27 March 2019

accesso® Technology Group plc

(“accesso” or the “Group”)

Audited PRELIMINARY RESULTS

for the year ended 31 December 2018

accesso Technology Group plc (**AIM: ACSO**), the premier technology solutions provider to leisure, entertainment hospitality, attractions and cultural markets, announces audited preliminary results for the year ended 31 December 2018.

Highlights

- Continued growth with revenue of $118.7m representing an increase of 15.5% on 2017 revenue (proforma for IFRS 15) of $102.8m.
- Gross profit has increased 20.2% to $88.2m from $73.4m in 2017.
- Adjusted Operating Profit up 25.5% to $25.1m and adjusted EBITDA up 36.5%, against proforma comparatives, to $34.8m.
- Organic revenue growth, which excludes the impact of the 2017 acquisitions, of 7.8% reflects continued strong Ticketing and Distribution performance, which was up 18.3%, offset by an 11% decline in Guest Experience revenue due to weather and changing park visitation patterns.
- Transactional and Repeatable revenues grew 15.1% to $88.4m or 74.4% of total revenues.
- Major client activity continued with significant contract win with Marriott Hotels, renewal of our agreement with Cedar Fair and a strategic partnership with Village Roadshow Theme Parks.
- Current addressable market opportunity for the Group identified estimated to be as being in the region of $3.4bn.
- Decision taken to accelerate the investment required to evolve and broaden our range of solutions, unlocking additional cross-sell and up-sell potential within our installed base and allowing for more efficient development, support and service delivery.
- For 2019 we expect further strong growth in our transactional and repeatable revenues, partly offset by headwinds from non-recurring revenues, resulting in high single digit overall organic revenue growth, similar to 2018.

	Year ended 31 Dec 18	Year ended 31 Dec 17 (proforma)[1]	Change	Year ended 31 Dec 17
	IFRS15	IFRS15	IFRS15	IAS18
	$m	$m		$m
Revenue[7]	**118.7**	102.8	15.5%	133.4
Operating profit[7]	**6.3**	10.1	(37.6%)	9.2
Adjusted operating profit [2]	**25.1**	20.0	25.5%	19.1
Adjusted EBITDA[3]	**34.8**	25.5	36.5%	24.6
Underlying cash conversion[4]	**74.7%**	83.1%		86.2%
Net cash[5,7]	**0.5**	12.5	(12.0)	12.5
Earnings per share – basic (cents) [7]	**12.23**	41.06	(70.2%)	40.83
Adjusted Earnings per share – basic (cents)[6]	**73.58**	59.45	23.8%	56.73

See footnotes below for definitions of non-statutory alternative reporting measures.

[1]*Unaudited information that adjusts the audited 2017 results to be comparable with 2018 as a result of the adoption of IFRS 15. Reconciliation included within the Financial Review*
[2]*Operating profit measures are based on reported profit numbers excluding acquisition expenses, amortisation of acquired intangibles, charges relating to any contingent element of acquisition consideration, and share based payments.*
[3]*Adjusted operating profit before depreciation and amortisation*
[4]*Adjusted cash generated from operations (cash from operations, adjusted for non-underlying items) as a percentage of Adjusted EBITDA*
[5]*Cash less Borrowings*
[6]*Adjusted for acquisition expenses, amortisation of acquired intangibles, charges relating to any contingent element of acquisition consideration, share based payments, net of tax effect, and the revaluation of US deferred tax assets and liabilities*
[7]*Audited number; all other numbers are unaudited*

Commenting on the results, Paul Noland, Chief Executive Officer of *accesso*, said:

"2018 has been another year of global expansion at Accesso. Our progress continues to be driven by the variety of solutions we have to offer and our relentless focus on delivering excellent service and support.

We continue to integrate the 2017 acquisitions of TE2 and Ingresso, along with identifying and executing opportunities for integration across the Group's entire portfolio of solutions. As hoped, we saw increased demand for multiple applications at individual sites and have made positive strides in that direction.

Our customers are asking us to bring even more flexibility, integration and scalability to the products and services we offer. As such, and in order to accelerate future growth, we will invest where necessary to maintain our market leadership and to ensure we capitalise on customer demand for our products, as either an integrated or as an individual solution."

The information contained within this announcement is deemed to constitute inside information as stipulated under the Market Abuse Regulations (EU) No. 596/2014 ("MAR"). Upon the publication of this announcement, this inside information is now considered to be in the public domain

The Company will be hosting a presentation for analysts at 9:00am this morning. Analysts and institutional investors are also able to request a copy of the presentation and audio webcast conference details by contacting accesso@fticonsulting.com. A copy of the presentation made to analysts will be available for download from the Group's website, shortly after the conclusion of the meeting.

For further information, please contact:

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Chief Executive's Statement

These 2018 annual results represent the first fiscal year end since I joined *accesso* last spring. During my time at *accesso*, I have developed an increased appreciation that this is a business with an industry-leading technology proposition that serves a truly impressive set of clients. We are succeeding in a competitive landscape due in no small part to the efforts of the amazing staff that I have come to know and appreciate.

Our stated strategy has been to make the most of demand for our technology within our installed base, increase penetration within our existing verticals, and diversify our business through expansion across adjacent markets. I firmly believe that 2018 has been a year of positive progress against each of these goals.

All businesses experience headwinds and we've had our share this past year. We witnessed several events that impacted our clients, and therefore *accesso*, including attendance fluctuations due to weather and changing park visitation patterns. We were also unable to complete a well-advanced acquisition opportunity which was terminated in October 2018. It is a tribute to our strength as an organisation that we have grown through these challenges.

We start the year with renewed determination to continue to expand and evolve. As such, an important part of our go-forward strategy is to ensure we are applying our resources in the most efficient way given the growth in demand for solutions that combine our technology offerings.

We have affirmed the positive potential of our strategy and see a clear path toward improving our already successful solutions. We look forward to the year ahead with the enthusiasm that comes from knowing where we need to go and a clear plan on how to get there.

2018 in Review

Financial Performance

As set out in the Interim results of 19 September 2018, the Group adopted IFRS 15 Revenue from Contracts with Customers from 1 January 2018, using the cumulative effect method, with the effect of applying this standard recognized at the date of adoption. Accordingly, information presented for 2017 has not been restated. However, the Group has provided, where relevant, pro-forma data for the comparative period that shows the metric that would have been reported had IFRS15 been adopted for 2017 together with a full reconciliation from the statutory 2017 numbers.

The Group's financial results in 2018 demonstrates continued progress. In terms of headlines, revenue for the year was $118.7m, up from a proforma revenue of $102.8m in 2017, while adjusted operating profit grew to $25.1m from a proforma $20.0m in 2017. This represents growth of 15.5% and 25.5% respectively. Furthermore, adjusted EBITDA was $34.8m representing 36.5% growth on proforma 2017 of $25.5m and while 2018 benefited from having a full year of the two acquisitions undertaken in 2017, it represents a strong top and bottom line.

Evolving our Reporting

The growth in *accesso's* size, our additional acquisitions, and subsequent changes to our organisational structure led the Board to review the reporting of its operating segments. This review concluded we should present more granularity around our individual product lines as they pertain to *accesso's* two main activities: 'Ticketing & Distribution' and 'Guest Experience'. A number of acquisitions, each of which has broadened our horizons and helped us better-address our market opportunity, have added new revenue models and new market dynamics, and now make additional disclosure appropriate.

Our Ticketing and Distribution segment consists of *accesso Passport* ™, *accesso Siriusware*℠, *accesso ShoWare*℠ and *Ingresso* ™; while our Guest Experience segment consists of *accesso LoQueue*℠ and *TE2* ™. These groupings align products with similar financial, technological and go-to-market characteristics with the strategic thrusts of our business: on the one hand selling and distributing tickets, and on the other, providing in-venue technology that helps guests get more out of their visits to attractions. In our view, these changes have three main benefits. First, they will ensure our financial reporting better reflects the way we see ourselves and run our business. Second, they will better enable our followers to discern the moving parts within *accesso* and fully understand the dynamics driving our performance. Finally, they will help followers differentiate between organic and inorganic revenue, clarifying our underlying performance as we integrate our 2017 acquisitions. All in all, we hope to paint a more detailed and representative picture as we look towards the future.

A View of our Market Opportunity

In 2018, *accesso* engaged an external firm to support our efforts to estimate our total addressable market. We were interested in understanding not only the total potential but also how it relates to geographies and identified verticals. The result was a detailed analysis of *accesso's* opportunities by market segment. We estimate our current total addressable market opportunity is approximately $3.4bn, with Ticketing and Distribution representing an addressable market opportunity of approximately $1.9bn and Guest Experience representing an addressable market opportunity of approximately $1.5bn. Given the Group's current level of revenue, this represents a significant opportunity with material room for further growth. Beyond the market statistics, *accesso* has been able to successfully showcase the value of digitizing the guest journey to be universal across the leisure, entertainment and hospitality space, providing significant opportunities. Expansion of this kind remains a key part of our strategy, increasing our potential with every step into a new geography or industry vertical.

Operational Highlights

Established Verticals

accesso views its traditional verticals as theme park, water park and attraction operators. We are proud to have many of the largest operators in this area as clients, deploying multiple product offerings across what remains a vital and growing part of our business.

Key among this year's achievements was the near-completion of our *accesso Passport* roll-out across Merlin Entertainment's global estate. We are now present with Merlin in 30 countries, each of which presents a significant opportunity to expand by leveraging the localized footprints and technologies we have established. Our strong relationship with Merlin is also enabling expansion beyond *accesso Passport*, and we were extremely pleased to announce the first same-site integration of *accesso Passport*, *accesso LoQueue*, *TE2* and *Prism*[SM] at The Bear Grylls Adventure in the UK during Q4.

We also signed a contract extension with long-term partner Cedar Fair and announced a further *TE2* / *accesso Passport* integration at their Knotts Berry Farm theme park. With respect to *TE2*, we have now deployed the first version of a new Food & Beverage capability within the platform which enables personalisation and pre-ordering, enhancing spend-per-customer for those engaging with the platform.

TE2 also played its part in the November 2018 announcement of a material expansion to our existing relationship with Village Roadshow Theme Parks, Australia's largest theme park operator. This marks the first holistic integration of four of *accesso's* solutions – *accesso Passport*, *accesso LoQueue*, *accesso ShoWare* and *TE2* will be integrated and installed across its Gold Coast Properties - Warner Bros. Movie World, Wet'n'Wild Gold Coast and Sea World (Australia).

This agreement is representative of *accesso*'s rapid growth in the APAC region during the year, with the business now supporting operations for 22 venues in 7 countries there. We have a number of additional roll-outs in this region scheduled for 2019.

In our queuing business, we continued to replace legacy *Qbot*[SM] devices with new and improved technology, including deployment of *Qsmart*[SM] across our European client base and seeing our state-of-the-art *Prism* wearable device complete its first full season as the premium queuing device at a tier-1 US park. While a more mature market than some of the others in which we operate, our long-term relationships with large operators in the queuing space continues to provide an excellent foundation for our business and a tangible entry point for the cross and up-sell of additional *accesso* technologies.

This part of the business also continues to make progress addressing the challenge that has arisen in recent years from a significant increase in the proportion of guests who gain admission to the venue as part of a season pass or membership program. The visitation behaviour of this proportion of guests flattens attendance on both a daily basis and across a season and reduces demand for an all-day queuing product. Actions to address this headwind are ongoing and include offering our clients increased options for guests to purchase and access our queuing solution and these efforts continue to gain traction.

Adjacent Verticals

accesso's adjacent verticals are those that accompanied the acquisitions of *accesso Siriusware* and *accesso ShoWare* in 2013 and 2014 respectively. The solutions these acquisitions delivered have provided the opportunity for *accesso* to break out beyond its traditional markets into ski resorts, cultural attractions, tours and live event ticketing.

We have continued to make good progress against our stated aim of expanding our penetration in these new markets, with *accesso Passport* and *accesso Siriusware* now working in tandem in twelve locations across four industry verticals, including a maiden combined deployment in the Ski Industry. Our continued progress in the Ski market was also boosted by our agreement with Alterra Mountain Company to deploy *TE2's* platform.

We continued to make similarly good progress in the Live Entertainment, Cultural Attractions and Live Sports markets. Noteworthy new wins for the *accesso ShoWare* solution included Vibes International Music Festival in Fort Lauderdale, along with strides made in sports with the Brampton Beast and Nanaimo Clippers Hockey teams, and NOLA Gold and Austin Elite - both teams in Major League Rugby.

Lastly, *TE2's* partnership with Carnival Corporation also delivered success in 2018. For the last 3.5 years, *TE2* has been, and will continue to be, a key guest experience technology partner for Carnival's Medallion Class enabled cruise ships. Guests are enjoying an extensive portfolio of Ocean Medallion-enabled features, specifically designed to enhance their vacation experience. The successful completion of the initial phase with Carnival contributed to an expected reduction in license and implementation income that reduced *TE2* revenues by 30.8% in 2018 when compared to the whole of 2017 and including the pre-acquisition ownership period. We greatly value our ongoing partnership with Carnival.

