18 September 2019

***accesso® Technology Group* plc**

(“*accesso*” or the “Group”)

INTERIM RESULTS
for the six-month period ended 30 June 2019

accesso Technology Group plc (**AIM: ACSO**), the premier technology solutions provider to leisure, entertainment and cultural markets, today announces interim results for the six months ended 30 June 2019 (‘1H 2019’).

In 1H 2019, the Group has made important progress on its long-term strategy to integrate its offerings to uniquely position itself to take advantage of a $3.4bn[1] addressable market, driven by a market shift toward the integrated guest experience and leveraging data to improve business outcomes for customers. The Group will be deploying its third customer on an integrated platform in Q4 and moving forward will continue to organise the company around a unified product strategy and go-to-market. These efforts will drive both product innovation as well as development and operational efficiencies, supporting plans to accelerate revenue and cash EBITDA growth.

Overall, financial performance during the first half of 2019 was broadly in-line with management expectations. Despite revenue below management expectations, costs associated with the integration strategy were lower than originally anticipated, contributing to a lower than expected increase in the Group’s expenditure base.

	Six months ended 30 June 2019	**Six months ended 30 June 2018 (7)**	***% change***	**Year ended 31 December 2018 (7)**
	Unaudited	Unaudited		Audited
	$m	$m		$m
Revenue	**50.7**	54.4	(6.8) %	118.7
Revenue - constant currency (2)	**51.8**	54.4	(4.8) %	
Operating (loss)/profit	**(4.4)**	2.3	(291.3) %	6.3
Adjusted operating profit (3)	**3.9**	11.0	(64.5) %	25.1
Adjusted EBITDA (4)	**11.0**	15.1	(27.2) %	34.8
Cash EBITDA (5)	**1.0**	3.9	(74.1) %	13.7 (9)
(Loss)/profit before tax	**(5.0)**	1.4	(457.1) %	5.2
Net (debt)/ cash (6)	**(15.2)**	(11.6)	(31.0) %	0.5
(Loss)/earnings per share – basic (cents)	**(13.44)**	3.85	(449.1) %	12.23
Adjusted earnings per share – basic (cents) (8)	**14.21**	30.31	(53.1) %	73.58

(1) Internal management analysis
(2) The period ended 30 June 2019 has been prepared on a proforma basis using consistent currency rates with the period ended 30 June 2018 to assist with assessing the underlying performance of the business.
(3) Operating profit before the deduction of amortisation related to acquisitions, acquisition costs, deferred and contingent payments, and costs related to share-based payments (note 6)
(4) Operating profit before the deduction of amortisation, depreciation, acquisition costs, deferred and contingent payments, and costs related to share-based payments (note 6)
(5) Adjusted EBITDA less capitalised internal development costs (note 6)
(6) Cash and cash equivalents less borrowings

(7) 30 June 2018 and 31 December 2018 results have not been restated for the impact of IFRS 16 - Leases (see note 1)
(8) Adjusted earnings per share is 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
(9) Not audited

Overall Highlights

- The formal sale process which we announced on 24 July 2019 remains ongoing. The Company recently held management presentations with a number of interested parties and is expected to receive feedback by the end of September 2019.
- The Board remains confident that the Group's product range, data assets and technology expertise give it a unique ability to capitalise on market trends, driven by an evolving and increasingly demanding guest experience requirement. *accesso* is the only vendor capable of delivering personalised customer experiences at scale, enhancing all-important repeat visitation and yield-per-guest metrics for operators by optimising the guest experience.
- *accesso's* plan to bring integrated product solution to market is progressing ahead of previously communicated expectations, with initial sizeable integrated deployments in 2019. Completion is expected by the end of 2021 and incremental development investment is expected to be below previous guidance.
- The plan also incorporates a transition to a single global service and implementation team which is expected to create significant efficiencies, as well as an enhanced go-to-market approach to deliver both standalone core system sales and integrated guest experience solutions.

