**20 September 2017**

***accesso*® *Technology Group* plc**

**(“*accesso*” or the “Group”)**

**INTERIM RESULTS**
**for the six-month period ended 30 June 2017**

***accesso Technology Group plc*** (**AIM: ACSO**), the premier technology solutions provider to leisure, entertainment and cultural markets, today announces interim results for the six months ended 30 June 2017. During the first half of the year the Group performed in line with the Board’s expectations, completed an important acquisition and made significant progress in the ticketing side of the business. The Group remains on track to achieve its aims in 2017, although as ever, full year performance remains second half weighted.

**Financial Highlights**

| | **Six months ended 30 June 2017** | **Six months ended 30 June 2016** | ***% change*** | **Year ended 31 December 2016** |
|---|---|---|---|---|
| | **$m** | $m | | $m |
| Revenue | **46.6** | **39.7** | 17.4% | 102.5 |
| Adjusted EBITDA* | **8.7** | **6.5** | 33.8% | 19.1 |
| Adjusted operating profit** | **6.5** | **5.0** | 30.0% | 15.7 |
| Profit before tax | **1.6** | **2.3** | (30.4%) | 10.1 |
| Adjusted cash generated from operating activities *** | **1.7** | **2.1** | (19.0%) | 17.8 |
| Net debt**** | **23.8** | **12.5** | | 3.4 |
| Adjusted earnings per share – basic (cents) | **22.25** | **15.80** | 40.8% | 51.64 |
| Earnings per share – basic (cents) | **4.96** | **7.36** | (32.6%) | 33.95 |

** EBITDA before the deduction of acquisition related expenses, contingent payments accruing to vendors of Ingresso and share based payments (note 4)*
*** Operating profit before the deduction of amortisation related to acquisitions, acquisition expenses, contingent payments accruing to vendors of Ingresso and share based payments (note 4)*
**** Cash generated from operations before expenses related to acquisition (note 4)*
***** Cash and cash equivalents less borrowings*

**Operational Highlights**

**A solid start to 2017**

- Strong Group performance and new customer wins across business reflect strength of offering, success in offering multiple product solutions and ability to access new verticals and increase geographic reach
- Acquisitions of Ingresso and, post period end, of TE2, build on our strategy of helping operators enhance and monetise the customer journey, with the integration of both businesses progressing to plan

***accesso Passport®– Strong growth across geographies***

- Several new wins in the period, including the NFL Experience in Times Square, The CNN Studio Tour in Atlanta and The Jameson Distillery in Ireland
- Post period-end contract signed with Australia's largest Theme Park operator Village Roadshow Theme Parks, expanding existing relationship in key growth region for the Group
- Total volumes up 18%
- Merlin rollout continuing as planned with go-lives in the half including Merlin's London Cluster, Alton Towers, and the new LEGOLAND® Japan Theme Park
- Geographic expansion continues with European volumes now 14.6% of total (2016: 11.9%) and Asia Pacific at 2.79% (2016: 0.1%)
- Mobile eCommerce, where *accesso* operates a transaction based fee model, continues to benefit from the shift away from front-gate purchasing, increasing *accesso's* share of customer wallet

***accesso Siriusware$^{sm}$ – Largest ever contract signed***

- Landmark contract win with Experiencias Xcaret in Mexico
- Success reflects *accesso Siriusware's* broadening appeal in new geographies and markets
- Significant win with Niagara Parks Commission for a combined *accesso Siriusware* / *accesso Passport* solution

***accesso LoQueue$^{sm}$ – Proving value on lower North American attendance***

- Challenging weather in the period in North America, combined with strong comparators from 2016
- First deployment of *accesso Prism$^{sm}$* facilitating the opening of the world's first queueless park
- A major customer is commencing efforts to replace its entire *Qbot$^{sm}$* estate with *accesso Prism*

***accesso ShoWare$^{sm}$*** **– Strong performance in Brazil and Mexico**

- Continued new business momentum with new venues secured in the period located in US, Mexico, Columbia, Canada and Brazil
- Remains the focus of *accesso's* expansion into Mexico and Central and South America, with volumes up 9.1% from 1H 2016
- New business momentum in Brazil with 1H 2017 ticket sales exceeding the total for 2016
- Interface to Ingresso being developed with a September 2017 rollout date

***Ingresso and TE2 – Enhancing value at each stage of the customer journey***

- Ingresso entertainment and travel activity customers realise greater value from their ticketing operations by opening third-party routes to market
- Ingress*o* volumes up 48.2% year-on-year for the period since acquisition, with *accesso ShoWare* and *accesso Passport* customers already migrating onto its platform
- Ingresso customers include Amazon Tickets, GroupOn and YPlan
- TE2 post period end acquisition. TE2 offers highly-personalised software solutions to improve guest experience before, during and after a site-visit
- TE2 allows enterprise customers to understand, predict and monetise consumer behaviour in the physical world
- TE2 customers include Carnival Cruise Line, Arby's and Groupo Vidanta
- Both acquisitions are expected to grow substantially in 2017 with accelerating contributions thereafter

**Commenting on the results Tom Burnet, Executive Chairman of *accesso*, said:**

*"Accesso has started 2017 in a positive and determined way, delivering two acquisitions guided by one central aim: our desire to offer operators technology that drives revenue by improving guest experiences.*

