudited)**

| | Notes | 2014 £'000s | 2013 £'000s |
|---|-------|-----------------|----------------|
| Revenue | 2 | 32,018 | 32,486 |
| <hr/> | | | |
| Operating expenses before amortisation of intangibles and exceptional items | | (25,529) | (24,712) |
| Amortisation of acquired intangibles | | (188) | (402) |
| Amortisation of other intangibles | | (3,640) | (3,639) |
| Exceptional item - increase in contingent consideration | | - | (347) |
| <hr/> | | | |
| Operating expenses | 3 | (29,357) | (29,100) |
| Operating profit | | 2,661 | 3,386 |
| <hr/> | | | |
| Finance income | | 12 | 35 |
| Finance expense | | (303) | (308) |
| Net finance expense | | (291) | (273) |
| <hr/> | | | |
| Profit before taxation | 2 | 2,370 | 3,113 |
| <hr/> | | | |
| Taxation | 6 | (774) | (1,030) |
| | | 1,596 | 2,083 |
| <hr/> <hr/> | | | |
| Earnings per share – basic | 7 | 2.4p | 3.1p |
| – diluted | 7 | 2.4p | 3.1p |

**GROUP STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 31 DECEMBER 2014
(Unaudited)**

| | 2014 £'000s | 2013 £'000s |
|--|----------------|----------------|
| Profit for the year | 1,596 | 2,083 |
| Other comprehensive income to be reclassified to the income statement: | | |
| Net exchange differences | (946) | (3,126) |
| Total comprehensive income/(loss) for the year | 650 | (1,043) |

GROUP BALANCE SHEET AS AT 31 DECEMBER 2014
(Unaudited)

| | Notes | Group 2014 | Group 2013 |
|------------------------------------|-------|-----------------|-----------------|
| | | £'000s | £'000s |
| Non-current assets | | | |
| Goodwill | | 46,724 | 47,927 |
| Other intangible assets | | 5,822 | 5,597 |
| Property, plant and equipment | | 2,470 | 1,883 |
| Other receivables | 8 | 109 | 135 |
| Deferred tax assets | | 988 | 450 |
| | | <u>56,113</u> | <u>55,992</u> |
| Current assets | | | |
| Trade and other receivables | 8 | 7,722 | 6,167 |
| Financial instruments - other | | 27 | 102 |
| Current tax assets | | - | 29 |
| Cash and cash equivalents | | 2,692 | 4,014 |
| | | <u>10,441</u> | <u>10,312</u> |
| Liabilities | | | |
| Current liabilities | | | |
| Financial liabilities - borrowings | | (12) | (12) |
| Financial instruments - other | | (15) | (1) |
| Trade and other payables | 9 | (6,088) | (4,400) |
| Current tax liabilities | | (828) | (581) |
| Deferred income | | (12,603) | (12,678) |
| Provisions | 10 | (725) | (842) |
| | | <u>(20,271)</u> | <u>(18,514)</u> |
| Net current liabilities | | <u>(9,830)</u> | <u>(8,202)</u> |
| Non-current liabilities | | | |
| Other creditors and accruals | 9 | (76) | (154) |
| Deferred tax liabilities | | (449) | (549) |
| Deferred income | | (60) | (41) |
| Provisions | 10 | (13) | (138) |
| | | <u>(598)</u> | <u>(882)</u> |
| Net assets | | <u>45,685</u> | <u>46,908</u> |
| Shareholders' equity | | | |
| Share capital | | 677 | 677 |
| Share premium | | 23,474 | 23,472 |
| Shares to be issued | | 63 | 63 |
| Treasury shares | | (249) | (249) |
| Other reserves | | 6,704 | 7,650 |
| Retained earnings | | 15,016 | 15,295 |
| Total shareholders' equity | | <u>45,685</u> | <u>46,908</u> |