Overall our progress in adjacent markets continues to confirm that the characteristics of the digital guest journey are universal irrespective of industry vertical or geography. We therefore expect our outward expansion to continue during 2019.

Greenfield Opportunities

The 2017 acquisitions of *Ingresso* and *TE2* brought a range of new capabilities to *accesso* and, in addition to supporting our product offerings in our existing verticals, the Group has made strides into greenfield areas including ticketing distribution and continues to evaluate the opportunity within the Healthcare vertical.

We continue to see strong demand from ticketing inventory aggregators for our *Ingresso* platform and have delivered significant contract wins or partnerships with the likes of Reserve with Google, Groupon and Yplan, as well undertaking a considerable degree of work during the year to internationalize *Ingresso* to offer global capability.

Ingresso grew revenues by 11.1% on a full year basis, including the pre-acquisition ownership period, despite the loss of their largest client when Amazon UK exited the ticketing space early in the year. We expect the impact of the new contract wins and partnerships together with the work we have done on the supply side of the business will help us take advantage of this material distribution network. We remain at the start of an extremely exciting opportunity in large scale global leisure venue ticketing distribution and have seen pleasing momentum which gives us confidence for the year to come.

In July 2018 our *accesso ShoWare* solution went live in four of Marriott International's Gaylord Hotels, a new client, which along with the Alterra Mountain Company, represents exciting progress in the hospitality space.

Prioritising our Security Infrastructure

accesso aspires to be the premier technology solutions provider to the verticals it serves, and as a result, we continue to invest in ensuring our technology offering leads the market. An increasingly critical focus of our clients, and therefore the Group, is around data security and compliance against an evolving global landscape where intrusion threats become more sophisticated and regulations covering the handling of data demand that compliance is at the forefront of our business.

accesso has recently appointed a Chief Information Officer who leads a team dedicated to the security of *accesso* and client data and global compliance with data hosting legislation. *accesso* is acutely aware of the importance of security to the Group's clients and their guests and has continued to implement state-of-the-art systems to mitigate risk across the group. With the introduction of GDPR and other global privacy initiatives, compliance has given renewed focus across the business and *accesso* has maintained pace with all relevant developments.

Brexit

The Group has reviewed its operations as a result of the UK's referendum to leave the European Union ("Brexit"). It is not expected that this will have a material impact on the operations or financial results of the Group given its significant operations in the US and its growing global presence outside of the EU. It is recognized that depending on the specific exit arrangements that are agreed and how these are implemented, there could be an impact to consumer spending within the UK or EU and this could impact attendance at certain venues or investment decisions by leisure operators. Additionally, there could be an impact on exchange rates which could alter international visitation patterns.

People

During 2018 we continued the consolidation of our US offices, by bringing staff together in three centres of excellence located in Lake Mary, Florida; San Diego, California; and Fresno, California and by expanding our long running ability to accommodate remote working arrangements. Our Lake Mary office is now our largest and continues to expand with the arrival of new colleagues who can now collaborate under one roof. We were also named number four on The Best Places to Work list for large companies by the Orlando Business Journal. In addition, we implemented an *accesso* culture guide for the first time. During the year *accesso*'s headcount increased by approximately 10% on the number at 31 December 2017 to just over 550 people, with turnover below the market norm.

2019 and beyond

Investing in the Digital Guest Journey

accesso has brought together a product set that now stretches across the whole waterfront of the evolving digital guest journey, which the Group helped to define, from queuing and ticketing to distribution and in-venue experience. This unique collection of assets is not matched by other providers within our market. While our portfolio was assembled as individual products, in many cases secured via acquisition, the positive client response to the breadth of our offerings has driven cross and up-selling opportunities of our products to our clients that have in-turn led to increasing technology integration across our portfolio. Clients are benefitting from our ability to offer multi-product solutions, delivering significant economic benefits for their business through combining our technology offerings.

Thus far, our approach to integrated business opportunities, such as The Bear Grylls adventure and the Knotts Berry Farm project mentioned above, has been to provide a series of unique installations for specific operators or venues. While this delivery is both effective and prudent in satisfying individual clients and testing market appetite for various combinations of our products and services, it is clear that there are alternative approaches that will be faster and more efficient to scale and will offer the opportunity to unlock a larger market opportunity.

It is becoming clear that there is significant opportunity with operators that choose to buy or build parts of the technology they require and do not wish to utilize the whole of our offerings. For these operators or venues, a platform that allows the opportunity to integrate their solutions, our solutions and those from third party providers would, we believe, be a compelling and unique proposition.

Therefore, to make the most of these market-led opportunities, we now need to introduce a more unified, efficient and flexible architecture which allows existing and prospective clients to be selective not just around which solutions they implement, but how, and to what extent they deploy them, including the ability to integrate their own or other, third party applications. This shift will ultimately also offer to *accesso* the opportunity to realize material efficiency gains and reduce the overall cost of supporting, maintaining and improving our current product portfolio. This is the direction of our industry and the future of our business.

We started along this path in 2017 focused on evolving *accesso Passport*, *accesso Siriusware* and *accesso ShoWare* to provide a single, functionally rich ticketing offering. We now believe we need to expand and accelerate this project to fully and properly incorporate the functionality offered by *TE2*, *accesso LoQueue* and *Ingresso* as well as offering the opportunity for clients and third parties to use the platform itself as a foundation for their own systems. This is a fundamental but critical shift for *accesso.* Whereas in the past we have always offered comprehensive end-to-end solutions, we will now be free to offer our solutions individually, in combination, as a platform upon which systems can be built, or with which other systems can be integrated.

The case for technological and organisational evolution is clear and compelling, but to deliver it will require investment over the course of the next two to three years. Accurately estimating the required investment at this stage of the project is difficult and likely to change but will lead to an incremental increase in development expenditure in the near term.

2019 and beyond (continued)

As elements of this development and rationalisation project are deployed, the Group's evolved technology platform will generate numerous benefits including:

- Faster time to market
- Easier to sell and deploy multiple solutions
- Open platform that will appeal to clients that want control over the interfaces and other elements of their system
- Ability for third parties to integrate with the accesso platform and vice versa
- Reduced setup and configuration costs for the client
- More efficient development, implementation and support organisation
- Improved ability to scale both up and down market and therefore increase penetration within our available markets

Building on the work begun in 2017, the use of micro services technologies, agile development and a largely SaaS (software as a service) deployment model, will allow for a rapid pace of development and distribution. Initial focus will be on delivering features that will be attractive to clients running our existing software, as our choice of architecture will support operation in tandem or integrated with other systems, including our own. This will allow us to sell and evolve our current products, continuing to build our customer base, while we evolve our next generation solution. We anticipate being able to sell and deploy parts of the evolved solution to new and existing clients as early as 2020 with the remaining elements being delivered over the next two to three years. The architecture of the platform will allow for continuous development and improvement for the foreseeable future with the ability to grow the client base and associated revenue from early on in the project.

Expanding our ability to market and sell

The exercise in quantifying *accesso's* total addressable market also revealed an opportunity to find additional growth through further investment in our sales and marketing efforts. As a part of this we will be increasing the Group's sales and marketing spend to the level required to fully pursue the expansive market opportunity we have identified across traditional, adjacent and greenfield opportunities. We estimate this incremental investment to be in the region of $2.5m in 2019 with an intention to continue to scale expenditure in absolute terms as the business grows.

The Board expect these initiatives to be funded from within the Group's existing financial facilities.

Building on strength

The fundamentals of *accesso's* business model provide a solid foundation from which to move forward. The unique and complementary nature of the technology assets we possess already provides the ability to support the requirements of our client base and our emphasis has been on building strong relationships and a repeatable revenue stream backed by long term agreements. Our willingness to recognise the requirements of our markets, and to proactively pursue change set us apart over recent years and our planned technological path will provide a stronger foundation for our future success.

Outlook

Although it is still early in the year, trading for 2019 has started in line with our expectations.

In terms of revenue guidance for 2019, we expect to see organic growth in line with that achieved in 2018. Growth within Ticketing and Distribution is expected to be in line with the mid-teens percentage growth achieved in 2018. Guest Experience revenues overall are expected to be broadly flat, with queuing revenues expected to reverse the trend experienced in 2018, and the evolution of repeatable platform revenues within *TE2* largely offsetting the expected reduction of $2.9m of license revenue related to a single customer that will not repeat. We expect the accelerated investment in development and marketing spend in 2019 to build the platform for accelerating growth in 2020 and beyond.

Total development expenditure in 2019 is expected to increase to between $36m to $39m (2018: $29.3m), but with a reduced level of capitalisation within the range 60% and 65%. This expenditure includes incremental investment as referenced above. Looking further ahead, we expect there will progressively be opportunities to absorb further incremental expenditure within our ongoing development effort and we are focused on delivering material reductions in total development expenditure as a proportion of revenues and a reduction in the level of capitalisation.

2018 Financial Review

accesso's financial performance continues to be underpinned by its highly repeatable and highly visible revenue stream, supplemented by a high-quality professional services component, delivering organic growth through long-term and transactional agreements with many of the world's largest attraction operators. The Group is also diversifying its revenue stream as it expands across industry verticals and geographies, reducing customer concentration and lessening its dependence on weather conditions and regional macroeconomic factors.

Reflecting the increased scale of *accesso* and its revised management organisational structure, the Board have updated its operational and financial reporting which will allow a greater level of understanding of the organic growth of the business within a period and the factors which drive growth, the amount and nature of development expenditure and increased granularity generally in relation to its cost base.

Alternative Performance Measures

The Board utilizes alternative performance measures ("APMs") in evaluating and presenting the results of the business and views these APMs as more representative of the Group's performance.

The historic strategy of enhancing its technology offerings via acquisitions, as well as an all employee share option arrangement necessitate the making of adjustments to statutory metrics to remove certain items which are not reflective of the underlying business. These adjustments include acquisition expenses, amortisation related to acquired intangibles, deferred and contingent payments related to acquisitions, changes to earn-out considerations, share-based payment and exceptional items.

These APMs help ensure the Group is focused on translating sales growth into profit. By consistently making these adjustments, the Group provides a better period to period comparison and is more readily comparable against a business that does not have the same acquisition history and equity award policy.

APMs include adjusted EBITDA, adjusted cash EBITDA, adjusted operating profit, adjusted net debt, and adjusted cash from operations. A reconciliation of these measures from IFRS 15 is also provided within this Financial Review.

Segments

The Board revised its segmental information during 2018 to align with an updated organisational structure, consistent with our investment plans outlined above, and that reflects how the Board now review and make decisions about resources to be allocated to each segment. The Board considers the group to consist of two reportable operating segments:

- Ticketing and Distribution
- Guest Experience

Ticketing and Distribution

We have formed a single ticketing group, headed by the President of Ticketing. This group is made up of our *accesso Passport*, *accesso Siriusware*, *accesso ShoWare* and *Ingresso* products. All of these technologies were acquired by the Group with the strategic intention of providing operators with best-of-breed point of sale, ticketing and eCommerce technologies, together with the opportunity to participate in a global distribution platform. As the strategy has progressed, the technology and the teams that develop and support it, have become increasingly inter-dependent and the formation of this group is reflective of the objective to formally merge and align the ticketing related activities of the group to allow increased penetration of the markets serviced and to leverage the synergies that exist in their solutions, technological capabilities and pooled expertise.

Guest Experience

This segment consists of the Group's virtual queuing solution (*accesso LoQueue*) and experience management platform (*TE2*) each of which are headed by their respective Presidents. These two distinct but complementary operating segments share similar economic characteristics, customers and markets; the solutions are often heavily tailored, technology and software intensive in their delivery and are directly targeted at improving a guest's experience of an attraction or entertainment venue, whilst providing cross selling opportunities and increased revenues to the venues. Management therefore conclude that they meet the aggregation criteria for reporting purposes.

The Board monitors the results of the operating segments prior to central costs and charges for interest, depreciation, tax, amortisation and exceptional items. The Group's central costs are not segment specific and therefore not allocated. These costs have therefore been excluded from segment profitability and presented as a separate line below segment profit.

The Group's assets and liabilities are reviewed on a group basis and therefore segmental information is not provided for the statements of financial position of the segments. Prior year segmental information has been restated to provide comparability.

Adoption of IFRS 15

As detailed earlier in this statement the Group adopted IFRS 15 Revenue from Contracts with Customers from 1 January 2018.

The most significant impact from the adoption of IFRS 15 relates to revenue recognition in respect of certain *accesso LoQueue* agreements. Under the previous revenue recognition standard (IAS 18), management determined the Group was acting as the principal in such agreements, revenue was recognised on a gross basis and amounts due to the operator were recorded as an expense within cost of sales.