*The strength of the Group's overall performance during the period is a validation of our efforts to diversify the business across markets and geographies, while our products continue to generate significant demand among prospective and existing customers.*

*Although the first half of the year traditionally accounts for less than 40% of annual revenue, the Board looks forward to the remainder of the year with confidence."*

**Steve Brown, Chief Executive Officer, added:**

*"The start of 2017 has seen good progress across the entire accesso business. Perhaps most pleasingly, we have seen Accesso Prism, our state-of-the-art in-park wearable device, prove itself in its market and demonstrate its versatility as a solution.*

*As we move forward, we'll continue with our work to integrate Ingresso and TE2, ensuring we do everything we can to harness their potential to enhance results for our clients."*

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**This announcement contains inside information as defined in Article 7 of the Market Abuse Regulation**

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**<u>About accesso Technology Group</u>**

**accesso** (AIM: ACSO) is the premier technology solutions provider to leisure, entertainment and cultural markets. Our patented and award-winning technology solutions drive increased revenue for attraction operators while improving the guest experience.

Our solutions add value to operators at every point of the guest experience with our technology facilitating the key points of contact with their many millions of guests.

**We drive attendance**

The **accesso Passport**® and **accesso ShoWare**℠ ticketing suites are comprehensive, easy-to-use cloud solutions that process tens of millions of tickets every year for assigned seat and general admission venues, enabling operators to maximize up-sell and cross-sell with ease to drive greater revenue.

**We handle payments**

Our payment gateway carries level 1 PCI security certification and 24/7 support. It provides the tools, security and support operators need to drive sales and has so far processed more than $6 billion in transactions.

**We take guests out of line**

Since 2001 more than 12 million guests have used a patented **accesso LoQueue**$^{SM}$ solution to queue less, ride more, enjoy a better experience and increase in-attraction spend.

**We simplify point-of-sale**

Our **accesso Siriusware**$^{SM}$ point-of-sale solution offers software modules that combine ticketing, membership, retail, food/beverage transactions, rentals, credit card processing and many other functions into a single system eliminating the need for separate systems and databases.

Attractions and venues worldwide currently employ **accesso** technology - from theme parks, water parks, cultural attractions, live performance venues and sporting events to ski and snow parks. We are proud that the majority of the leading names in the leisure industry including Six Flags Entertainment, Cedar Fair Entertainment, Merlin Entertainments, Carnival Cruise Lines, National Aquarium, Peak Resorts and Palace Entertainment, trust our solutions.

**accesso** is a public company, listed on AIM: a market operated by the London Stock Exchange. For more information visit: www.accesso.com

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## Financial Review

The first half of 2017 has seen *accesso's* results benefit from the breadth of its customer base, the diversity of its product-set and its increasing geographic reach. Contributions from new regions are increasing with each period, while customers continue to adopt or combine *accesso* products in new markets.

***accesso*'s revenue model**

The Group generates a significant proportion of its business from transaction-based or other repeatable contracts which together with the long-term nature of key agreements provide high-quality and highly visible revenue streams. This enables *accesso* to think confidently about longer-term investment decisions, whether that be related to product or M&A.

*accesso's* focus on transaction-based revenue is reflected in the acquisitions of Ingresso and TE2, which both complement this strategy. In addition to the visibility of future revenue, these arrangements ensure that the final day of any agreement remains as important to *accesso* as the first, creating a structure that fosters an innovative partnership between *accesso* and our customers.

**Key financial metrics**

The first half of 2017 has seen *accesso* build on strong 1H 2016 figures, delivering Group revenue of $46.6. Representing an increase of 17.4% year on year from $39.7m in 1H 2016, this performance reflects our increased global footprint, the broader range of markets we now serve and the acquisition of Ingresso at the end of March. This growth was delivered despite challenging weather conditions impacting certain *accesso LoQueue and accesso Passport* venues and considering a strong 1H 2016 trading period previously reported. The impact of foreign exchange movements on revenue, or costs, was not material.

The gross profit margin was 57.8% in 1H 2017, compared to 56.1% in 1H 2016 which reflects a lower proportion of queuing revenue in this period and a higher level of non-repeatable revenues than in the comparative period.

Operating costs, excluding expenses relating to the Ingresso acquisition, and share based payments, increased by 15.8% to $18.2m (2016: $15.7m). As disclosed in note 3, an element of the consideration payable in respect of the acquisition of Ingresso is conditional on certain shareholders remaining in employment with that business following the transaction. This results in this element of the consideration not falling within the scope of IFRS3 "Business Combinations" and accordingly, an expense of $0.5m has been charged in the current period. Additional charges will be made until these payments become unconditional, which is expected to be March 2018.

Adjusted EBITDA increased by 33.8% to $8.7m, at a margin of 18.7% (2016: 16.4%) resulting from the operational leverage within the business. This increased margin also reflects the structuring of certain *accesso LoQueue* agreements, with *accesso* recognising revenue on a gross basis, results in profitability generally being less sensitive to the impact of attendance changes than the revenue line.

Adjusted operating profit, which the Board considers a key underlying metric, increased by 30.0% to $6.5m (1H 2016: $5.0m).

Finance costs in the period of $0.5m increased from $0.2m in 2016 due to increased borrowings to finance the Ingresso acquisition and includes an amount of $0.2m relating to the costs of the revised borrowing agreement.