GROUP STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31 DECEMBER 2014
(Unaudited)

| | | Group | Group |
|---|----|----------------|---------|
| | | 2014 | 2013 |
| | | £'000s | £'000s |
| Operating activities | | | |
| Cash generated from operations | 11 | 7,705 | 9,403 |
| Finance income | | 12 | 35 |
| Finance costs | | (22) | (133) |
| Tax paid | | (1,173) | (1,616) |
| Net cash flow from operating activities | | 6,522 | 7,689 |
| Investing activities | | | |
| Payment of contingent consideration | | - | (990) |
| Investment in intangible assets | | (4,053) | (3,482) |
| Purchase of property, plant and equipment | | (1,863) | (930) |
| Proceeds from the disposal of property, plant and equipment | | 12 | - |
| Net cash flow used in investing activities | | (5,904) | (5,402) |
| Financing activities | | | |
| Proceeds from issue of ordinary shares | | 2 | - |
| Dividends paid to shareholders | | (1,889) | (1,856) |
| Net cash flow used in financing activities | | (1,887) | (1,856) |
| Net increase in cash and cash equivalents | | (1,269) | 431 |
| Cash and cash equivalents at 1 January | | 4,014 | 3,681 |
| Effect of exchange rate movements | | (53) | (98) |
| Cash and cash equivalents at 31 December | | 2,692 | 4,014 |

**GROUP STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY FOR THE YEAR ENDED 31 DECEMBER 2014
(Unaudited)**

| | Share capital | Share premium | Shares to be issued | Treasury shares | Other reserves | Retained earnings | Total equity |
|-------------------------------------|---------------|---------------|---------------------|-----------------|----------------|-------------------|---------------|
| | £'000s | £'000s | £'000s | £'000s | £'000s | £'000s | £'000s |
| At 1 January 2013 | 677 | 23,472 | 63 | (249) | 10,776 | 14,881 | 49,620 |
| Profit for the year | - | - | - | - | - | 2,083 | 2,083 |
| Other comprehensive income | - | - | - | - | (3,126) | - | (3,126) |
| Total comprehensive income | - | - | - | - | (3,126) | 2,083 | (1,043) |
| Transactions with owners: | | | | | | | |
| Share based payment transactions | - | - | - | - | - | 192 | 192 |
| Tax relating to share option scheme | - | - | - | - | - | (5) | (5) |
| Dividends | - | - | - | - | - | (1,856) | (1,856) |
| | - | - | - | - | - | (1,669) | (1,669) |
| At 31 December 2013 | 677 | 23,472 | 63 | (249) | 7,650 | 15,295 | 46,908 |

| | Share capital | Share premium | Shares to be issued | Treasury shares | Other reserves | Retained earnings | Total equity |
|-------------------------------------|---------------|---------------|---------------------|-----------------|----------------|-------------------|---------------|
| | £'000s | £'000s | £'000s | £'000s | £'000s | £'000s | £'000s |
| At 1 January 2014 | 677 | 23,472 | 63 | (249) | 7,650 | 15,295 | 46,908 |
| Profit for the year | - | - | - | - | - | 1,596 | 1,596 |
| Other comprehensive income | - | - | - | - | (946) | - | (946) |
| Total comprehensive income | - | - | - | - | (946) | 1,596 | 650 |
| Transactions with owners: | | | | | | | |
| Share based payment transactions | - | - | - | - | - | 26 | 26 |
| Tax relating to share option scheme | - | - | - | - | - | (12) | (12) |
| Shares issued | - | 2 | - | - | - | - | 2 |
| Dividends | - | - | - | - | - | (1,889) | (1,889) |
| | - | 2 | - | - | - | (1,875) | (1,873) |
| At 31 December 2014 | 677 | 23,474 | 63 | (249) | 6,704 | 15,016 | 45,685 |

Other reserves include merger reserves of £2,369,000 (2013: £2,369,000) and translation reserve of £4,335,000 (2013: £5,281,000). The merger reserve arose on acquisitions and represents the difference between the fair value of shares issued and the nominal value of the shares. The translation reserve incorporates the gains and losses on revaluation of the net assets and liabilities of subsidiary undertakings and other currency gains and losses that are treated as part of equity.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2014

1. Announcement

This announcement was approved by the Board of directors on 9 March 2015. The preliminary results for the year ended 31 December 2014 are unaudited. The financial information set out in this announcement does not constitute the Company's statutory accounts for the years ended 31 December 2014 or 31 December 2013. The financial information set out in the announcement has been prepared on the basis of the accounting policies set out in the statutory accounts of StatPro Group plc for the year ended 31 December 2013. This condensed consolidated financial information does not constitute statutory accounts within the meaning of Section 434 of the Companies Act 2006. The auditor's report on the financial statements for the years ended 31 December 2013 was unqualified and did not contain a statement under Section 498 of the Companies Act 2006. The financial statements for the year ended 31 December 2013 have been delivered to the Registrar of Companies.