IFRS 15 introduces revised criteria for determining the principal or agent relationship, focusing on control of the goods or services provided by the Group under the terms of the agreement. Management has determined that, under IFRS 15, the Group acts as the agent in its queuing contracts, and consequently now recognises the net revenue portion of the sale as revenue, rather than the full amount of the guest payment for the service.

There is no impact on profit of the Group due to the revised assessment of agent vs principal and therefore the Group will present improved operating margins in the current year and looking forward.

The adoption of IFRS 15 has increased 2018 and 2017 operating profit by $3.3m and $0.9m respectively.

References to 2017 proforma data presented within this Financial Review have been provided as additional information to the statutory reported requirements to better illustrate the performance of the business. This information is unaudited and does not form part of the audited annual financial statements. Reconciliations between the statutory audited 2017 and 2017 proforma numbers are included as an appendix to this Financial Review.

Chief Executive's Statement (Continued)

Key Financial Metrics

Revenue

On an IFRS 15 consistent basis total revenue increased by 15.5% to $118.7m (2017 Proforma: $102.8m) and includes $38.7m (2017: $28.6m) from the 2017 acquisitions. Statutory reported revenue reduced by 11% from $133.4m to $118.7m. Segmental information has been revised in 2018 and 2017, with the information from the comparative period being extracted from management accounts and is unaudited. The impact of currency movements during the period was not significant on revenue or earnings.

	2018 (audited) IFRS 15 $000	2017 (proforma) IFRS 15 $000	2017 IAS 18 $000
Ticketing and distribution	**78,550**	64,418	63,536
Guest Experience	**40,197**	38,424	69,893
Total revenue	**118,747**	102,842	133,429

	2018 (audited) IFRS 15 $000	2017 (proforma) IFRS 15 $000	2017 IAS 18 $000
Ticketing and distribution – excluding 2017 acquisition *Ingresso*)	**56,435**	47,700	46,818
Guest Experience – excluding 2017 acquisition (*TE2*)	**23,581**	26,495	57,964
Total revenue – excluding 2017 acquisitions	**80,016**	74,195	104,782
Ingresso	**22,115**	16,718	16,718
TE2	**16,616**	11,929	11,929
Total revenue attributable to 2017 acquisitions	**38,731**	28,647	28,647
Total revenue	**118,747**	102,842	133,429

Removing the benefit of the 2017 acquisitions, revenue increased to $80.0m (2017 Proforma: $74.2m) reflecting growth of 7.8%. This growth included a strong performance within ticketing and distribution, which delivered growth of 18.3%, offset by an 11.0% reduction in Guest Experience revenues. This is principally attributable to 2017 benefiting from $2.5m of non-repeatable implementation revenue from a significant queuing solution to a major US operator, and 2018 continuing to address the headwind discussed within the Operational Review relating to the proportion of guests who gain admission to the venue as part of a season pass or membership program Repeatable revenues within guest experience, excluding the 2017 acquisition and significant implementation revenue, were broadly flat.

Ticketing and distribution revenue growth was driven by a strong performance from existing venues coupled with the introduction of additional venues from the roll out of the Merlin Entertainments agreement and new customers implemented in the year. An element of this growth was derived from a higher than usual proportion of revenues from up front point of sale licenses, which are unlikely to be repeated to a similar level in 2019. We estimate that this mix benefit to revenue in 2018 was approximately $2m.

Key Financial Metrics (continued)

Revenue: 2017 acquisitions

During 2017, the group completed the acquisitions of *Ingresso* and *TE2* in March 2017 and July 2017 respectively.

In March 2018, we announced the decision of Amazon UK to immediately exit the UK ticketing distribution space. This was a significant customer of *Ingresso* but this decision does not impact the strategic opportunity that the group expects to derive from this technology, and was mitigated by new and potentially larger distribution arrangements. It did however negatively impact management revenue expectations in the shorter-term. Notwithstanding the impact of Amazon, full year pro-forma revenues including the pre-acquisition period in 2017, rose by 11.1% to $22.1m (2017: $19.9m).

TE2 revenues continue to be largely focused on the ongoing delivery of professional services to Carnival in support of the roll out of its Medallion Class program, the initial part of which was formally launched by that operator at the end of 2017. The focus required to successfully execute on the delivery of these services did impact the planned development of the platform element of this business. Full year revenues on a pro-forma basis, including the pre-acquisition period in 2017, fell by 30.8% to $16.6m (2017: $24.0m). This reduction reflects significant professional services activity in the pre and post-acquisition periods of 2017 together with the full year benefit of license fee recognition revenue relating to a single customer of $4.6m in 2017. While we expect to continue to generate professional services revenues from the ongoing relationship with this customer, the remaining portion of this license was recognized in the current reporting period and represented $2.9m of 2018 TE2 revenues.

Revenue Visibility

	2018 (audited) IFRS 15 $000	2017 (proforma) IFRS 15 $000	2017 (audited) IAS 18 $000
Transactional revenue	**79,665**	67,719	99,188
Other repeatable revenue	**8,698**	9,045	9,045
Non-repeatable revenue	**26,487**	18,179	17,297
Other revenue	**3,897**	7,899	7,899
	118,747	102,842	133,429

Transactional revenue is defined as revenue earned as either a fixed amount per sale of an item, such as a ticket sold by a customer or as a percent of revenue generated by a venue operator. Normally this revenue is repeatable where a multi-year agreement exists and purchasing patterns by venue guests do not significantly change. Other repeatable revenue is defined as revenue, excluding transactional revenue, that is expected to be earned through each year of a customer's agreement, such as maintenance support revenue without the need for additional sales activity. Non-repeatable revenue is revenue that occurs one-time (e.g. up-front license fees) or is not repeatable based upon the current agreement (e.g. billable professional services hours) and is unlikely to be repeatable without additional successful selling execution by *accesso*. Other revenue consists of hardware sales and other revenue that may or may not be repeatable with limited sales activity if customer behaviour remains consistent.

We estimate that for 2018, 74.4% (2017 Proforma: 74.6%) of Group revenue is repeatable in nature (transactional revenue plus other repeatable). There is an expectation that the repeatable % will increase as *TE2* repeatable platform revenues evolve at a greater rate than their non-repeatable professional services revenues.

Gross Margin

The gross profit margin in 2018 was 74.3%, compared to a 2017 reported margin of 55.0% (pre-adoption of IFRS 15), and a 2017 Proforma margin of 72.3% in 2017. There were no significant beneficial or adverse margin changes and the slight increase in margin is principally related to mix, with a higher proportion of ticketing revenues in the year.

Key Financial Metrics (continued)

Administrative Expenses

	2018	2017
	$000	$000
Development expenditure gross expenditure	**29,403**	20,025
Less capitalized development expenditure	**(21,100)**	(12,395)
Development expenditure included in administrative expenses	**8,303**	7,630
Sales and marketing	**4,893**	3,848
Other operating expenditure	**40,253**	37,363
Underlying administrative expenses (excluding depreciation)	**53,449**	48,841
Amortisation and depreciation (excluding acquired intangibles)	**9,624**	5,531
Underlying administrative expenses (including depreciation)	**63,073**	54,372
Acquisition and aborted acquisition expenses	**1,703**	1,249
Deferred and contingent payments	**3,176**	2,131
Amortisation related to acquired intangibles	**11,740**	8,591
Profit recognized on reduction of earn-out liability	**-**	(3,228)
Share based payments	**2,245**	1,089
Administrative expenses per the income statement	**81,937**	64,204

Administrative expenses were up 27.6% to $81.9m (2017: $64.2m), as the group absorbed a full year of the enlarged Group and the related full year amortisation of the 2017 acquired intangibles, and employment related consideration together with increased share-based payment charges. Development expenditure, net of capitalisation increased to $8.3m (2017: $7.6m). A $2.7m reduction in expenditure was recorded in respect of year-end director and staff bonuses, which totalled $1.5m (2017: $4.2m), with executive directors and the senior leadership team not accruing any bonus for the year. Finally, an expense of $1.7m was incurred relating to professional fees associated with a significant and well-advanced acquisition opportunity, which was ultimately terminated by the Board of *accesso* in October 2018.

Underlying administrative expenses, which exclude acquisition expenses, amortisation of acquired intangibles, charges relating to any contingent element of acquisition consideration, and share based payments were $53.4m, representing an increase of 9.4% on 2017 ($48.8m) and driven primarily by a full year of the 2017 acquisitions and continued increase in headcount and operational infrastructure to support short and longer-term growth.

Adjusted EBITDA and operating profit

Adjusted EBITDA of $34.8m was up 41.5% (2017: $24.6m) and 36.5% from a 2017 Proforma of $25.5m.

Operating Profit for 2018 was $6.3m, down from a reported $9.2m in 2017, and a Proforma of $10.1m, as the increase in the underlying profitability of the group was unable to absorb the full year of the amortisation on the 2017 acquired intangibles, employment-related consideration, increased share-based payment charges and the additional acquisition related expenses (including aborted acquisition expense). 2017 had also included a one-time non-underlying $3.2m benefit relating to the reduction in the expected earn-out payable to the sellers of *Ingresso.*

Adjusted operating profit, which the Board considers a key underlying metric, was $25.1m in 2018, equating to 25.5% growth when compared to a 2017 Proforma adjusted operating profit of $20.0m. Adjusted operating margin increased to 21.1% for 2018 (2017 Proforma: 19.5%).

Chief Executive's Statement (Continued)

Key Financial Metrics (continued)

Adjusted EBITDA and Operating Profit (continued)

The tables below set out a reconciliation between operating profit and adjusted EBITDA:

	2018	2017 (proforma)	2017
	IFRS 15	IFRS 15	IAS 18
	$000	$000	$000
Operating profit	**6,267**	10,124	9,241
Add: Acquisition expenses (including aborted acquisition)	**1,703**	1,249	1,249
Add: Deferred and contingent payments	**3,176**	2,131	2,131
Add: Amortisation related to acquired intangibles	**11,740**	8,591	8,591
Less: Profit recognised on reduction of earn-out liability	**-**	(3,228)	(3,228)
Add: Share based payments	**2,245**	1,089	1,089
Adjusted operating profit	**25,131**	19,956	19,073
Add: Amortisation and depreciation (excluding acquired intangibles)	**9,624**	5,531	5,531
Adjusted EBITDA	**34,755**	25,487	24,604

The following is an analysis of the Group's adjusted EBITDA by reportable segment.

	2018	2017 (proforma)	2017
	IFRS 15	IFRS 15	IAS 18
	$000	$000	$000
Ticketing and distribution	**30,805**	23,772	22,890
% of ticketing and distribution segment revenue	***39.2%***	*36.9%*	*36.0%*
Guest Experience	**19,256**	18,224	18,224
% of guest experience segment revenue	***47.9%***	*47.4%*	*26.1%*
Central unallocated costs	**(15,306)**	(16,509)	(16,510)
Adjusted EBITDA	**34,755**	25,487	24,604
% of total revenue	***29.3%***	*24.8%*	*18.4%*

Profit before tax of $5.2m was down from $7.2m in 2017 as the income statement absorbed the increase in non-cash charges related to the acquisition strategy that the Group has followed over recent years, together with the increase in acquisition expenses incurred in the period.

Financing costs totalled $1.1m (2017: $2.1m) and included net interest payable of $0.7m (2017: $0.7m) together with amortisation of capitalised finance costs and the interest costs associated with contingent and deferred compensation of $0.4m (2017: $1.4m).

Chief Executive's Statement (Continued)

Key Financial Metrics (continued)

Development Expenditure

Development expenditure by segment	**2018 $000**	2017 $000
Ticketing and distribution	**16,182**	14,067
% of ticketing and distribution segment IFRS 15revenue	*20.6%*	*21.8%*
Guest Experience	**13,221**	5,958
% of guest experience segment IFRS 15 revenue	*32.9%*	*15.5%*
Total development expenditure	**29,403**	**20,025**
% of total IFRS 15 revenue	*24.8%*	*19.5%*

Development expenditure – organic and acquisition related	**2018 $000**	2017 $000
Ticketing and distribution – excluding 2017 acquisitions	**15,099**	13,378
% of segment IFRS 15 revenue – excluding 2017 acquisitions	*26.8%*	*28.0%*
Guest Experience – excluding 2017 acquisitions	**1,904**	2,161
% of segment IFRS 15 revenue – excluding 2017 acquisitions	*8.1%*	*8.2%*
Total – excluding 2017 acquisitions	**17,003**	15,539
% of total IFRS 15 revenue – excluding 2017 acquisitions	*21.2%*	*20.9%*
Ingresso	*1,083*	*690*
% of Ingresso IFRS 15 revenue	*4.9%*	*4.1%*
TE2	*11,317*	*3,796*
% of TE2 IFRS15 revenue	*68.1%*	*31.8%*
Total development expenditure	**29,403**	20,025
% of total IFRS 15 revenue	*24.8%*	*19.5%*

Total development expenditure, before capitalisation, during 2018 was $29.4m (2017: $20m). The principal driver of this increase was the additional $7.9m related to a full year of the 2017 acquisitions. Both acquisitions represent businesses that were less mature than the group they joined and accordingly the total expenditure represented 24.8% of 2018 revenue (2017: 19.5%). Excluding the acquisitions, development expenditure represented 21.2% of revenues (2017: 20.9%).