Profit before tax decreased to $1.6m (1H 2016: $2.3m), after transaction expenses relating to the Ingresso acquisition of $0.7m and increased IFRS3 charges (amortisation on the acquired intangibles and deferred consideration) totaling $1.0m. Adjusted earnings per share in the first half of 2017 increased 40.8% to 22.25 cents (1H 2016: 15.80 cents).

**Adjusted operating profit**

The table below sets out a reconciliation between statutory Operating profit and adjusted EBITDA and adjusted Operating profit

| | **Six months ended 30 June 2017** | | Six months ended 30 June 2016 | |
|---|---|---|---|---|
| | **Adjusted EBITDA $000** | **Adjusted Operating Profit $000** | Adjusted EBITDA $000 | Adjusted Operating Profit $000 |
| Operating profit | **2,092** | **2,092** | 2,453 | 2,453 |
| Add: Acquisition expenses | **687** | **687** | - | - |
| Add: Deferred and contingent payments accruing to vendors of Ingresso | **471** | **471** | - | - |
| Add: Total amortisation and depreciation | **4,885** | **-** | 3,629 | - |
| Add: Amortisation related to acquired intangibles | **-** | **2,706** | - | 2,117 |
| Add: Share based payments | **582** | **582** | 448 | 448 |
| | **8,717** | **6,538** | 6,530 | 5,018 |

**Cash and net debt**

As with previous years, due to the traditional seasonality of the business, the first half has not been significantly cash generative. Cash generated from operations, ignoring acquisition expenses, was $1.7m (1H 2016: $2.2m) with underlying cash conversion unchanged from 2016. Capitalised development expenditure was $4.8m in the period, down from $6.2m in 1H 2016, reflecting reduced spending in relation to *accesso Prism.*

Financing costs included interest of $0.3m (1H2016: $0.2m) and an arrangement fee of $0.4m relating to the extension of the Group's borrowing facility.

The acquisition of Ingresso in March 2017 was funded via an initial cash investment (net of cash acquired) of $16m.

Overall, net debt increased to $23.8m at the end of the period from $3.4m at 31 December 2016.

To allow for sufficient headroom, the Group extended its borrowing facility with Lloyds Bank plc. The extended Facility provides the Group with the ability to draw down a total of $60m, denominated in either US dollars, GB Pound Sterling or Euros, and has a term of four years, with an option to extend by a further twelve months at the end of the first year. The facility is at an agreed rate of 140 basis points above LIBOR at a borrowing to EBITDA ratio of less than 1.5 times, rising to 190 basis points if the borrowing to EBITDA ratio is greater than 2.25 times. It provides an additional accordion mechanism allowing for a further $10m relating to future acquisitions, and includes a commitment interest on undrawn funds of 35% of margin. The total available for drawdown is subject to a reduction of US$10m on each of the first, second and third anniversaries of the Extended Facility.

The Facility had an arrangement fee of $0.4m and is secured over *accesso's* assets and intellectual property of the Group in the US and UK.

The board believes that the Group remains in a strong financial position at the period end.

**Taxation**

The Board expects the 2017 effective tax rate on adjusted profit before tax to be approximately 20%, while the effective tax rate on statutory profit before tax for the full year is expected to be approximately 31.2% which are the rates used within 1H 2017 (1H 2016: 28%). The statutory effective tax rate will be significantly higher to the adjusted rate due to the accounting treatment under IFRS 3 whereby acquisition consideration payable to employees of an acquired entity, who must remain employees post-acquisition as a condition to receiving earn out or deferred consideration, is treated as compensation expense rather than consideration.

The Group continues to review and implement opportunities for maintaining or lowering its effective rate, while mindful of the fact that the majority of taxable income will continue to be generated in markets with significantly higher headline tax rates than the UK.

**Dividend**

The Board maintains its view that the payment of a dividend is unlikely in the short to medium term with cash better invested in growth focused investment opportunities.

## Operational Progress

*accesso's* objective is to offer technology which connects visitors with venues, and to help those venues drive revenue from the interactions they have with their guests. The results reported here reflect the ongoing success of this strategy. From taking guests out of line and enabling them to maximise the time they can spend enjoying what a venue has to offer, to helping operators run flexible and enticing eCommerce environments, *accesso* uses technology to enhance guest journeys, before, during and after a visit.

*accesso Passport*

*accesso Passport* continues to be a key element of the Group's growth engine. As part of the ongoing rollout across Merlin Entertainments' global estate, the first half of 2017 saw *accesso Passport* go-live at venues including Merlin's London Cluster, Alton Towers, and the new LEGOLAND® Japan Theme Park.

a*ccesso Passport* also continues to win business beyond the Group's agreement with Merlin, landing four entirely new deals with clients including the NFL Experience in Times Square, New York, The CNN Studio Tour in Atlanta, Georgia and The Jameson Distillery in Dublin, Ireland. After the period-end, an agreement was also reached with Village Roadshow Theme Parks to install the *accesso Passport* solution at key attractions in Australia. The contract represents a significant expansion of an existing relationship, following the installation of *Qband*$^{SM}$, an *accesso LoQueue* virtual queuing solution, at Village Roadshow's Wet'n'Wild Sydney in 2016. It also demonstrates *accesso's* ongoing commitment to expanding its reach across new markets and geographies. These wins reflect the product's market-leading quality and impressive ability to meet a range of challenges for customers of varying size, in different markets and in a host of languages. Total *accesso Passport* volumes increased 18% during the period. Development was also undertaken to integrate the Ingresso platform into *accesso Passport* allowing distribution of current *accesso* venues.