2 Segmental information

The Group's operating segments have been determined based on the information regularly reviewed by the Group Executive Board, which has been identified as the Chief Operating Decision Maker ("CODM"). The Group Executive Board considers the business to be split into two primary geographical markets: EMEAA and North America. Central costs relate to the expenses related to the Group's headquarters and costs directly associated with the parent Company, which are managed by the Group management team. The external debt is held within Central.

All revenue, profit/(loss) before taxation and total assets are attributable to the principal activity of the Group, being the development, marketing and distribution of software, data solutions and related professional services to the global asset management industry. Segment assets represent those assets arising from the operating activities of those segments. Segment results exclude the impact of any intercompany recharges of revenues or costs.

For the year ended 31 December 2014:

| | EMEAA | North America | Central | Total |
|--------------------------------------|--------------|---------------|----------------|-----------------|
| | £'000s | £'000s | £'000s | £'000s |
| Revenue | 20,820 | 11,198 | - | 32,018 |
| Segment expense | (16,453) | (10,810) | (2,094) | (29,357) |
| Operating profit/(loss) | 4,367 | 388 | (2,094) | 2,661 |
| Finance net income/(expense) | 3 | 1 | (295) | (291) |
| Profit/(loss) before taxation | 4,370 | 389 | (2,389) | 2,370 |

Statement of financial position

| | | | | |
|-------------|---------------|---------------|--------------|-----------------|
| Assets | 29,162 | 36,444 | 948 | 66,554 |
| Liabilities | (13,698) | (5,452) | (1,719) | (20,869) |
| Net assets | 15,464 | 30,992 | (771) | 45,685 |

Other

| | | | | |
|---|-------|-----|-----|--------------|
| Purchase of property, plant and equipment | 1,198 | 665 | - | 1,863 |
| Net investment in intangible assets | 2,786 | 602 | 665 | 4,053 |
| Depreciation of property, plant and equipment | 557 | 635 | - | 1,192 |
| Amortisation of intangibles | 3,504 | 324 | - | 3,828 |

For the year ended 31 December 2013:

| | EMEAA | North America | Central | Total |
|--------------------------------------|--------------|---------------|----------------|-----------------|
| | £'000s | £'000s | £'000s | £'000s |
| Revenue | 20,449 | 12,037 | - | 32,486 |
| Segment expense | (16,262) | (11,011) | (1,827) | (29,100) |
| Operating profit/(loss) | 4,187 | 1,026 | (1,827) | 3,386 |
| Finance net income/(expense) | 5 | 1 | (279) | (273) |
| Profit/(loss) before taxation | 4,192 | 1,027 | (2,106) | 3,113 |

Statement of financial position

| | | | | |
|-------------|-----------------|----------------|----------------|-----------------|
| Assets | 29,097 | 36,267 | 940 | 66,304 |
| Liabilities | <u>(13,205)</u> | <u>(4,126)</u> | <u>(2,065)</u> | (19,396) |
| Net assets | <u>15,892</u> | <u>32,141</u> | <u>(1,125)</u> | 46,908 |

Other

| | | | | |
|---|-------|-----|-------|--------------|
| Purchase of property, plant and equipment | 605 | 325 | - | 930 |
| Net investment in intangible assets | 2,055 | 160 | 1,267 | 3,482 |
| Depreciation of property, plant and equipment | 418 | 480 | - | 898 |
| Amortisation of other intangibles | 3,555 | 486 | - | 4,041 |