Development expenditure remains a significant but critically important element of the cost base of the business and the table above demonstrates the significant development resources that are deployed within ticketing and *TE2* parts of the business. The group undertakes development primarily in response to revenue enhancing, customer led initiatives and limits exposure to research type work.

The expenditure within ticketing includes such customer led enhancements to functionality, the continued globalisation of the product and, new in 2018, initial expenditure in relation to an internal project to re-engineer the product platform to more readily execute on revenue opportunities and to more efficiently develop, maintain and support on a forward-looking basis, as discussed earlier in this review.

Expenditure in relation to *TE2* represents the ongoing development of its platform, while dovetailing with the broader re-engineering project of the accesso platform referenced above. It also includes a modest investment in relation to our initial work to understand the opportunity within the adjacent healthcare market.

The group capitalizes elements of development expenditure, where it is appropriate and in accordance with IAS 38 'Intangible assets'. Capitalised development expenditure was $21.1m (2017: $12.4m) representing 71.8% (2017: 61.9%) of total development expenditure. The net benefit of development capitalisation less related amortisation increased to $13.0m from $8.2m in 2017.

Key Financial Metrics (continued)

Taxation

On a statutory basis, the Group had a tax charge of $1.9m (2017: tax credit $2.7m).

The effective tax rate of the group of 36.4% is inflated by certain items of expenditure, which are not deductible for tax purposes such as aborted acquisition costs, charges related to the accounting for acquisition consideration that is linked to continued employment and therefore deemed to be compensation from an IFRS perspective, together with share based payments.

On an adjusted basis, the Group's effective tax rate on its adjusted earnings, was 18.8%. This rate includes the benefit of credits relating to prior periods of approximately $1.0m. The group maintains its forward-looking guidance in respect of the effective tax rate on adjusted earnings as being between 21% and 23%.

Tax is covered in more detail within Note 5.

Profit after tax was $3.3m (2017: $9.9m). In addition to the full year of the amortization on the 2017 acquired intangibles and employment related consideration, increased share-based payment charges and the additional acquisition related expenses (including aborted acquisition expense) the prior period benefited from the $2.7m tax credit.

As a result, earnings per share (basic) were 12.23 cents for 2018, a decrease of 70% (2017: 40.83 cents).

Adjusted basic and fully diluted earnings per share were 73.58 cents and 70.61 cents respectfully for 2018, with increases of 23.8% and 27.6% on 2017 Proforma basis of 59.45 cents and Proforma fully diluted of 55.36 cents.

Net Debt and Cash Generated from Operations

	2018 **$000**	2017 $000
Underlying cash from operations (see below)	25,954	21,246
Tax	(452)	(224)
Capitalised development costs	(21,100)	(12,395)
Other capital expenditure	(1,959)	(936)
Underlying free cash flow	**2,443**	**7,691**
(Less)/ plus: *TE2* option cash movement in period	(3,992)	5,500
(Less)/ plus: movement in *Ingresso* short term cash	(2,403)	7,600
Share issues	1,906	77,112
Acquisition related payments (including costs)	(9,269)	(79,733)
Interest	(541)	(741)
Other	(192)	(1,469)
Movement in net debt in year	**(12,048)**	15,960
Opening net cash/ (debt)	12,528	(3,432)
Closing net cash	**480**	12,528

Our closing net cash balance was $0.5m (2017: $12.5m). Within the financial review for the year ended 31 December 2017, we disclosed that the net cash position at that date included balances of approximately $16.5m in respect of cash paid back to the Group by the sellers of *TE2* to make payments to employees in lieu of a pre-acquisition option scheme over a three year period and cash balances held by the Group to make near term settlements to venue operators in respect of the *Ingresso* platform. We took the conservative view that these balances should be viewed as non-cash and movements in these balances ignored when looking at the underlying cash generation within the business.

Chief Executive's Statement (Continued)

Key Financial Metrics (continued)

Net Debt and Cash Generated from Operations

The *TE2* balance at 31 December 2018, of $1.5m (2017: $5.5m) is expected to outflow from the business over an 18-month period from 31 December 2018. The cash balances in relation to *Ingresso* of $8.6m at 31 December 2018 (2017: $11.0m) represent cash received from ticket distributors or direct ticket sales that includes both ticket commissions, which are recognized as revenue by *Ingresso* and the ticket value payable to the venues. This ticket value element does not form part of *accesso's* revenue or expenses and, by its nature, is difficult to model at any point in time.

Both the *TE2* and *Ingresso* balances are beneficially owned by the Group, and while there are no restrictions on their use, they have been excluded from our current definition of net debt and the movements on these balances. Adjusting for these items results in an adjusted net debt position of $10.0m at 31 December 2018 (2017: $4.0m).

Cash Generated from Operations

	2018 **$000**	2017 $000
Cash flow from operating activities	**17,825**	33,097
Add: Acquisition related expenses (including debt arrangement)	**392**	1,249
Add: Payment of deferred consideration to employees (Ingresso)	**1,342**	-
Plus/ (less): *TE2* option cash movement in period	**3,992**	(5,500)
Plus/ (less): Increase in *Ingresso* short term cash	**2,403**	(7,600)
Adjusted cash from operations	**25,954**	21,246

Cash generated from operations of $17.8m (2017: $33.1m) includes a $6.4m outflow in relation to these *TE2* and *Ingresso* balances (2017: $13.1m inflow). Adjusted cash generated from operations was $26m for the year ended 31 December 2018, per the table above, an increase of 22.6% from 2017 ($21.2m).

This represents an underlying cash conversion from adjusted EBITDA of 74.7% (2017: 83.1% on IFRS consistent basis). The reduction from 2017 reflects a higher level of multi-year licenses where, under IFRS 15, revenue is recognized in the period of deployment with cash flows received over the term of the agreement and a lower level of payables at 31 December 2018.

Looking forward, we expect the underlying cash conversion percentage from adjusted EBITDA to be close to that in 2017.

The increase in capital expenditure in the period has not been matched by a corresponding increase in cash generated from operations and therefore underlying free cash flow reduced to $2.4m in the current year (2017: $7.7m).

Financing and Investing Activities

During the year, a final payment of $9.3m was made to the sellers of Ingresso Group Limited, which was based on the results of that business for the year ended 31 December 2017 and was recognized as a liability when the fair value of that acquisition was disclosed within the 2017 annual report. There are no further contingent or non-contingent acquisition related payments due.

Borrowing Facility

The Group maintains a borrowing facility with Lloyds Bank plc. This facility currently provides the Group with the ability to draw down a total of $50m, denominated in either US dollars, GB Pound Sterling or Euros, and expires in 2021. 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 a maximum 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 the relevant interest rates above. The total available for drawdown is subject to a reduction of US$10m on 30 March 2019 and a further reduction of $10m on 30 March 2020.

Cash balances at 31 December 2018 totalled $20.7m (2017: $28.7m) while borrowings at 31 December 2018 totalled $20.2m ($16.1m), versus the current facility of $50m.

The Board believes that the Group remains in a strong financial position at the period end, with good access to debt finance on attractive terms.

Dividend

The Board maintains its consistent view that the payment of a dividend is unlikely in the short to medium term with cash more efficiently invested in product development and complementary M&A.

Paul Noland
Chief Executive Officer
27 March 2019

2017 Pro-forma Data

The proforma information presented below has been provided as additional information to the statutory reported requirements to illustrate the performance of the business. The statutory reported results for 2018 and 2017 are not directly comparable due to the fact that IFRS 15 was adopted from 1 January 2018 and was not applied retrospectively. This information is unaudited and does not form part of the audited annual financial statements.

Selected income statement information has been extracted from the Group's management accounts for the two comparative years to present this proforma information.

IFRS 15 impact 1: Certain *accesso LoQueue* revenues now recognized on a net basis (previously gross)

Under IAS 18, certain queuing contracts were recognised on a gross basis where management determined the company was acting the principal in the agreement.

IFRS 15 contains different criteria for determining who is the principal in an agreement, focusing on control of the goods or services. Management have determined the Group is acting as the agent in all queuing contracts, and therefore only recognises its portion of the sale as revenue, rather than the full amount of the guest payment.

IFRS 15 Change 2 – Term and annual licenses

a) **Point-of-sale (POS) licenses and support revenue**: Under IAS 18, the license revenue was recognised equally over the term of the agreement, reflecting the pattern of availability to the customer. IFRS 15 considers these licenses to be recognised at a point in point in time which is determined to be when the customer has been provided the software. These licences provide the customer with the right of use of the POS software as it exists, it is at the customers discretion to accept any updates to the software, it is fully functional from the date it is provided to the customer and considered a distinct performance obligation. Support revenue is carved out of the total consideration using an estimate that best reflects its stand-alone selling price and is continued to be recognised rateably as the customer receives the benefit of the support. Accordingly, the license revenue is recognised sooner under IFRS 15, with support revenue, equal to a percentage of the license fee, continuing to be recognised over the term of the agreement. The impact of these changes on items other than revenue is an increase in net assets in the form of a contract asset.

b) **Software licenses and the related maintenance and support revenue:** Under IAS 18, these software licenses were recognised when accepted by the client, as there was a non-refundable right to payment. IFRS 15 considers right of use licenses to be recognised at a point in point in time which is determined to be when the customer has been provided with a functional software licence. The maintenance and support revenue is determined using an estimate that best reflects its stand-alone selling price and is continued to be recognised rateably as the customer receives the benefit of the maintenance and support. The option to renew each year's licence at a full discount by paying the annual maintenance and support is deferred and recognised at a future point in time when the customer renews. The amount that is deferred is dependent on the term of the contract. For example: on the inception of a three-year contract, two thirds of the licence fee consideration would be deferred and released equally on the first and second anniversary when the customer renews their maintenance and support. Perpetual licences are recognised in the same manner, with the exception being that the contract term is estimated to be five years. As such, the renewal discounts are deferred and spread over the remaining four years at each point the customer renews their maintenance and support. Accordingly, for these type of licenses the phasing of revenue has changed significantly with a smaller portion of the licence revenue being recognised on inception of a new contract, a renewal right to a discounted licence fee is deferred for between three and five years which is held as a contract liability, being recognised on each anniversary of the contract when a customer renews their maintenance and support.

2017 Pro-forma Data (continued)

Income Statement

	Statutory 2017 audited $000	IFRS 15 change 1 $000	IFRS 15 change 2 $000	**Proforma 2017 Unaudited $000**
Revenue	133,429	(31,469)	882	**102,842**
Cost of sales	(59,984)	31,469	-	**(28,515)**
Gross profit	73,445	-	882	**74,327**
Gross profit %	55.0%	-	-	**72.3%**
Administrative expenses	(64,204)	-	1	**(64,203)**
Operating profit	9,241	-	883	**10,124**

Total revenue by reportable segment

	Statutory 2017 $000	IFRS 15 change 1 $000	IFRS 15 change 2 $000	**Proforma 2017 Unaudited $000**
Ticketing and distribution	63,536	-	882	**64,418**
Guest Experience	69,893	(31,469)	**-**	**38,424**
Total revenue	133,429	(31,469)	882	**102,842**

Revenue by reportable segment demonstrating impact of 2017 acquisitions

	Statutory 2017 IAS 18 $000	IFRS 15 change 1 $000	IFRS 15 change 2 $000	**Proforma 2017 IFRS 15 $000**
Ticketing and distribution – excluding 2017 acquisitions	46,818	-	882	**47,700**
		-	-	
Guest Experience – excluding 2017 acquisitions	57,964	(31,469)	-	**26,495**
Total Revenue – excluding 2017 acquisitions	104,782	(31,469)	882	**74,195**
Ingresso	16,718	-	-	**16,718**
TE2	11,929	-	-	**11,929**
Total revenue attributable to 2017 acquisitions	28,647	-	-	**28,647**
Total revenue	133,429	(31,469)	882	**102,842**

Revenue Visibility

	Statutory 2017 audited IAS 18 $000	IFRS 15 change 1 $000	IFRS 15 change 2 $000	**Proforma 2017 Unaudited IFRS 15 $000**
Transactional revenue	99,188	(31,469)	-	**67,719**
Other repeatable revenue	9,045	-	-	**9,045**
Non-repeatable revenue	17,297	-	882	**18,179**
Other revenue	7,899	-	-	**7,899**
	133,429	(31,469)	882	**102,842**