Through *accesso Passport*, the Group is progressing well in establishing itself in greenfield geographies. For example, European volumes now account for 14.6% of *accesso Passport's* total (2016: 11.9%), while Asia Pacific now accounts for 2.79% (2016: 0.1%). This change in mix reflects a concerted effort to diversify the Group's geographic footprint in order reduce overall dependency on specific customers, weather conditions or market verticals. This work is ongoing, but is progressing in a pleasing and meaningful manner to date.

*accesso Siriusware*

The first half of 2017 saw *accesso Siriusware* win its largest ever contract, agreeing a deal with the Mexican operator Experiencias Xcaret. The operator has a network of seven popular experiences, parks, and attractions in Mexico, and when implementation is complete, *accesso Siriusware* will operate on more than 400 workstations across them. As well as providing a range of software modules including retail, food and beverage, access control, rentals, reservations and gift cards, Experiencias Xcaret will also use *accesso Siriusware* to coordinate and schedule transportation between its various sites. This win represents the latest important example of expansion for *accesso Siriusware* beyond its traditional ski markets, showcasing its broad appeal and ability to overcome universal guest-management challenges for operators.

An important agreement was also signed with the Niagara Parks Commission for the implementation of an integrated *accesso Siriusware/accesso Passport* solution. *accesso Siriusware* will be run on almost 100 salespoints on premises for ticket and pass sales, access control, reservations and resource management. *accesso Passport* will offer a fully integrated solution for on-line sales. This implementation provides a further excellent example of the market available for combining *accesso* solutions.

*accesso ShoWare*

*accesso ShoWare* continues its expansion in North and South America, in particular with ticketing volumes in Brazil and Mexico increasing 9.1% over the same period last year. Notable new customers include SLS Casino and Resort in Las Vegas, Welk Resorts in San Diego and Branson as well as Toluca FC in Mexico to name a few.

*accesso ShoWare* will complete the real-time interface to Ingresso by the Autumn of this year allowing all *accesso ShoWare* customers to utilize the distribution platform of Ingresso. We strongly believe that this interface has the potential to completely transfer the traditional paper based, offline voucher and allocation business to real-time electronic distribution platforms allowing a specific ticket to be available at hundreds of marketplaces at the same time.

In particular, our Brazilian business has outperformed expectations with 1H ticket sales exceeding the full 2016 year. Concerts by Bruno Mars, Ed Sheeran, John Mayer, Green Day and events such as the Maximus Festivals all contributed to these outstanding results.

We also secured the ticketing contract for another major league soccer team in the city of Toluca, Mexico. Toluca FC recently celebrated its 100-year anniversary and unveiled its completely renovated stadium with a capacity of 31,000 for sports events and up to 40,000 with concert seating.

*accesso LoQueue*

The first half of 2017 saw *accesso LoQueue* impacted by bad weather at some of our key North American customers' sites which impacted theme park attendance, albeit against a strong comparative period. Despite these challenging conditions in North America, *accesso LoQueue* continues to win new and varied business.

The most important development of the year so far has been the deployment of *accesso Prism*, our state-of-the-art in-park wearable device, enabling a leading operator to open the world's first entirely queueless park. This park is redefining how guests spend their day at an attraction and has created significant interest from other operators globally. Elsewhere, another *accesso LoQueue* operator has successfully concluded a first season of an available-to-all / premium system hybrid. This proves the business model of making virtual queuing optionally available to all whilst preserving the premium model for those who wish to upgrade to a higher level of service.

*accesso Prism* continues to make excellent strides and a current leading client is about to start replacing their existing *Qbot* estate with the new device. The device has also been modified to enable it to operate within European markets.

*Acquisitions*

In March 2017, *accesso* completed the acquisition of Ingresso, a leading Global Distribution System for entertainment ticketing. Details of the transaction are included in note 6.

Ingresso operates a software platform which enables venue operators, event producers and inventory aggregators to offer real-time digital sales through global third party distribution channels. Ingresso facilitates B2C sales of ticketed events though a range of white-label partner eCommerce sites, and connects some of the world's largest eCommerce companies to event ticketing systems, allowing them to sell tickets to entertainment events under their own brand and payment systems. It counts Lastminute.com, Cirque du Soleil, Amazon tickets, GroupOn and Yplan among its international partner base.

In July 2017, after the period end, *accesso* acquired The Experience Engine ("TE2"), a developer of software solutions primarily for the leisure, hospitality, entertainment and retail sectors. Details of the transaction are included in note 6.

With market-leading personalisation and data orchestration technologies, TE2 allows operators to capture, model and anticipate guest behaviour and preferences not only pre and post-visit, but also in the physical in-venue environment. This personalisation is achieved using a number of heuristics, including machine-learning-based recommendations, and is used to provide actionable analytics and insight to customers' operations, retail and marketing teams. While TE2's client base opens up a number of new verticals to *accesso* products, it also shares several notable customers with the pre-existing Group. Its existing client base in new sectors includes Carnival Cruise Lines and Arby's, while shared clients include Cedar Fair Entertainment and Merlin Entertainments.

Combined, these acquisitions reflect the start of a new phase of *accesso's* work to provide the best available guest experiences for its customers. Both deals significantly expand the Group's addressable market and ability to create value from guest journeys in a holistic manner. The Group will continue to invest in its leading-edge technology to enhance its platform and integrations of the two companies are progressing well.