3 Operating expenses

| | 2014 | 2013 |
|---|-----------------------|----------------|
| | £'000s | £'000s |
| Operating expenses relate to: | | |
| Staff costs | | |
| - Research and development | 4,985 | 4,440 |
| - Other staff costs | 10,962 | 10,984 |
| - Share based payment | 26 | 192 |
| - Internal development costs capitalised | <u>(3,615)</u> | <u>(3,404)</u> |
| Total staff costs | 12,358 | 12,212 |
| Depreciation of property, plant and equipment | 1,192 | 898 |
| Amortisation of intangible assets | 3,828 | 4,041 |
| Operating lease rentals in respect of: | | |
| - Land and buildings | 1,670 | 1,502 |
| - Other | 57 | 123 |
| Auditors' remuneration | 172 | 139 |
| Exceptional items (note 4) | - | 347 |
| Other operating expenses | 10,097 | 9,564 |
| Exchange differences | <u>(17)</u> | <u>274</u> |
| Total operating expenses | <u>29,357</u> | <u>29,100</u> |

4 Exceptional items

There were no exceptional items in 2014. Following a project to streamline core internal services (IT, finance and HR), we decided to re-locate our Toronto team to a smaller office. Whilst not treated as an exceptional item, there was a one-off charge relating to the office lease of around £0.35 million.

The exceptional charge of £0.35 million in 2013 related to additional contingent consideration for the SiSoft acquisition.

5 Adjusted profit before taxation, adjusted operating profit margin and adjusted EBITDA

In order to provide the reader of the accounts with profit measures that more clearly demonstrate the underlying business performance from year to year a number of adjusted profit measures are shown below.

Adjusted profit before taxation

| | 2014 | 2013 |
|--|--------------|--------------|
| | £'000s | £'000s |
| Profit before taxation | 2,370 | 3,113 |
| Add back: Amortisation on acquired intangible assets | 188 | 402 |
| Add back: Share based payments | 26 | 192 |
| Add back: Exceptional items | - | 347 |
| Adjusted profit before tax | 2,584 | 4,054 |

Adjusted operating profit

| | 2014 | 2013 |
|--|--------------|--------------|
| | £'000s | £'000s |
| Operating profit | 2,661 | 3,386 |
| Add back: Amortisation on acquired intangible assets | 188 | 402 |
| Add back: Share based payments | 26 | 192 |
| Add back: Exceptional items | - | 347 |
| Adjusted operating profit | 2,875 | 4,327 |

Adjusted operating margin 9.0% 13.3%

Adjusted EBITDA

| | 2014 | 2013 |
|---|--------------|--------------|
| | £'000s | £'000s |
| Operating profit | 2,661 | 3,386 |
| Add back: Depreciation of property, plant and equipment | 1,192 | 898 |
| Add back: Amortisation on purchased intangible assets | 292 | 238 |
| Add back: Amortisation on acquired intangible assets | 188 | 402 |
| Add back: Share based payments | 26 | 192 |
| Add back: Exceptional items | - | 347 |
| Adjusted EBITDA | 4,359 | 5,463 |

Adjusted EBITDA margin 13.6% 16.8%

Free cash flow

| | 2014 | 2013 |
|---|------------|--------------|
| | £'000s | £'000s |
| Cash generated from operations | 7,705 | 9,403 |
| Net interest paid | (10) | (98) |
| Net tax paid | (1,173) | (1,616) |
| Purchase of property, plant and equipment | (1,863) | (930) |
| Investment in intangible assets | (4,053) | (3,482) |
| Free cash flow | 606 | 3,277 |

6 Taxation

| | 2014 £'000s | 2013 £'000s |
|---------------------------------------|---------------------|-----------------------|
| Current tax | | |
| Current tax on profits for the year | (1,303) | (1,457) |
| Adjustments in respect of prior years | <u>(125)</u> | <u>13</u> |
| Total current tax | (1,428) | (1,444) |
| Total deferred tax | <u>654</u> | <u>414</u> |
| Income tax expense | <u>(774)</u> | <u>(1,030)</u> |

The tax on the Group's profit before tax differs from the standard rate of corporation tax in the UK of 21.5% (2013: 23.5%) as follows:

| | 2014 £'000s | 2013 £'000s |
|--|---------------------|-----------------------|
| Profit before tax | <u>2,370</u> | <u>3,113</u> |
| Tax charge on profit before tax at standard rate of corporation tax in the UK of 21.5% (2013: 23.5%) | (510) | (732) |
| Tax effects of: | | |
| Enhanced tax deductions | 272 | 116 |
| Unrecognised deferred tax movement | (232) | 68 |
| Recognition of previously unrecognised deferred tax asset | 523 | - |
| Adjustments in respect of prior years | (125) | 13 |
| Effect of higher overseas taxes on current taxes | (311) | (218) |
| Effect of higher overseas taxes on deferred taxes | <u>(391)</u> | <u>(277)</u> |
| Tax charge | <u>(774)</u> | <u>(1,030)</u> |