2017 Pro-forma Data (continued)

Operating profit adjusted operating profit and adjusted EBITDA

	Statutory 2017 IAS 18 $000	IFRS 15 change 1 $000	IFRS 15 change 2 $000	**Proforma 2017 IFRS 15 $000**
Operating profit	9,241	-	883	**10,124**
Add: Acquisition expenses	1,249	-	-	**1,249**
Add: Deferred and contingent payments	2,131	-	-	**2,131**
Add: Amortisation related to acquired intangibles	8,591	-	-	**8,591**
Less: Profit recognised on reduction of earn-out liability	(3,228)	-	-	**(3,228)**
Add: Share based payments	1,089	-	-	**1,089**
Adjusted operating profit	19,073	-	883	**19,956**
Add: Amortisation and depreciation (excluding acquired intangibles)	5,531	-	-	**5,531**
Adjusted EBITDA	24,604	-	883	**25,487**

Revenue and adjusted EBITDA by reportable segment

	Statutory 2017 IAS 18 $000	IFRS 15 change 1 $000	IFRS 15 change 2 $000	**Proforma 2017 IFRS 15 $000**
Ticketing and distribution	22,890		882	**23,772**
% of segment revenue	*36.0%*	-	-	***36.9%***
Guest Experience	18,224	-	-	**18,224**
% of segment revenue	*26.1%*	-	-	***47.4%***
Central unallocated costs	(16,510)	-	1	**(16,509)**
Adjusted EBITDA	24,604	-	883	**25,487**
% of total revenue	*18.4%*			***24.8%***

Consolidated statement of comprehensive income
for the financial year ended 31 December 2018

	Notes	**2018** **$000**	2017 $000
Revenue		**118,747**	133,429
Cost of sales		**(30,543)**	(59,984)
Gross profit		**88,204**	73,445
Administrative expenses (including credit of nil during 2018 (2017: $3,228k) related to reversal of Ingresso earn-out liability)		**(81,937)**	(64,204)
Operating profit		**6,267**	9,241
Finance expense		**(1,127)**	(2,099)
Finance income		**37**	24
Profit before tax		**5,177**	7,166
Income tax (expense)/ benefit	5	**(1,887)**	2,735
Profit for the period		**3,290**	9,901
Other comprehensive income			
Items that will be reclassified to income statement			
Exchange differences on translating foreign operations		**(2,291)**	166
Total comprehensive income		**999**	10,067
All profit and comprehensive income is attributable to the owners of the parent			
Earnings per share expressed in cents per share:			
Basic	6	**12.23**	40.83
Diluted (2017 restated – see note 6)	6	**11.74**	38.02

Consolidated statement of financial position
as at 31 December 2018

Registered Number: 03959429	Notes	**31 December 2018 $000**	31 December 2017 $000
Assets			
Non-current assets			
Intangible assets		**197,332**	198,298
Property, plant and equipment		**3,723**	3,400
Contract assets		**5,141**	-
Deferred tax assets		**5,346**	8,937
		211,542	210,635
Current assets			
Inventories		**1,083**	506
Contract assets		**3,337**	-
Trade and other receivables		**18,833**	19,761
Income tax receivable		**1,961**	-
Cash and cash equivalents		**20,704**	28,668
		45,918	48,935
Liabilities			
Current liabilities			
Trade and other payables		**28,856**	49,874
Finance lease liabilities		**-**	9
Contract liabilities		**7,093**	-
Income tax payable		**1,440**	613
		37,389	50,496
Net current assets / (liabilities)		**8,529**	(1,561)
Non-current liabilities			
Deferred tax liabilities	5	**15,435**	14,629
Contract liabilities		**2,412**	-
Other non-current liabilities		**543**	3,024
Borrowings		**20,224**	16,140
		38,614	33,793
Total liabilities		**76,003**	84,289
Net assets		**181,457**	175,281
Shareholders' equity			
Called up share capital		**421**	411
Share premium		**107,103**	105,207
Own shares held in trust		**(665)**	(1,163)
Retained earnings		**60,486**	54,273
Merger relief reserve		**19,641**	19,641
Translation reserve		**(5,529)**	(3,088)
Total shareholders’ equity		**181,457**	175,281

Consolidated statement of cash flow
for the financial year ended 31 December 2018

	Notes	2018 $000	2017 $000
Cash flows from operations			
Profit for the period		**3,290**	9,901
Adjustments for:			
Depreciation		**1,519**	1,321
Amortisation on acquired intangibles		**11,740**	8,591
Amortisation on development costs		**8,067**	4,166
Amortisation on other intangibles		**38**	44
Share-based payment		**2,245**	1,089
Finance expense		**1,127**	2,099
Finance income		**(37)**	(24)
Loss on disposal of fixed assets		**-**	12
Payment of deferred consideration to employees		**(1,342)**	-
Foreign exchange gain		**(304)**	(241)
Income tax expense / (benefit)		**1,887**	(2,735)
		28,230	24,223
Increase in inventories		**(577)**	(15)
Decrease / (increase) in trade and other receivables		**928**	(2,792)
Increase in contract assets/ contract liabilities		**666**	-
(Decrease) / increase in trade and other payables		**(11,422)**	11,681
Cash generated from operations		**17,825**	33,097
Tax paid		**(452)**	(224)
Net cash inflow from operating activities		**17,373**	32,873
Cash flows from investing activities			
Purchase of subsidiary, net of cash acquired		**-**	(78,074)
Deferred consideration settlement		**(6,962)**	-
Capitalised internal development costs		**(21,100)**	(12,395)
Purchase of property, plant and equipment		**(1,959)**	(936)
Acquisition of other intangible assets		**(2)**	
Interest received		**37**	24
Net cash used in investing activities		**(29,986)**	(91,381)
Cash flows from financing activities			
Share issue		**1,906**	77,112
Interest paid		**(1,833)**	(741)
Payments to finance lease creditors		**(9)**	(54)
Cash paid to refinance		**-**	(410)
Proceeds from borrowings		**15,530**	31,376
Repayments of borrowings		**(10,089)**	(26,037)
Net cash generated from financing activities		**5,505**	81,246
Increase in cash and cash equivalents		**(7,049)**	22,738
Cash and cash equivalents at beginning of year		**28,668**	5,866
Exchange gain / (loss) on cash and cash equivalents		**(8566)**	64
Cash and cash equivalents at end of year		**20,704**	28,668

Consolidated statement of changes in equity
for the financial year ended 31 December 2018

	Share capital	Share premium	Retained earnings	Merger relief reserve	Own shares held in trust	Translation reserve	Total
	$000	$000	$000	$000	$000	$000	$000
Balance at 31 December 2017 as previously reported	**411**	**105,207**	**54,273**	**19,641**	**(1,163)**	**(3,088)**	**175,281**
Adjustment in respect of IFRS 15, net of tax	**-**	**-**	**398**	**-**	**-**	**(150)**	**248**
Adjusted balance at 1 January 2018	**411**	**105,207**	**54,671**	**19,641**	**(1,163)**	**(3,238)**	**175,529**
Comprehensive income for the year							
Profit for period	-	-	3,290	-	-	-	3,290
Other comprehensive income							
Exchange differences on translating foreign operations	-	-	-	-	-	(2,291)	(2,291)
Total comprehensive income for the year	-	-	3,290	-	-	(2,291)	999
Contributions by and distributions to owners							
Issue of share capital	10	1,896	-	-	-	-	1,906
Share-based payments	-	-	2,245	-	-	-	2,245
Equity-settled deferred consideration	-	-	2,824	-	-	-	2,824
Reduction of shares held in trust	-	-	(107)	-	498	-	391
Share option tax charge - deferred	-	-	(4,621)	-	-	-	(4,621)
Share option tax charge - current	-	-	2,184	-	-	-	2,184
Total contributions by and distributions by owners	10	1,896	2,525	-	498	-	4,929
Balance at 31 December 2018	**421**	**107,103**	**60,486**	**19,641**	**(665)**	**(5,529)**	181,457
Balance at 31 December 2016	357	28,150	39,161	14,540	(1,163)	(3,254)	77,791
Comprehensive income for the year							
Profit for period	-	-	9,901	-	-	-	9,901
Other comprehensive income							
Exchange differences on translating foreign operations	-	-	-	-	-	166	166
Total comprehensive income for the year	-	-	9,901	-	-	166	10,067
Contributions by and distributions to owners							
Issue of share capital	54	77,057	-	5,101	-	-	82,212
Share-based payments	-	-	1,089	-	-	-	1,089
Equity-settled deferred consideration	-	-	1,314	-	-	-	1,314
Change in tax rates	-	-	(2,213)	-	-	-	(2,213)
Share option tax credit	-	-	5,021	-	-	-	5,021
Total contributions by and distributions by owners	54	77,057	5,211	5,101	-	-	87,423
Balance at 31 December 2017	411	105,207	54,273	19,641	(1,163)	(3,088)	175,281

1. Reporting entity

accesso Technology Group plc is a public limited company incorporated in the United Kingdom, whose shares are publicly traded on the AIM market. The company is domiciled in the United Kingdom and its registered address is Unit 5, The Pavilions, Ruscombe Park, Twyford, Berkshire RG10 9NN. These consolidated financial statements comprise the company and its subsidiaries (together referred to as the "Group").

The Group's principal activities are the development and application of ticketing, mobile and eCommerce technologies, licensing and operation of virtual queuing solutions and providing a personalised experience to customers within the attractions and leisure industry. The eCommerce technologies are generally licensed to operators of venues, enabling the online sale of tickets, guest management, and point-of-sale ("POS") transactions. The virtual queuing solutions and personalised experience platforms are installed by the Group at a venue, and managed and operated by the Group directly or licensed to the operator for their operation.

2. Key performance indicators and alternative performance measures

Key performance indicators are used to measure and control both financial and operational performance. Ticket volumes, revenues, margins, costs, cash and sales pipeline are trended to ensure plans are on track and corrective actions taken where necessary. See the Chief Executive's Statement for a discussion of the metrics. Product development performance is also monitored and tracked through measurement against agreed milestones. In addition, further key performance indicators include the proportion of business that is delivered via mobile technology and the sales mix of services offered.

The Board utilizes consistent alternative performance measures ("APMs") in evaluating and presenting the results of the business, including adjusted EBITDA, adjusting operating profit and repeatable revenue. A reconciliation of these measures from IFRS, along with their definition, is provided below.

The Board views these APMs as more representative of the Group's performance as they remove certain items which are not reflective of the underlying business, including acquisition expenses, amortisation related to acquired intangibles, deferred and contingent payments related to acquisitions, changes to earn-out considerations and share-based payments. The APMs help ensure the Group is focused on translating sales growth into profit. By making these adjustments, the Group is more readily comparable against a business that does not have the same acquisition history and share-based payment policy. Additionally, these are the measures commonly used by the Group's investor base.

Reconciliation of APMs

	2018	2017
Adjusted operating profit and adjusted EBITDA	**$000**	$000
Operating profit	**6,267**	9,241
Add: Acquisition expenses	**1,703**	1,249
Add: Deferred and contingent payments	**3,176**	2,131
Add: Amortisation related to acquired intangibles	**11,740**	8,591
Less: Profit recognised on reduction of earn-out liability	**-**	(3,228)
Add: Share-based payments	**2,245**	1,089
Adjusted operating profit	**25,131**	19,073
Add: Amortisation and depreciation (excluding acquired intangibles)	**9,624**	5,531
Adjusted EBITDA	**34,755**	24,604
Adjusted administrative expenses		
Administrative expenses	**81,937**	64,204
Net adjustments detailed above	**(28,488)**	(15,363)
Adjusted administrative expenses	**53,449**	48,841
Net cash/ (debt) and adjusted net cash/ (debt)		
Cash and cash equivalents	**20,704**	28,668
Less: Borrowings	**(20,224)**	(16,140)
Net cash	**480**	12,528
Less: TE2 option cash	**(1,508)**	(5,500)
Less: Ingresso near term settlements treated as non-cash	**(8,598)**	(11,000)
Adjusted net debt	**(9,626)**	(3,972)

Definitions of APMs

- Adjusted operating profit: operating profit before the deduction of amortisation related to acquisitions, acquisition costs, deferred and contingent payments, profit recognised on the reduction of the earn-out liability, and costs related to share-based payments
- Adjusted EBITDA: operating profit before the deduction of amortisation, depreciation, acquisition costs, deferred and contingent payments, profit recognised on the reduction of the earn-out liability, and costs related to share-based payments
- Adjusted administrative expenses: Administrative expenses adjusted for the items in adjusted operating profit
- Repeatable revenue: transactional revenue that the Group would expect to occur every year from a current customer without a new customer being acquired; for example, ecommerce income
- Adjusted EPS: earnings per share after adjusting operating profit for amortisation on acquired intangibles, deferred and contingent payments, profit recognised on the reduction of the earn-out liability, acquisition costs, finance charges relating to refinance for acquisition purposes and share-based payments, net of tax at the effective rate for the period

3. Significant accounting policies

Basis of accounting

The preliminary results for the year ended 31 December 2018 and the results for the year ended 31 December 2017 are prepared under International Financial Reporting Standards as adopted for use in the EU ("IFRS"). The accounting policies adopted in this preliminary announcement are consistent with the Annual Report for the year ended 31 December 2018.