**Current Trading & Outlook**

The Group's performance during the first half has been strong, primarily driven by continued momentum in *accesso Passport* and some impressive wins across the remainder of the ticketing and guest management business. Notwithstanding the lower than expected theme park attendance experienced in the first six months, the Board remains confident in the power of and demand for its products and in its outlook for the full year.

**- ENDS -**

**Consolidated statement of comprehensive income**
**for the six month period ended 30 June 2017**

| | **Six months ended 30 June 2017 $000** | Six months ended 30 June 2016 $000 |
|---|---|---|
| Revenue | **46,590** | 39,680 |
| Cost of sales | **(19,670)** | (17,425) |
| **Gross profit** | **26,920** | 22,255 |
| Administrative expenses | **(24,828)** | (19,802) |
| **Operating profit** | **2,092** | 2,453 |
| Finance expense | **(495)** | (201) |
| Finance income | **16** | 2 |
| **Profit before tax** | **1,613** | 2,254 |
| Income tax charge | **(503)** | (631) |
| **Profit for the period** | **1,110** | 1,623 |
| **Other comprehensive income** | | |
| *Items that will be reclassified to the income statement* | | |
| Exchanges differences on translating foreign operations | **353** | (764) |
| **Other comprehensive income / (loss) for the period, net of tax** | **353** | (764) |
| **Total comprehensive income for the period** | **1,463** | 869 |
| Profit / (loss) attributable to: | | |
| Owners of the parent | **1,110** | 1,633 |
| Non-controlling interest | **-** | (10) |
| | **1,110** | 1,623 |
| Total comprehensive income / (loss) attributable to: | | |
| Owners of the parent | **1,463** | 869 |
| Non-controlling interest | **-** | (10) |
| | **1,463** | 859 |
| Earnings per share expressed in cents per share: | | |
| Basic | **4.96** | 7.36 |
| Diluted | **4.68** | 7.05 |

All activities of the company are classified as continuing.

## Consolidated statement of financial position as at 30 June 2017

| | 30 June 2017 | 31 December 2016 |
|---|---|---|
| | $000 | $000 |
| **Assets** | | |
| **Non-current assets** | | |
| Intangible assets | **116,231** | 81,612 |
| Property, plant and equipment | **3,458** | 3,494 |
| Deferred tax | **6,945** | 6,008 |
| | **126,634** | 91,114 |
| **Current assets** | | |
| Inventories | **653** | 491 |
| Trade and other receivables | **18,189** | 10,232 |
| Tax receivable | **-** | 681 |
| Cash and cash equivalents | **12,836** | 5,866 |
| | **31,678** | 17,270 |
| **Liabilities** | | |
| **Current liabilities** | | |
| Trade and other payables | **27,628** | 11,242 |
| Finance lease liabilities | **37** | 54 |
| Corporation tax payable | **680** | - |
| | **28,345** | 11,296 |
| **Net current assets** | **3,333** | 5,974 |
| **Non-current liabilities** | | |
| Deferred tax | **12,079** | 9,990 |
| Finance lease liabilities | **-** | 9 |
| Borrowings | **36,662** | 9,298 |
| | **48,741** | 19,297 |
| Total liabilities | **77,086** | 30,593 |
| **Net assets** | **81,226** | 77,791 |
| **Shareholders' equity** | | |
| Called up share capital | **359** | 357 |
| Share premium | **29,538** | 28,150 |
| Own shares held in trust | **(1,163)** | (1,163) |
| Other reserves | **9,824** | 9,242 |
| Retained earnings | **31,029** | 29,919 |
| Merger reserve | **14,540** | 14,540 |
| Translation reserve | **(2,901)** | (3,254) |
| **Total shareholders' equity** | **81,226** | 77,791 |

## Consolidated statement of cash flows
## for the six month period ended 30 June 2017

| | Six months ended 30 June 2017 $000 | Six months ended 30 June 2016 $000 |
|---|---|---|
| **Cash flows from operations** | | |
| Profit for the period | **1,110** | 1,623 |
| *Adjustments for:* | | |
| Amortisation on acquired intangibles | **2,706** | 2,117 |
| Amortisation on development costs | **1,500** | 850 |
| Depreciation and amortization on other fixed assets | **679** | 662 |
| Share based payment | **582** | 448 |
| Finance expense | **495** | 201 |
| Finance income | **(16)** | (2) |
| Foreign exchange gain / (loss) | **110** | (834) |
| Income tax expense | **503** | 631 |
| | **7,669** | 5,496 |
| Increase in inventories | **(162)** | (109) |
| Increase in trade and other receivables | **(3,914)** | (2,847) |
| Decrease in trade and other payables | **(2,783)** | (401) |
| Cash generated from operations | **810** | 2,339 |
| Tax received/ (paid) | **188** | (275) |
| Net cash inflow from operating activities | **998** | 2,064 |
| **Cash flows from investing activities** | | |
| Investment in subsidiary, net of cash acquired | **(16,034)** | - |
| Purchase of intangible fixed assets | **(4,845)** | (6,198) |
| Purchase of property, plant and equipment | **(478)** | (746) |
| Interest received | **16** | 2 |
| Net cash used in investing activities | **(21,341)** | (6,942) |
| **Cash flows from financing activities** | | |
| Share Issue | **1,390** | 956 |
| Sale of shares held in trust | **-** | 1,240 |
| Interest paid | **(279)** | (182) |
| Capitalised finance costs | **(350)** | - |
| Payments to finance lease creditors | **(27)** | (22) |
| Proceeds from borrowings | **31,375** | 5,316 |
| Repayment of borrowings | **(4,835)** | (1,000) |
| Net cash generated from financing activities | **27,274** | 6,308 |
| **Increase in cash and cash equivalents in the period** | **6,931** | 1,430 |
| **Cash and cash equivalents at beginning of year** | **5,866** | 5,307 |
| Exchange gain / (loss) on cash and cash equivalents | **39** | (167) |
| **Cash and cash equivalents at end of period** | **12,836** | 6,570 |