7 Earnings per share

Earnings per share – basic and diluted

| | Earnings | Weighted average number of shares | Earnings per share | Earnings | Weighted average number of shares | Earnings per share |
|-------------------------------------|----------------|--|--------------------------|----------------|--|-----------------------|
| | 2014 £'000s | 2014 '000s | 2014 pence | 2013 £'000s | 2013 '000s | 2013 pence |
| Earnings per share - basic | 1,596 | 67,479 | 2.4 | 2,083 | 67,479 | 3.1 |
| Potentially dilutive shares | - | 60 | (0.0) | - | 69 | (0.0) |
| Earnings per share - diluted | 1,596 | 67,539 | 2.4 | 2,083 | 67,548 | 3.1 |

Earnings per share – adjusted

| | Earnings | Weighted average number of shares | Earnings per share | Earnings | Weighted average number of shares | Earnings per share |
|--|--------------|-----------------------------------|--------------------|--------------|-----------------------------------|--------------------|
| | 2014 | 2014 | 2014 | 2013 | 2013 | 2013 |
| | £'000s | '000s | pence | £'000s | '000s | pence |
| Earnings per share – basic | 1,596 | 67,479 | 2.4 | 2,083 | 67,479 | 3.1 |
| Add back: amortisation of acquired intangibles | 188 | - | 0.3 | 402 | - | 0.6 |
| Add back: share based payments | 26 | - | 0.0 | 192 | - | 0.3 |
| Add back: exceptional items | - | - | - | 347 | - | 0.5 |
| Adjusted earnings per share | 1,810 | 67,479 | 2.7 | 3,024 | 67,479 | 4.5 |
| Potentially dilutive shares | - | 60 | (0.0) | - | 69 | (0.0) |
| Adjusted earnings per share - diluted | 1,810 | 67,539 | 2.7 | 3,024 | 67,548 | 4.5 |

The adjusted earnings per share information has been provided in order to assist the reader to understand the underlying performance of the business on a comparable basis. Potentially dilutive shares exclude any anti-dilutive share options.

8 Trade and other receivables

Current assets: trade and other receivables

| | 2014 | 2013 |
|-----------------|--------------|--------------|
| | £'000s | £'000s |
| Trade debtors | 5,794 | 4,317 |
| Other debtors | 58 | 56 |
| Prepayments | 1,376 | 1,266 |
| Accrued income | 228 | 212 |
| VAT recoverable | 121 | 92 |
| Rental deposits | 145 | 224 |
| | <u>7,722</u> | <u>6,167</u> |

Non-current assets: other receivables

| | Group | Group |
|-----------------|------------|------------|
| | 2014 | 2013 |
| | £'000s | £'000s |
| Rental deposits | 109 | 135 |
| | <u>109</u> | <u>135</u> |

9 Trade and other payables

Current liabilities: trade and other payables

| | Group | Group |
|------------------------------------|--------------|--------------|
| | 2014 | 2013 |
| | £'000s | £'000s |
| Trade creditors | 1,433 | 769 |
| Other creditors and accruals | 2,903 | 2,352 |
| Other taxation and social security | 1,752 | 1,279 |
| | <u>6,088</u> | <u>4,400</u> |

Non-current liabilities: other creditors

| | 2014 | 2013 |
|-----------------|-----------|------------|
| | £'000s | £'000s |
| Other creditors | 76 | 154 |
| | <u>76</u> | <u>154</u> |

The non-current "Other creditors and accruals" of £0.08 million (2013: £0.15 million) relates to lease inducements, which are amortised over the period of the relevant lease.