The financial information set out in this preliminary announcement does not constitute the Group's statutory accounts for the years ended 31 December 2018 or 31 December 2017. The financial information for the year ended 31 December 2017 is derived from the Annual Report delivered to the Registrar of Companies. The Annual Report for 2018 will be delivered to the Registrar of Companies in due course. The auditors' report on those accounts was unqualified and neither drew attention to any matters by way of emphasis nor contained a statement under either section 498(2) of Companies Act 2006 (accounting records or returns inadequate or accounts not agreeing with records and returns), or section 498(3) of Companies Act 2006 (failure to obtain necessary information and explanations).

While the financial information included in this announcement has been prepared in accordance with the recognition and measurement criteria of International Financial Reporting Standards (IFRS), this announcement does not itself contain sufficient information to comply with IFRS. The Company expects to publish full financial results for the year ended 31 December 2018 that comply with IFRS in March 2019.

The Group's financial statements have been prepared in accordance with International Financial Reporting Standards, International Accounting Standards, and related interpretations (collectively IFRSs) issued by the International Accounting Standards Board (IASB) as adopted by the European Union ("adopted IFRSs").

The principal accounting policies adopted in the preparation of the financial statements are set out below. The policies have been consistently applied to all the periods presented, unless otherwise stated.

New standards that have been adopted during the period

The Group has initially adopted IFRS 15 *Revenue from Contracts with Customers* and IFRS 9 *Financial Instruments* from 1 January 2018, details of the impact are set out below. The adoption of IFRS 9 did not have a material impact on the company. A number of other new standards are also effective from 1 January 2018 but they do not have a material effect on the Group's financial statements.

Revenue from contracts with customers

Due to the transition method chosen by the Group in applying IFRS 15, comparative information throughout these financial statements has not been restated to reflect the requirements of the new standard.

IFRS 15 provides a single, principles based five step model to be applied to all sales contracts as outlined below. It is based on the transfer of control of goods and services to customers and replaces the separate models for goods and services.

1. Identify the contract(s) with a customer
2. Identify the performance obligations in the contract
3. Determine the transaction price
4. Allocate the transaction price to the performance obligations in the contract
5. Recognise revenue when or as the entity satisfies its performance obligations.

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Group and the revenue can be measured reliably. The following table provides information about the nature and timing of the satisfaction of performance obligations in contracts with customers, including significant payment terms, and the related revenue recognition policies.

Type of product/service	Nature of the performance obligations and significant payment terms	Nature of change in accounting policy
a. Point-of-sale (POS) licenses and support revenue	Customers obtain control of the POS license once it is installed on their hardware for terms between one and three years. They have access to ongoing support which is typically for a twelve-month period, this support is not necessary for the functionality of the licence, support revenue is therefore a distinct performance obligation from the licence performance obligation. With agreements longer than one year, invoices are generated either quarterly or annually, usually payable within thirty days. Although payments are made over the term of the agreement, the agreement is binding for the negotiated term. The total transaction price is payable over the term of the agreement via the annual or quarterly instalments.	Under IAS 18 *Revenue*, the license revenue was recognised equally over the term of the agreement, reflecting the pattern of availability to the customer. IFRS 15 considers these licenses to be recognised at a point in time which is determined to be when the customer has been provided the software. These licences provide the customer with the right of use of the POS software as it exists, it is at the customers discretion to accept any updates to the software, it is fully functional from the date it is provided to the customer and considered a distinct performance obligation. Support revenue is carved out of the total consideration using an estimate that best reflects its stand-alone selling price and is continued to be recognised rateably as the customer receives the benefit of the support. Accordingly, the license revenue is recognised sooner under IFRS 15, with support revenue, equal to a percentage of the license fee, continuing to be recognised over the term of the agreement. The impact of these changes on items other than revenue is an increase in net assets in the form of a contract asset.
b. Software licenses and the related maintenance and support revenue	Certain software licenses are installed on a customer's hardware in a fully functional state together with support and maintenance for a twelve-month term. The software licence does not require the maintenance and support to operate, providing the customer with control of the licence for a twelve-month term and representing a separate performance obligation. Whilst the maintenance and support revenue must be paid annually to be granted a licence for the next twelve-months, the performance obligation is considered distinct from the licence. Contract terms are typically either three years or perpetual whereby on each anniversary of the contract the customer is required to pay the annual support and maintenance to be granted the annual software licence at a 100% discount from the selling price. This option to renew is considered a material right under IFRS 15 and represents a separate performance obligation.	Under IAS 18, these software licenses were recognised when accepted by the client, as there was a non-refundable right to payment. IFRS 15 considers right of use licenses to be recognised at a point in time which is determined to be when the customer has been provided with a functional software licence. The maintenance and support revenue is determined using an estimate that best reflects its stand-alone selling price and is continued to be recognised rateably as the customer receives the benefit of the maintenance and support. The option to renew each year's licence at a full discount by paying the annual maintenance and support is deferred and recognised at a future point in time when the customer renews. The amount that is deferred is dependent on the term of the contract. For example: on the inception of a three-year contract, two thirds of the licence fee consideration would be deferred and released equally on the first and second anniversary when the customer renews their maintenance and support. Perpetual licences are recognised in the same manner, with the exception being that the contract term is estimated to be five years. As such, the renewal discounts are deferred and spread over the remaining four years at each point the customer renews their maintenance and support. Accordingly, for these type of licenses the phasing of revenue has changed significantly with a smaller portion of the licence revenue being recognised on inception of a new contract, a renewal right to a discounted licence fee is deferred for between three and five years which is held as a contract liability, being recognised on each anniversary of the contract when a customer renews their maintenance and support.

Type of product/service	Nature of the performance obligations and significant payment terms	Nature of change in accounting policy
c. Virtual queuing system	Virtual queuing systems are installed at a client's location, and revenue is recognised when the park guest uses the service. The Group's performance obligation is either to provide a license to and maintain a system in the park or operate the system within the park.	Under IAS 18, certain queuing contracts were recognised on a gross basis where management determined the company was acting the principal in the agreement. IFRS 15 has different criteria for determining who is the principal in an agreement, focusing on control of the goods or services. Management have determined the Group is acting as the agent in all queuing contracts, and therefore only recognises its portion of the sale as revenue, rather than the full amount of the guest payment. There is no impact on profit of the Group due to this change, the Group's revenue continues to be driven by park attendance.
d. Ticketing and eCommerce revenue	Revenue is recognised at the time the ticket is sold or the transaction takes place. Invoices are issued monthly and generally payable within thirty days.	IFRS 15 did not have a significant impact on the Group's accounting policies.
e. Professional services	Professional services revenue is typically providing customised software development and in general is agreed with the customer and billed at each month end. Certain contracts span longer time periods whereby the Group carry out customisation and deliver software releases to customers at predetermined milestones, in these situations the Group has enforceable rights to revenue in the event of cancellation and therefore is able to recognise the revenue over time using the input method (hours/total budgeted hours) which best depicts the group's performance of transferring control.	IFRS 15 did not have a significant impact on the Group's revenue recognition.
f. Hardware sales	On certain contracts customers request that the group procure hardware on their behalf which the group has determined to be a distinct performance obligation. This revenue is recognised at the point the customer obtains control of the hardware which is considered to be the point of delivery when legal title passes.	IFRS 15 did not have a significant impact on the Group's revenue recognition.

Contract assets and contract liabilities

Upon implementation of IFRS 15 the group now separately recognises contract assets and contract liabilities. Where these assets or liabilities mature in periods beyond 12 months of the balance sheet date they are recognised within non-current assets or non-current liabilities as appropriate.

Contract assets represent licence fees which have been recognised at a point in time but where the consideration is contractually payable over time, professional service revenue whereby control has been passed to the customer and deferred contract commissions incurred in obtaining a contract which are recognised in line with the recognition of the revenue. Contract assets for point in time licence fees and unbilled professional service revenue represent financial assets and are considered for impairment on an expected credit loss model, these assets have historically had immaterial levels of bad debt and are with credit worthy customers, and consequently the group has not recognised any impairment provision against them.

Contract liabilities represent discounted renewal options on licence arrangements whereby a customer has the right to renew their licence at a full discount subject to the payment of annual support and or maintenance fees on each anniversary of the contract. Contract liabilities are recognised as income when a customer exercises their renewal right on each anniversary of the contract and pays their annual maintenance and support. In the situation of a customer terminating their contract all unexercised deferred renewal rights would be recognised as income, representing a lapse of the renewal right options. The licence fees related to these contract liabilities are non-refundable.

The following table summarises the impact, net of tax, of transition to IFRS 15 on retained earnings at 1 January 2018.

Retained Earnings	Impact of adopting IFRS 15 at 1 January 2018 $000
License fees recognised up front at point in time	4,522
License fees recognised on customer renewals in future periods at point in time	(4,428)
Deferred contract commissions	267
Related tax	37
Impact at 1 January 2018	398

If reporting under IAS 18 for the period, revenue would have been $29.4m higher, and operating profit $3.3m lower. There was no material impact on the Group's statement of cash flows for the year ended 31 December 2018.

Impact on the consolidated statement of financial position – all figures in $000s

As at 31 December 2018	As reported	Adjustments	Amounts without adoption of IFRS 15
Assets			
Non-current assets	206,401	-	206,401
Contract assets – non-current	5,141	(5,141)	-
Total non-current assets	211,542	(5,141)	206,401
Trade and other receivables	42,581	1,531	44,112
Contract assets	3,337	(3,337)	-
Total Current assets	45,918	(1,806)	44,112
Total assets	257,460	(6,947)	250,513
Liabilities			
Non-current liabilities	36,202	-	36,202
Contract liabilities – non-current	2,412	(2,412)	-
Total non-current liabilities	38,614	(2,412)	36,202
Trade and other payables	30,296	4,648	34,944
Contract liabilities	7,093	(7,093)	-
Total current liabilities	37,389	(2,445)	34,944
Total liabilities	76,003	(4,857)	71,146
Total net assets	181,457	(2,090)	179,367
Equity			
Retained earnings	60,486	(2,703)	57,783
Other equity	120,971	613	121,584
Total equity	181,457	(2,090)	179,367

Impact on the consolidated statement of comprehensive income – all figures in $'000s

For the year ended 31 December 2018	As reported	Adjustments	Amounts without adoption of IFRS 15
Revenue	118,747	29,445	148,192
Cost of sales	(30,543)	(32,725)	(63,268)
Gross profit	88,204	(3,280)	84,924
Administrative expenses	(81,937)	(67)	(82,004)
Operating profit	6,267	(3,347)	2,920
Profit before tax	5,177	(3,347)	1,830
Income tax expense	(1,887)	828	(1,059)
Profit for the period	3,290	(2,519)	771
Total comprehensive income for the period	999	(2,519)	(1,520)

Functional and presentation currency

The presentation currency of the Group is US dollars (USD). Items included in the financial statements of each of the Group's entities are measured in the functional currency of each entity. The Group used the local currency as the functional currency including the parent company, where the functional currency is sterling. The Group's choice of presentation currency reflects its significant dealings in that currency.

Basis of consolidation

The consolidated financial statements incorporate the results of *accesso Technology Group plc* and all of its subsidiary undertakings as at 31 December 2018 using the acquisition method. Subsidiaries are all entities over which the Group has the ability to affect the returns of the entity and has the rights to variable returns from its involvement with the entity. The results of subsidiary undertakings are included from the date of acquisition.

The acquisition of subsidiaries is accounted for using the acquisition method. The cost of the acquisition is measured at the aggregate of the fair value, at the date of exchange, of assets given, liabilities incurred or assumed, and equity instruments issued by the Group in exchange for control of the acquiree. Any costs directly attributable to the business combination are written off to the Group income statement in the period incurred. The acquiree's identifiable assets, liabilities, and contingent liabilities that meet the conditions under IFRS 3 are recognised at their fair value at the acquisition date.

Goodwill arising on acquisition is recognised as an asset and initially measured at cost, being the excess of the cost of the business combination over the Group's interest in the net fair value of the identifiable assets, liabilities, and contingent liabilities recognised.

Investments, including the shares in subsidiary companies held as fixed assets, are stated at cost less any provision for impairment in value. Where necessary, adjustments are made to the financial statements of subsidiaries to bring the accounting policies used in line with those used by the Group.

Lo-Q (Trustees) Limited, a subsidiary company that holds an employee benefit trust on behalf of *accesso Technology Group plc*, is under control of the Board of directors and hence has been consolidated into the Group results.