## Consolidated statement of changes in equity
## for the six month period ended 30 June 2017

| | Share capital | Share premium | Retained earnings | Merger reserve | Other Reserves | Own shares held in trust | Translation reserve | Total attributable to equity holders | Non-controlling interest | Total |
|---|---|---|---|---|---|---|---|---|---|---|
| | $000 | $000 | $000 | $000 | $000 | $000 | $000 | $000 | $000 | $000 |
| **Balance at 31 December 2016** | **357** | **28,150** | **29,919** | **14,540** | **9,242** | **(1,163)** | **(3,254)** | **77,791** | **-** | **77,791** |
| **Comprehensive Income for the year** | | | | | | | | | | |
| Profit for period | - | - | 1,110 | - | - | - | - | 1,110 | - | **1,110** |
| Other comprehensive income | - | - | - | - | - | - | 353 | 353 | - | **353** |
| **Total comprehensive income for the year** | - | - | 1,110 | - | - | - | 353 | 1,463 | - | **1,463** |
| **Contributions by and distributions by owners** | | | | | | | | | | |
| Issue of share capital | 2 | 1,388 | - | - | - | - | - | 1,390 | - | **1,390** |
| Share based payments | - | - | - | - | 582 | - | - | 582 | - | **582** |
| **Total contributions by and distributions by owners** | 2 | 1,388 | - | - | 582 | - | - | 1,972 | - | **1,972** |
| **Balance at 30 June 2017** | **359** | **29,538** | **31,029** | **14,540** | **9,824** | **(1,163)** | **(2,901)** | **81,226** | **-** | **81,226** |
| Balance at 31 December 2015* | 353 | 26,841 | 22,169 | 14,540 | 3,470 | (2,136) | (1,675) | 63,562 | 2 | 63,564 |
| Comprehensive Income for the year | | | | | | | | | | |
| Profit for period | - | - | 1,633 | - | - | - | - | 1,633 | (10) | 1,623 |
| Other comprehensive income | - | - | - | - | - | - | (764) | (764) | - | (764) |
| Total comprehensive income for the year | - | - | 1,633 | - | - | - | (764) | 869 | (10) | 859 |
| Contributions by and distributions by owners | | | | | | | | | | |
| Issue of share capital | 3 | 953 | - | - | - | - | - | 956 | - | 956 |
| Share based payments | - | - | - | - | 448 | - | - | 448 | - | 448 |
| Reduction of shares held in trust | - | - | 222 | - | - | 973 | - | 1,195 | - | 1,195 |
| Total contributions by and distributions by owners | 3 | 953 | 222 | - | 448 | 973 | - | 2,599 | - | 2,599 |
| Balance at 30 June 2016* | 356 | 27,794 | 24,024 | 14,540 | 3,918 | (1,163) | (2,439) | 67,030 | (8) | 67,022 |

*restated – see note 1

## Notes to the Interim Statements

### 1. Basis of preparation

*accesso Technology Group* plc (the "Group") is a company domiciled in England. The basis of preparation of this financial information is consistent with the basis that will be adopted for the full year accounts which will be prepared in accordance with IFRS as adopted by the European Union.

While the financial figures included in this half-yearly report have been computed in accordance with IFRS applicable to interim periods, this half-yearly report does not contain sufficient information to constitute an interim financial report as that term is defined in IAS 34.

This interim financial information has neither been audited nor reviewed pursuant to guidance issued by the FRC and the financial information contained in this report does not constitute statutory accounts within the meaning of Section 434 of the Companies Act 2006. The period to 31 December 2016 has been extracted from the audited financial statements for that period.

Having considered the principal risks and uncertainties as presented in the 31 December 2016 audited financial statements, and those additional risks and uncertainties disclosed below, the Directors have a reasonable expectation that the Group has adequate resources to continue in operational existence for the foreseeable future. Therefore, they continue to adopt the going concern basis in preparing the half-yearly financial information.