10 Provisions

Total movement on provisions for the Group is as follows:

| Provisions - Group | 2014 | | 2014 | 2013 |
|-----------------------|--------------------------|-------------------|------------|------------|
| | Contingent consideration | Onerous contracts | Total | Total |
| | £'000s | £'000s | £'000s | £'000s |
| At 1 January | 725 | 255 | 980 | 1,705 |
| Arising in the year | - | - | - | 515 |
| Utilised in the year | - | (190) | (190) | (1,301) |
| Exchange differences | (49) | (3) | (52) | 61 |
| At 31 December | 676 | 62 | 738 | 980 |

The contingent consideration is the consideration on the SiSoft acquisition and is now expected to be utilised in 2015 although it is possible that it will fall beyond twelve months. The onerous contracts provision relates to onerous leases and other contracts, and is expected to be utilised within five years.

11 Reconciliation of profit before tax to net cash inflow from operating activities

| | 2014 | 2013 |
|--|---------|--------|
| | £'000s | £'000s |
| Profit before taxation | 2,370 | 3,113 |
| Net finance expense | 291 | 273 |
| Operating profit | 2,661 | 3,386 |
| Exceptional item | - | 347 |
| Operating profit before exceptional items | 2,661 | 3,733 |
| Depreciation of property, plant and equipment | 1,192 | 898 |
| Loss on disposal of property, plant and equipment | 42 | - |
| Amortisation of intangible assets | 3,828 | 4,041 |
| (Increase)/decrease in receivables | (1,597) | 993 |
| Increase/(decrease) in payables and provisions | 1,364 | (107) |
| Increase/(decrease) in deferred income | 189 | (347) |
| Share based payments | 26 | 192 |
| Net cash inflow from operating activities before exceptional items | 7,705 | 9,403 |

12 Analysis of changes in net debt

| | At 1 January 2014 | Cash flow | Non-cash changes | Exchange differences | At 31 December 2014 |
|---|-------------------|-----------|------------------|----------------------|---------------------|
| | £'000s | £'000s | £'000s | £'000s | £'000s |
| Cash and cash equivalents (per balance sheet) | 4,014 | (1,269) | - | (53) | 2,692 |
| Overdrafts | - | - | - | - | - |
| Cash and cash equivalents (per statement of cash flows) | 4,014 | (1,269) | - | (53) | 2,692 |
| Bank and other loans | (12) | - | - | - | (12) |
| Net cash | 4,002 | (1,269) | - | (53) | 2,680 |

| | At 1 January 2013 | Cash flow | Non- cash changes | Exchange differences | At 31 December 2013 |
|---|-------------------------|--------------|-------------------------|-------------------------|---------------------------|
| | £'000s | £'000s | £'000s | £'000s | £'000s |
| Cash and cash equivalents (per balance sheet) | 3,681 | 431 | - | (98) | 4,014 |
| Overdrafts | - | - | - | - | - |
| Cash and cash equivalents (per statement of cash flows) | 3,681 | 431 | - | (98) | 4,014 |
| Bank loans (net of issue costs deferred) | (14) | - | - | 2 | (12) |
| Net cash | <u>3,667</u> | <u>431</u> | <u>-</u> | <u>(96)</u> | <u>4,002</u> |

13 Reconciliation of net cash flow to movement in net cash

| | 2014 £'000s | 2013 £'000s |
|---|---------------------|---------------------|
| Increase in cash and cash equivalents in the year | (1,269) | 431 |
| Exchange movements | <u>(53)</u> | <u>(96)</u> |
| Movement in net cash | (1,322) | 335 |
| Net cash at beginning of year | <u>4,002</u> | <u>3,667</u> |
| Net cash at end of year | <u>2,680</u> | <u>4,002</u> |

14 Contingent liabilities

As is normal for a group of this size and scope of operations, Group companies are involved in a number of potential legal claims and disputes from time to time arising from our activities, none of which are expected to have a material impact on the Group's financial results.

The Board expects the remaining contingent consideration payable to the 45% minority shareholder (22% of total shares) in Sisoft to be in the range of €0.7 million - €1.1 million (approximately £0.6 million - £0.9 million). It is possible that it will not be fully resolved during 2015. There is also a risk that the final consideration determined by the Court including related costs will be higher than the amount provided, although the Board's estimate of the measurement of the liability has not changed (allowing for fluctuations in exchange rates).