All intra-Group transactions, balances, income and expenses are eliminated on consolidation.

Foreign currency

Foreign currency transactions
Transactions in foreign currencies are translated into the respective functional currencies of Group companies at the rates ruling when the transactions occur.

Monetary assets and liabilities denominated in foreign currency are translated into the functional currency at the exchange rate at the reporting date. Non-monetary assets and liabilities that are measured at fair value in a foreign currency are translated into the functional currency at the exchange rate when the fair value was determined. Non-monetary items that are measured based on historical cost in a foreign currency are translated at the exchange rate at the date of the transaction.

Foreign operations
The assets and liabilities of foreign operations, including goodwill, are translated into USD at the exchange rates at the reporting date. The income and expenses of foreign operations are translated into USD at the rates ruling when the transactions occur, or appropriate averages.

Foreign currency differences on translating the opening net assets at an opening rate and the results of operations at actual rates are recognised in other comprehensive income and accumulated in the translation reserve. Retranslation differences recognised in other comprehensive income will be reclassified to profit or loss in the event of a disposal of the business, or the Group no longer has control or significant influence.

Revenue from contracts with customers

Information about the Group's accounting policies relating to contracts with customers and the effect of initially applying IFRS 15 is described earlier in this note.

Interest expense recognition

Expense is recognised as interest accrues, using the effective interest method, to the net carrying amount of the financial liability.

Employee benefits

Share-based payment arrangements
The Group issues equity-settled share-based payments to full-time employees. Equity-settled share-based payments are measured at the fair value at the date of grant, with the expense recognised over the vesting period, with a corresponding increase in equity. The amount recognised as an expense is adjusted to reflect the Group's estimate of shares that will eventually vest, such that the amount recognised is based on the number of awards that meet the service and non-market performance conditions at the vesting date.

The fair value of Enterprise Management Incentive (EMI) and unapproved share options is measured by use of a Black-Scholes model, and share options issued under the Long-Term Incentive Plan (LTIP) are measured using the Monte Carlo method, due to the market-based conditions upon which vesting is dependent. The expected life used in the model has been adjusted, based on management's best estimate, for the effects of non-transferability, exercise restrictions, and behavioural considerations.

The LTIP awards contain market-based vesting conditions. Market vesting conditions are factored into the fair value of the options granted. As long as all other vesting conditions are satisfied, a charge is made irrespective of whether the market vesting conditions are satisfied. The cumulative expense is not adjusted for failure to achieve a market vesting condition or where a non-vesting condition is not satisfied.

Pension costs
Contributions to the Group's defined contribution pension schemes are charged to the Consolidated statement of comprehensive income in the period in which they become due.

Property, plant and equipment

Items of property, plant and equipment are stated at cost of acquisition or production cost less accumulated depreciation and impairment losses.

Depreciation is charged so as to write off the cost of assets, less residual value, over their estimated useful lives, using the straight-line method, on the following bases:

Plant, machinery, and office equipment	20 - 33.3%
Installed systems	25 - 33.3%, or life of contract
Furniture and fixtures	20%
Leasehold Improvements	Shorter of useful life of the asset or time remaining within the lease contract

Inventories

The Group's inventories consist of parts used in the manufacture and maintenance of its virtual queuing product, along with peripheral items that enable the product to function within a park.

Inventories are valued at the lower of cost and net realisable value, after making due allowance for obsolete and slow-moving items. Inventories are calculated on a first in, first out basis.

Park installations are valued on the basis of the cost of inventory items and labour plus attributable overheads. Net realisable value is based on estimated selling price less additional costs to completion and disposal.

Deferred tax

Deferred tax assets and liabilities are recognised where the carrying amount of an asset or liability in the Consolidated and Company statements of financial position differs from its tax base, except for differences arising on:

- the initial recognition of goodwill;
- the initial recognition of an asset or liability in a transaction which is not a business combination and at the time of the transaction affects neither accounting or taxable profit; and
- investments in subsidiaries and jointly controlled entities where the Group is able to control the timing of the reversal of the difference and it is probable that the difference will not reverse in the foreseeable future.

Recognition of deferred tax assets is restricted to those instances where it is probable that taxable profit will be available against which the difference can be utilised.

The amount of the asset or liability is determined using tax rates that have been enacted or substantively enacted by the reporting date and are expected to apply when the deferred tax liabilities / (assets) are settled / (recovered).

Deferred tax assets and liabilities are offset when the Group has a legally enforceable right to offset current tax assets and liabilities and the deferred tax assets and liabilities relate to taxes levied by the same tax authority on either:

- the same taxable Group company; or
- different Group entities which intend either to settle current tax assets and liabilities on a net basis, or to realise the assets and settle the liabilities simultaneously, in each future period in which significant amounts of deferred tax assets or liabilities are expected to be settled or recovered.

Current income tax

The tax expense or benefit for the period comprises current and deferred tax. Tax is recognised in the income statement, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case, the tax is also recognised in other comprehensive income or directly in equity, respectively.

The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the balance sheet date in the countries where the company and its subsidiaries operate and generate taxable income. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities. See note 5 for further discussion on provisions related to tax positions.

Goodwill

Any excess of the cost of the business combination over the Group's interest in the net fair value of the identifiable assets, liabilities and contingent liabilities is recognised in the Consolidated Statement of Financial Position as goodwill and is not amortised.

After initial recognition, goodwill is stated at cost less any accumulated impairment losses, with the carrying value being reviewed for impairment, at least annually and whenever events or changes in circumstances indicate that the carrying value may be impaired.

Where the recoverable amount of the cash-generating unit is less than its carrying amount including goodwill, an impairment loss is recognised in the Consolidated Statement of Profit or Loss.

Externally acquired intangible assets

Intangible assets are capitalised at cost and amortised to nil by equal instalments over their estimated useful economic life.

Intangible assets are recognised on business combinations if they are separable from the acquired entity. The amounts ascribed to such intangibles are arrived at by using appropriate valuation techniques. The significant intangibles recognised by the Group and their useful economic lives are as follows:

- Trademarks over 3 years
- Patents over 20 years
- Customer relationships and supplier contracts over 1 to 15 years
- Intellectual property over 5 to 7 years

Internally generated intangible assets and research and development

Expenditure on internally developed products is capitalised if it can be demonstrated that:

- It is technically feasible to develop the product for it to be sold;
- Adequate resources are available to complete the development;
- There is an intention to complete and sell the product;
- The Group is able to sell the product;
- Sale of the product will generate future economic benefits; and
- Expenditure on the project can be measured reliably.

In accordance with IAS 38 'Intangible Assets', expenditure incurred on research and development is distinguished as either related to a research phase or to a development phase. Development expenditure not satisfying the above criteria and expenditure on the research phase of internal projects is recognised in the Consolidated income statement as incurred.

Development expenditure is capitalised and amortised within administrative expenses on a straight-line basis over its useful economic life, which is considered to be up to a maximum of 5 years from the date the intangible asset goes into use. The amortisation expense is included within administrative expenses in the Consolidated income statement.

All advanced research phase expenditure is charged to the income statement. For development expenditure, this is capitalised as an internally generated intangible asset, only if it meets the criteria noted above.

The Group has contractual commitments for development costs of $nil (2017: $nil).

Intellectual property rights and patents

Intellectual property rights comprise assets acquired, being external costs, relating to know how, patents, and licences. These assets have been capitalised at the fair value of the assets acquired and are amortised within administrative expenses on a straight-line basis over their estimated useful economic life of 5 to 7 years.

Fair value of contingent consideration

Contingent consideration payable in cash in connection with acquisitions is measured at its fair value as of the reporting date and classified as a financial liability with subsequent re-measurement through profit and loss.

Equity settled contingent consideration that results in either a fixed number of equity instruments or no issue of equity where the employment condition is not met is treated as equity settled. Equity settled contingent consideration is fair valued at the acquisition date, it is not re-measured at each reporting date and its subsequent settlement is accounted for within equity.

Where cash or equity consideration is contingent on the continued employment of the sellers the fair value of the expense is recognised as a remuneration expense in the statement of comprehensive income over the deferral period, where the employment condition does not apply and the consideration is in respect of a business combination it is included within cost of investment.

Financial assets

The Group classifies all its financial assets into one of the following categories, depending on the purpose for which the asset was acquired. The Group's accounting policy for each category is as follows:

- *Trade and loan receivables:* Trade receivables are initially recognised by the Group and carried at original invoice amount less an allowance for any uncollectible or impaired amounts. An estimate for doubtful debts is made when collection of the full amount is no longer probable. Debts are written off when they are identified as being uncollectible. Contract assets and other receivables are recognised at fair value. Loan receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They arise principally through the provision of goods and services to customers (trade receivables), but also incorporate other types of contractual monetary asset. Impairment of a financial asset is recognised if there is objective evidence that the balance will not be recovered.

- *Cash and cash equivalents* in the statement of financial position comprise cash at bank, cash in hand and short-term deposits with an original maturity of three months or less. Bank overdrafts that are repayable on demand and form an integral part of the Group's cash management are included as a component of cash and cash equivalents for the purposes of the consolidated statement of cash flow.

Financial liabilities

The Group treats its financial liabilities in accordance with the following accounting policies:

- *Trade payables and other short-term monetary* liabilities are recognised at fair value and subsequently at amortised cost.

- *Bank borrowings and finance leases* are initially recognised at fair value net of any transaction costs directly attributable to the issue of the instrument. Such interest-bearing liabilities are subsequently measured at amortised cost using the effective interest rate method, which ensures that any interest expense over the period to repayment is at a constant rate on the balance of the liability carried in the statement of financial position. "Interest expense" in this context includes initial transaction costs and premiums payable on redemption, as well as any interest payable while the liability is outstanding.

- The group had a contingent consideration liability relating to the acquisition of Ingresso Group Limited as at 31 December 2017. This was included in cost at its acquisition date fair value and is classified as a financial liability, re-measured at fair value subsequently through profit or loss.

Employee benefit trust (EBT)

As the company is deemed to have control of its EBT, it is treated as a subsidiary and consolidated for the purposes of the consolidated financial statements. The EBT's assets (other than investments in the company's shares), liabilities, income, and expenses are included on a line-by-line basis in the consolidated financial statements. The EBT's investment in the company's shares is deducted from equity in the consolidated statement of financial position as if they were treasury shares.

New standards and interpretations not yet adopted

A number of new standards, amendments to standards, and interpretations are either not effective for 2018 or not relevant to the group, and therefore have not been applied in preparing these accounts. The effective dates shown are for periods commencing on the date quoted.

IFRS 16 *Leases*

IFRS 16 was issued in January 2016 and it replaces IAS 17 *Leases*, IFRIC 4 Determining whether an Arrangement contains a Lease, SIC-15 Operating Leases-Incentives and SIC-27 Evaluating the Substance of Transactions Involving the Legal Form of a Lease. IFRS 16 sets out the principles for the recognition, measurement, presentation and disclosure of leases and requires lessees to account for all leases under a single on-balance sheet model similar to the accounting for finance leases under IAS 17. The standard includes two recognition exemptions for lessees – leases of 'low-value' assets (eg personal computers) and short-term leases (ie leases with a lease term of 12 months or less). At the commencement date of a lease, a lessee will recognise a liability to make lease payments (ie the lease liability) and an asset representing the right to use the underlying asset during the lease term (ie the right-of-use asset). Lessees will be required to separately recognise the interest expense on the lease liability and the depreciation expense on the right-of-use asset.

Lessees will be also required to remeasure the lease liability upon the occurrence of certain events (eg a change in the lease term, a change in future lease payments resulting from a change in an index or rate used to determine those payments). The lessee will generally recognise the amount of the remeasurement of the lease liability as an adjustment to the right-of-use asset.

IFRS 16 is effective for annual periods beginning on or after 1 January 2019. Early application is permitted, but not before an entity applies IFRS 15. A lessee can choose to apply the standard using either a full retrospective or a modified retrospective approach. The standard's transition provisions permit certain reliefs.

The Group has entered into a number of long-term leases in respect of land and buildings. The Group has assessed the leases under IFRS 16 and expects an impact as the right of use assets and lease liabilities will come onto the consolidated statement of financial position for the first time in respect of its current operating leases. The Group expects that IFRS 16 will have a material impact on the financial statements of the Group, however the Group are currently assessing the impact.

The Group plans to apply the practical expedient to grandfather the definition of a lease on transition. This means that it will apply IFRS 16 to all contracts entered into before 1 January 2019 and identified as leases in accordance with IAS 17 and IFRIC 4.

IFRIC 23

IFRIC 23, "Uncertainty over Income Tax Treatments" clarifies how to apply the recognition and measurement requirements in IAS 12 when there is uncertainty over income tax treatments. In such a circumstance, an entity shall recognise and measure its current or deferred tax asset or liability applying the requirements in IAS 12 based on taxable profit (tax loss), tax bases, unused tax losses, unused tax credits and tax rates determined applying this interpretation. This interpretation is effective for annual periods beginning on or after 1 January 2019, subject to EU endorsement.