***Restatement of statement of changes in Group equity***

The 30 June 2016 statement of changes in Group equity has been amended to in relation to the adjustment made in the 31 December 2016 audited financial statements to remove the effects of the translation of equity balances. Management identified that a number of capital and reserve balances were being retranslated each year for presentation purposes through the foreign currency translation reserve, rather than at the historical exchange rate. As a result, the statements of financial position and statements of changes in equity for the periods ended 31 December 2015 and 30 June 2016 have been restated to remove this foreign exchange movement. There has been no change in total equity for the period. The effect of the restatement is set out below:

| | Share capital $000 | Share premium $000 | Retained earnings $000 | Merger relief reserve $000 | Other reserves $000 | Own shares held in trust $000 | Translation reserve $000 | Attributable to equity holders $000 |
|---|---|---|---|---|---|---|---|---|
| Balance at 31 December 2015 (as previously reported) | 326 | 24,313 | 21,033 | 13,810 | 3,427 | (1,971) | 2,624 | 63,562 |
| Restatement | 27 | 2,528 | 1,136 | 730 | 43 | (165) | (4,299) | - |
| Balance at 31 December 2015 (restated) | 353 | 26,841 | 22,169 | 14,540 | 3,470 | (2,136) | (1,675) | 63,562 |

| | Share capital $000 | Share premium $000 | Retained earnings $000 | Merger relief reserve $000 | Other reserves $000 | Own shares held in trust $000 | Translation reserve $000 | Attributable to equity holders $000 |
|---|---|---|---|---|---|---|---|---|
| Balance at 30 June 2016 (as previously reported) | 299 | 22,959 | 21,593 | 12,499 | 3,639 | (892) | 6,933 | 67,030 |
| Restatement | 57 | 4,835 | 2,431 | 2,041 | 279 | (271) | (9,372) | - |
| Balance at 30 June 2016 (restated) | 356 | 27,794 | 24,024 | 14,540 | 3,918 | (1,163) | (2,439) | 67,030 |

## 2. Accounting policies

The condensed consolidated interim financial information has been prepared using accounting policies consistent with those set out on pages 29 to 38 in the audited financial statements for the period ended 31 December 2016. These accounting policies have been applied consistently to all periods presented in this financial information.

## 3. Taxation

The tax expense for each period has been calculated on the expected annual effective rate. The adjusted earnings per share (note 5) for the six months ended 30 June 2017 has been presented using an estimated adjusted rate for the period, which has been adjusted to remove the effect of earn out and deferred consideration expected in relation to the acquisitions of Ingresso and TE2. Under IFRS 3, consideration paid to employees of the acquired entity, who must remain employees post-acquisition in order to receive earn out or deferred consideration, is treated as compensation expense rather than consideration for book purposes. For tax purposes, these amounts are considered part of the earn out or deferred consideration, which is not deductible for tax purposes.

## 4. Reconciliation of alternative performance measures

| | **Six months ended 30 June 2017** | | Six months ended 30 June 2016 | | Year ended 31 December 2016 | |
|---|---|---|---|---|---|---|
| | **Adjusted EBITDA $000** | **Adjusted Operating Profit $000** | Adjusted EBITDA $000 | Adjusted Operating Profit $000 | Adjusted EBITDA $000 | Adjusted Operating Profit $000 |
| Operating profit | **2,092** | **2,092** | 2,453 | 2,453 | 10,512 | 10,512 |
| Add: Acquisition expenses | **687** | **687** | - | - | - | - |
| Add: Deferred acquisition consideration (i) | **471** | **471** | - | - | - | - |
| Add: Total amortisation and depreciation | **4,885** | **-** | 3,629 | - | 6,221 | - |
| Add: Amortisation related to acquired intangibles | **-** | **2,706** | - | 2,117 | - | 4,227 |
| Add: Share based payments | **582** | **582** | 448 | 448 | 987 | 987 |
| | **8,717** | **6,538** | 6,530 | 5,018 | 19,113 | 15,726 |

(i) Per IFRS 3, consideration paid to employees of the acquired entity, who must remain employees post-acquisition in order to receive earn out or deferred consideration, is treated as compensation expense rather than consideration.

| | **Adjusted cash from operations** | | |
|---|---|---|---|
| | **Six months ended 30 June 2017 $000** | Six months ended 30 June 2016 $000 | Year ended 31 December 2016 $000 |
| Cash flow from operating activities | **998** | 2,064 | 17,822 |
| Add: Acquisition related expenses | **687** | - | - |
| | **1,685** | 2,064 | 17,822 |

| | **Net debt** | | |
|---|---|---|---|
| | **Six months ended 30 June 2017 $000** | Six months ended 30 June 2016 $000 | Year ended 31 December 2016 $000 |
| Borrowings | **36,662** | **19,036** | 9,298 |
| Less: Cash | **(12,836)** | **(6,570)** | (5,866) |
| | **23,826** | **12,466** | 3,432 |

## 5. Earnings per share ("EPS")

The calculation of the basic earnings per share is based on the earnings attributable to ordinary shareholders divided by the weighted average number of shares in issue during the period.

Diluted earnings per share is calculated by dividing the profit attributable to ordinary shareholders by the weighted average of ordinary shares outstanding during the period adjusted for the effects of dilutive instruments.