Financial Highlights

- Revenue of $50.7m or $51.8m at constant currency (2018: $54.4m) was below management expectations following slower than expected scaling within distribution despite progress signing agreements with key *accesso Passport* clients.
- The comparative prior year period benefited from non-recurring revenue items with a net impact of $6.2m. Excluding these, underlying revenue growth was $3.6m at constant currency, or 7.7%.
- A focus on platform fees and transactional deals saw the proportion of repeatable revenues increase to $35.7m in the period (79.3%), or $36.8m (79.7%) at constant currency (1H 2018: $34.8; 71.3%), a trend we expect to continue.
- Guest Experience performance was broadly in-line with expectations, with strong momentum going into H2. This has been achieved despite an attendance linked underperformance at a specific park and impact from a previously stated non-repeating license fee of $2.2m.

Continued progress in our served verticals

- Over 40 Ticketing deployments delivered across N. America, S. America, Europe and Asia/Pac.
- Multiple signed and/or on-boarded cross-product deals that included *accesso Passport* ecommerce with *accesso Siriusware* POS; select clients include:
    - Audubon Institute, New York Botanical Gardens, Santa Cruz Beach and Boardwalk, Jiminy Peak, and Coney Island
- Growth at *accesso ShoWare* included several large market deals including:
    - State Fair of Texas, Stratosphere Hotel/Casino, Fotografiska Museum, Rink Management Services.
    - *accesso ShoWare* solutions also supported major live entertainment events including Ed Sheeran, Shawn Mendes and Iron Maiden
- Guest Experience business signed and/or deployed a variety of strategic deals and cross sells including:
    - Village Roadshow Theme Parks (VRTP) - expected delivery of major elements of the Group's unified solutions and third-party integrations to VRTP (ticketing, queueing, distribution, food and beverage, photo)
    - Carnival – supported the deployment of three new ships
    - Cedar Fair – *TE2* identity service and *accesso Passport* integration now rolled out to a total of 11 locations with a food and beverage pilot at select parks

- Grupo Vidanta – food and beverage launched
- Leading hospitality operator - mobile app development and select capabilities

Outlook & Guidance

- Revenue:
  - FY 2019: Reported revenue between $118m - $121m ($120m - $123m on a constant currency basis)
  - 2020 – 2021: high single digit organic growth in repeatable business offset by negative growth in non-repeatable revenues producing overall low to mid-single digit revenue growth
  - 2022 onwards: The benefits of the integration and go-to market plans are expected to support overall double-digit organic revenue growth
  - The Group expects the quality of revenues to increase with the percentage of repeatable revenues expected to be c80% in FY 2019 and steadily increase to c90% by FY 2022

- Development expenditure:
  - FY 2019: expected to be below previous guidance at c. $33m (previous: $36-$39m) – 28% of revenues; 60%-63% capitalisation
  - 2020: similar expenditure and capitalisation to FY2019
  - Longer term: opportunity for development expenditure to normalise at c.20% of revenues as integration plan is completed and business reorganises and benefits from efficiencies

- Cash EBITDA (new metric):
  - Opportunities to increase Cash EBITDA margin to c.20% by 2022, as business leverages efficiencies derived from development and operational re-organisation

- Tax: ETR on adjusted earnings expected to be 20% to 23%

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

"During the first half of 2019 we have made important progress in our plans to transition to a unified product strategy. accesso is uniquely positioned to deliver an integrated digital guest experience. We have continued to see strong demand for both single and combined offerings across our served verticals, reaffirming our faith in the strategy and our ability to deliver against a TAM within currently served verticals that we estimate to be $3.4bn.

Against this positive long-term backdrop, revenues in the first half have been below our internal expectations as the expansion of our distribution efforts, which remains an important element of our future plans, has taken somewhat longer than expected to take hold. Despite this, with our new strategic plan in place and moving forward, we are increasingly confident of seizing the significant opportunity before us.

Going into H2 the Board is clear that we have the right strategy in place to deliver sustainable attractive organic growth in the medium term, while focusing on the reorganisation of our technology development teams, operating efficiency opportunities and redefining our go-to-market strategy."

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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.