Annual improvements 2017

Annual Improvements 2017 includes amendments to IFRS 3, *"Business combinations",* IFRS 11*, "Joint arrangements"* and IAS 12*, "Income taxes*" applies for periods beginning on or after 1 January 2019, subject to EU endorsement.

Amendments to References to the Conceptual Framework in IFRS Standards –

Amendments to IFRS 2, IFRS 3, IFRS 6, IFRS 14, IAS 1, IAS 8, IAS 34, IAS 37, IAS 38, IFRIC 12, IFRIC 19, IFRIC 20, IFRIC 22, and SIC-32 to update those pronouncements with regard to the revised Conceptual Framework, effective 1 January 2020, subject to EU endorsement.

The impact of IFRS 16 is discussed above. The impact of the other standards, amendments and interpretations listed above are not expected to have a material impact on the consolidated financial statements.

4. Critical judgments and key sources of estimation uncertainty

In preparing these consolidated financial statements, the Group makes judgements, estimates and assumptions concerning the future that impact the application of policies and reported amounts of assets, liabilities, income and expenses.

The resulting accounting estimates calculated using these judgements and assumptions are based on historical experience and expectations of future events and may not equal the actual results. Estimates and underlying assumptions are reviewed on an ongoing basis, and revisions to estimates are recognised prospectively.

The judgements and key sources of assumptions and estimation uncertainty that have a significant effect on the amounts recognised in the financial statements are discussed below.

Judgements

Information about judgements made in applying accounting policies that have the most significant effects on the amounts recognised in these consolidated financial statements are below:

Capitalised development costs
The Group capitalises development costs in line with IAS 38 *Intangible Assets*. Management applies judgement in determining if the costs meet the criteria and are therefore eligible for capitalisation. Significant judgements include the technical feasibility of the development, recoverability of the costs incurred, and economic viability of the product and potential market available considering its current and future customers.

Agent versus principal
Management have determined that under IFRS 15 the Group is acting as the agent in all queuing contracts, and therefore only recognises its portion of the sale as revenue, rather than the full amount of the guest payment. When analysing whether the Group is acting as a principal or agent in a given arrangement, this requires management to consider several judgemental factors.

The main factor is whether the Group has control over the goods and services to be provided within the contract, with indicators of control including whether the entity is primarily responsible for fulfilling the promise to the customer, the entity has inventory risk, and the entity has discretion over pricing. These factors are different than those under IAS 18 Revenue, which focused more on the risks and rewards of the generating the revenue.

Selection of reporting segments and aggregation of accesso LoQueue and The Experience Engine ('TE2') reporting segments
During 2018 management have organised their business into three operating segments and now monitor goodwill at this level, comprising Ticketing and Distribution, accesso LoQueue and The Experience Engine ('TE2'). This represents a change from 2017 whereby goodwill was monitored at a group level.

Judgement is applied in the assessment of whether the operating segments of *accesso LoQueue* and *TE2* meet the aggregation criteria as set out in IFRS 8 *'Operating Segments'* and therefore can be presented as a single reportable segment within Guest Experience. This assessment has been made following consideration of economic characterises, nature of the products and services, the type of customers and nature of businesses. Principally the products of each segment are directly targeted at improving a guest's experience of an attraction or entertainment venue, whilst also providing cross-selling opportunities and increased revenues to the venues, both of which are heavily underpinned by a focus on product development investment activities.

Assumptions and estimation uncertainties

Information about assumptions and estimation uncertainties that have a significant risk of resulting in material adjustments in the following year are:

Goodwill testing and goodwill allocated to cash generating units
The goodwill arising on the respective ticketing entities enhances the value of only the Ticketing and Distribution group of CGUs and has therefore been monitored at a Ticketing and Distribution segment level for impairment testing. *accesso LoQueue* has no underlying goodwill for consideration of reallocation. $52.4m of goodwill arising on the acquisition of *TE2* was identified at the acquisition date as being expected to drive synergies in Ticketing and Distribution, this goodwill has been allocated to Ticketing and Distribution and *accesso LoQueue* respectively ($28.5m and $6.5m) in line with the apportionment set out at acquisition leaving $17.4m within *TE2'*s CGU. This allocation has been based on a relative proportion of the EBITDA synergies of the respective CGUs which is considered the most accurate reflection of where the value of the synergies of the goodwill will be driven.

5. Tax

The table below provides an analysis of the tax charge for the periods ended 31 December 2018 and 31 December 2017:

	2018 $000	2017 $000
UK corporation tax		
Current tax on income for the period	**2,498**	1,012
Adjustment in respect of prior periods	**(457)**	154
	2,041	1,166
Overseas tax		
Current tax on income for the period	**607**	1,289
Adjustment in respect of prior periods	**(537)**	(707)
	70	582
Total current taxation	**2,111**	1,748
Deferred taxation		
Original and reversal of temporary difference - for the current period	**(670)**	382
Impact on deferred tax rate changes	**(483)**	(5,094)
Original and reversal of temporary difference - for the prior period	**929**	229
	(224)	(4,483)
Total taxation charge/(benefit)	**1,887**	(2,735)

The differences between the actual tax charge for the period and the theoretical amount that would arise using the applicable weighted average tax rate are as follows:

	2018 $000	2017 $000
Profit on ordinary activities before tax	**5,177**	7,166
Tax at United States tax rate of 24% (2017: 40.0%)	**1,242**	2,866
Effects of:		
Expenses not deductible for tax purposes	**1,269**	1,380
Additional deduction for patent box	**(25)**	(175)
Additional deduction for R&D expenditure – current period	**-**	(130)
Profit subject to foreign taxes at a lower marginal rate	**(137)**	(1,050)
Adjustment in respect of prior period – income statement	**(64)**	(324)
Deferred tax not recognised	**-**	1
Impact of rate changes	**(483)**	(5,094)
Withholding tax credit	**(61)**	-
Share options	**35**	-
Other	**111**	(209)
Total tax charge/(benefit)	**1,887**	(2,735)

Deferred taxation

	Asset $000	Liability $000
Group		
At 31 December 2016	6,008	(9,990)
Charged to income	(5,056)	9,539
Credited directly to equity	2,793	(181)
Acquired from business combinations	5,192	(13,997)
At 31 December 2017	**8,937**	**(14,629)**
Charged to income	**1,030**	**(806)**
Debited directly to equity	**(4,621)**	**-**
At 31 December 2018	**5,346**	**(15,435)**

The following table summarises the recognised deferred tax asset and liability:

	2018 $000	2017 $000
Group		
Recognised asset		
Tax relief on unexercised employee share options	**2,443**	6,977
Short term timing differences	**658**	974
Net operating losses & tax credits	**2,245**	986
Deferred tax asset	**5,346**	8,937

	2018 $000	2017 $000
Recognised liability		
Capital allowances in excess of depreciation	**(6,052)**	(3,078)
Short term timing differences	**(506)**	(272)
Business combinations	**(8,877)**	(11,279)
Deferred tax liability	**(15,435)**	(14,629)

Tax rates in the UK will reduce from 19% to 17% with effect from 1 April 2020. Tax rates in the US were reduced from 35% to 21%, before state taxes, with effect from 1 January 2018. As both rate changes had been substantively enacted during the previous period, deferred tax assets and liabilities were measured at a rate of 17% and 21% plus state taxes in the UK and US, respectively. The same rates were in effect for 2018. The significant reduction in the US corporate rate will also reduce the Group's effective tax rate in future periods. There are no material unrecognised deferred tax assets.

Taxation and transfer pricing
The Group is an international technology business and, as such, transfer pricing arrangements are in place to cover funding arrangements, management costs and the exploitation of IP between Group companies. Transfer prices and the policies applied directly affect the allocation of Group-wide taxable income across a number of tax jurisdictions. While transfer pricing entries between legal entities are on an arm's length basis, there is increasing scrutiny from tax authorities on transfer pricing arrangements. This could result in the creation of uncertain tax positions.

The Group provides for anticipated risks, based on reasonable estimates, for tax risks in the respective countries in which it operates. The amount of such provisions can be based on various factors, such as experience with previous tax audits and differing interpretations of tax regulations by the taxable entity and the responsible authority. Uncertainties exist with respect to the evolution of the Group following international acquisitions holding significant IP assets, interpretation of complex tax regulations, changes in tax laws, and the amount and timing of future taxable income.

Given the wide range of international business relationships and the long-term nature and complexity of existing contractual agreements, differences arising between the actual results and the assumptions made, or future changes to such assumptions, could necessitate future adjustments to tax income and expense already recorded.

Uncertainties in relation to tax liabilities are provided for within income tax payable to the extent that it is considered probable that the Group may be required to settle a tax liability in the future. Settlement of tax provisions could potentially result in future cash tax payments; however, these are not expected to result in an increased tax charge as they have been fully provided for in accordance with management's best estimates of the most likely outcomes.

Ongoing tax assessments and related tax risks
The Group has undertaken a review of potential tax risks and current tax assessments, and whilst it is not possible to predict the outcome of any current or future tax enquiries, adequate provisions are considered to have been included in the Group accounts to cover any expected estimated future settlements.

In common with many international groups operating across multiple jurisdictions, certain tax positions taken by the Group are based on industry practice and external tax advice or are based on assumptions and involve a significant degree of judgement. It is considered possible that tax enquiries on such tax positions could give rise to material changes in the Group's tax provisions.

The Group is consequently, from time to time, subject to tax enquiries by local tax authorities and certain tax positions related to intercompany transactions may be subject to challenge by the relevant tax authority.

The Group has recognised provisions where it is not probable that tax positions taken will be accepted, totalling $0.5m (2017: $0.5 million) in relation to transfer pricing risks and $0.3 million (2017: $0.5 million) in relation to availability of tax losses and international R&D claims.

6. Earnings per share

Basic earnings per share is calculated by dividing the earnings attributable to ordinary shareholders by the weighted average number of ordinary shares outstanding during the period.

Diluted earnings per share is calculated by dividing the net profit attributable to ordinary shareholders, after adjustments for instruments that dilute basic earnings per share, by the weighted average of ordinary shares outstanding during the period (adjusted for the effects of dilutive instruments).

Earnings for adjusted earnings per share, a non-GAAP measure, are defined as profit before tax before the deduction of amortisation related to acquisitions, acquisition costs, deferred and contingent consideration, credits to the income statement from the reversal of the earn-out liability, and costs related to share-based payments, less tax at the effective rate.

The table below reflects the income and share data used in the total basic, diluted, and adjusted earnings per share computations.

	2018	2017
Profit attributable to ordinary shareholders ($000)	**3,290**	9,901
Basic EPS		
Denominator		
Weighted average number of shares used in basic EPS	**26,905**	24,250
Basic earnings per share (cents)	**12.23**	40.83
Diluted EPS		
Denominator		
Weighted average number of shares used in basic EPS	**26,905**	24,250
Effect of dilutive securities		
Options	**709**	1,337
Deferred share consideration on business combinations	**421**	454
Weighted average number of shares used in diluted EPS	**28,035**	26,041
Diluted earnings per share (cents)	**11.74**	38.02

	2018	2017
Adjusted EPS		
Profit attributable to ordinary shareholders ($000)	**3,290**	9,901
Adjustments for the period related to:		
Amortisation relating to acquired intangibles from acquisitions	**11,740**	8,591
Interest expense related to deferred and contingent liabilities	**331**	1,131
Acquisition expenses (including debt arrangement fees)	**1,703**	1,474
Deferred and contingent consideration linked to employment	**3,176**	2,131
Profit recognised on reduction of earn-out liability	**-**	(3,228)
Share-based compensation and social security costs on unapproved options	**2,245**	1,089
US tax code – tax credit from revaluation of US deferred balances	**-**	(4,450)
	22,485	16,639
Net tax related to the above adjustments (2018: 18.8%, 2017: 25.5%):	**(2,689)**	(2,880)
Adjusted profit attributable to ordinary shareholders ($000)	**19,796**	13,759

*The 2017 weighted average number of shares for diluted EPS has been restated to include the dilutive effect of the TE2 deferred shares which are contingent on future employment from the date of the agreement.

	2018	2017
Adjusted profit attributable to ordinary shareholders ($000)	**19,796**	13,759
Adjusted basic EPS		
Denominator		
Weighted average number of shares used in basic EPS	**26,905**	24,250
Adjusted basic earnings per share (cents)	**73.58**	56.73
Adjusted diluted EPS		
Denominator		

Weighted average number of shares used in diluted EPS	**28,035**	26,041
Adjusted diluted earnings per share (cents)	**70.61**	52.84

137,432 LTIP awards were not included in the calculation of diluted EPS because their exercise is contingent on the satisfaction of certain criteria that had not been met as at 31 December 2018.