Adjusted basic earnings per share is calculated by dividing the profit attributable to ordinary shareholders adjusted for costs related to acquisition expenses, the amortisation on acquired intangibles, share based compensation, and amortisation of loan refinancing charges, net of tax effects, by the weighted average number of shares used in basic EPS. The denominator for adjusted diluted earnings per share is the weighted average number of shares used in diluted EPS.

| | **Six months ended 30 June 2017 $000** | Six months ended 30 June 2016 $000 | Year ended 31 December 2016 $000 |
|---|---|---|---|
| Profit attributable to ordinary shareholders | **1,110** | 1,623 | 7,526 |
| | | | |
| **Basic EPS** | | | |
| *Denominator* | | | |
| Weighted average number of shares used in basic EPS | **22,375** | 22,040 | 22,169 |
| Basic earnings per share - cents | **4.96** | 7.36 | 33.95 |
| | | | |
| **Diluted EPS** | | | |
| *Denominator* | | | |
| Weighted average number of shares used in basic EPS | **22,375** | 22,040 | 22,169 |
| *Effect of dilutive securities* | | | |
| Options | **1,333** | 967 | 1,332 |
| Weighted average number of shares used in diluted EPS | **23,708** | 23,007 | 23,501 |
| Diluted earnings per share - cents | **4.68** | 7.05 | 32.02 |
| | | | |
| **Adjusted EPS** | | | |
| Profit before tax | **1,613** | 2,254 | 10,102 |
| | | | |
| *Adjustments to profit for the period:* | | | |
| Acquisition expenses | **687** | - | - |
| Amortisation relating to acquired intangibles from acquisitions | **2,706** | 2,117 | 4,227 |
| Earn out compensation | **471** | - | - |
| Shared based compensation | **582** | 448 | 987 |
| Amortisation of capitalised finance costs | **163** | 18 | 49 |
| Adjusted profit before tax | **6,222** | 4,837 | 15,365 |
| | | | |
| Tax at the adjusted effective rate: (2017: 20%; H1 2016: 28%; FY 2016: 25.5%) | **(1,244)** | (1,354) | (3,918) |
| | | | |
| **Adjusted profit attributable to ordinary shareholders** | **4,978** | 3,483 | 11,447 |
| | | | |
| **Adjusted basic EPS** | | | |
| *Denominator* | | | |
| Weighted average number of shares used in basic EPS | **22,375** | 22,040 | 22,169 |
| Adjusted earnings per share - cents | **22.25** | 15.80 | 51.64 |

**Adjusted diluted EPS**

*Denominator*

| | | | |
|---|---|---|---|
| Weighted average number of shares used in diluted EPS | **23,708** | 23,007 | 23,501 |
| Adjusted earnings per share - cents | **21.00** | 15.14 | 48.71 |

## 6. Acquisition of Ingresso Group Limited ("Ingresso")

On 30 March 2017, the Group acquired 100% of the voting equity of Ingresso Group Limited, a provider of live access to ticketed events worldwide across multiple platforms, languages and currencies.

*accesso* acquired Ingresso for an initial cash consideration of $21.8m, plus a potential earn out payment.

The earn out may be payable in 2018 based on the financial performance of Ingresso for the year ended 31 December 2017 exceeding its financial performance in 2016. The earn out payment, capped at £10.5m ($13.1m), is payable in cash and is secured by a floating charge on the assets of Ingresso. The Group's statement of financial position includes a liability in relation to the earn out of $9.6m.

The total aggregate consideration excluding the working capital adjustment, is capped at £28.0m ($35.0m), assuming that the earn out is achieved in full.

Acquisition related costs of $0.7m were incurred in relation to this acquisition, excluding capitalised finance costs ($0.4m), and are included within administrative expenses within the statement of comprehensive income for the period. Finance costs are amortised over the life of the agreement.

Details of the provisional fair value of identifiable assets and liabilities acquired, purchase consideration, and goodwill are below as of the acquisition date:

| | **Provisional Book value $000** | **Provisional Adjustment $000** | **Provisional fair value $000** |
|---|---|---|---|
| Identifiable intangible assets | | | |
| Internally developed technology | 514 | 10,349 | 10,863 |
| Customer relationships | - | 1,481 | 1,481 |
| Trademarks | - | 1,349 | 1,349 |
| Supplier contracts | - | 930 | 930 |
| Property, plant and equipment | 49 | - | 49 |
| Receivables and other debtors | 4,043 | - | 4,043 |
| Payables and other liabilities | (9,246) | - | (9,246) |
| Cash | 5,743 | - | 5,743 |
| Deferred tax asset | 863 | - | 863 |
| Deferred tax Liability | - | (2,545) | (2,545) |
| Total net assets | 1,966 | 11,564 | 13,530 |
| Cash paid at completion | 21,777 | - | 21,777 |
| Contingent consideration, at present value | 9,553 | - | 9,553 |
| Total consideration | 31,330 | - | 31,330 |
| Goodwill on acquisition | | | 17,800 |

The main factors leading to the recognition of goodwill are the presence of certain intangible assets, such as the assembled workforce of the acquired entity and the expected synergies of the enlarged group which do not qualify for separate recognition.

The net cash outflow in the period related to the acquisition comprised:

**Fair value**

| | $000 |
|---|---|
| Cash paid on completion | **(21,777)** |
| Cash acquired | **5,743** |
| | **16,034** |

**7. Acquisition of Blazer and Flip Flops, Inc. DBA The Experience Engine ("TE2")**

On 21 July 2017, the Group acquired 100% of the voting equity of Blazer and Flip Flops, Inc, a privately-owned developer of software solutions which enables leading enterprises to offer a highly-personalised guest experience to their customers, primarily in the leisure, hospitality, entertainment and retail sectors. The acquisition was for an enterprise value of £62.3 million ($80 million), and was funded by the issue of $14.4 million in *accesso* shares to the Vendors and an underwritten vendor and cash placing of £58.8 million ($75.6 million).

**8. Dividend**

No dividend has been proposed or recommended during the period. The Board maintains the view that the payment of a dividend is unlikely in the short to medium term with cash better invested on growth-focused investment opportunities.