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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

For further information, please contact:

***accesso Technology Group* plc** **+44 (0)118 934 7400**
Paul Noland, Chief Executive Officer
John Alder, Chief Financial Officer

FTI Consulting, LLP **+44 (0)20 3727 1000**
Matt Dixon, Adam Davidson, Chris Birt

Canaccord Genuity Limited **+44 (0)20 7523 8000**
Simon Bridges, Richard Andrews

Numis Securities Limited **+44 (0)20 7260 1000**
Simon Willis, Mark Lander

About *accesso* Technology Group

At *accesso*, we believe technology has the power to redefine the guest experience. Our patented and award-winning solutions drive increased revenue for attraction operators while improving the guest experience. Currently serving over 1,000 clients in over 30 countries around the globe, *accesso's* solutions help our clients streamline operations, generate increased revenues, improve guest satisfaction and harness the power of data to educate business and marketing decisions.

accesso stands as the leading technology provider of choice for tomorrow's attractions, venues and institutions. We invest heavily in research and development because our industries demand it, our clients benefit from it and it makes a positive impact on the guest experience. Our innovative technology solutions allow venues to increase the volume and range of on-site spending and to drive increased transaction-based revenue through cutting-edge ticketing, point-of-sale, virtual queuing, distribution and experience management software.

Many of our team members come from backgrounds working within the attractions and cultural industry. In this way, we are experienced operators who run a technology company serving attractions operators, versus a technology company that happens to serve the market. Our staff understands the day-to-day operations of managing complex venues and the challenges this creates, and together we strive to provide our clients and their guests with technology that empowers them to do more and enjoy more. From our agile development team to our dedicated client service specialists, every team member knows that their passion, integrity, commitment, teamwork and innovation are what drive our success.

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

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Financial Review

The first half of 2019 has seen a solid performance across the Group's two operating divisions despite the impact of previously stated non-repeatable revenues, with the Group continuing to grow its repeatable revenue streams. Across the Group's current verticals there is continued strong demand for single and increasingly combined product offerings. The Group remains focused on delivering its unified product strategy, which is underway, expected to be substantially complete within two years and will be achieved at a lower level of incremental expenditure than initially envisaged. Over the same time horizon, *accesso* will be implementing initiatives and delivering automated tools to support more efficient operations and rationalised spend levels across the Group.

Alternative Performance Measures

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

The historic strategy of enhancing *accesso's* 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 the Board does not believe are 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 payments and exceptional items.

By consistently making these adjustments, the Group provides a better period-to-period comparison and is more readily comparable against businesses that do 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. Two additional APMs, cash EBITDA and revenue on a constant currency basis, are now being disclosed reflecting an increase in focus on demonstrating cash generation within the Group and to assist with assessing the underlying performance of the segments and revenue streams on constant currency rates with the comparative 6-month period. Cash EBITDA is defined as Adjusted EBITDA less capitalised internal development costs.

Key financial metrics

Group revenue for the first half of 2019 was $50.7m (1H 2018: $54.4m), a reduction of 6.8% on the prior year period. On a constant currency basis, revenue for 1H 2019 would have been $51.8m, a reduction of 4.8% on the prior year period reflecting previously stated non-repeatable revenue items recognised in 1H 2018 which were as follows:

- *TE2* perpetual licence (2019: $0; 2018: $2.2m)
- Low margin *accesso Prism* hardware revenue (2019: $0; 2018: $1.5m)
- POS licences (2019: $1.7m; 2018: $3.4m)
- Impact of Amazon exiting the UK ticketing space (2019: $0; 2018: $0.8m)

The net impact of these non-repeatable revenue items was $6.2m in the first half of 2019 relative to 2018, excluding which underlying revenue growth was $3.6m at constant currency, or 7.7%.

Revenue on a segmental basis was as follows:

	Six months ended 30 June 2019 Unaudited $000	**Proforma six months ended 30 June 2019 Unaudited (1)** $000	Six months ended 30 June 2018 Unaudited $000
Ticketing and Distribution	**35,835**	36,837	37,378
Guest Experience	**14,877**	14,994	16,996
Total revenue	**50,712**	51,831	54,374

(1) The period ended 30 June 2019 has been prepared on a proforma basis using consistent currency rates with the period ended 30 June 2018 to assist with assessing the underlying performance of the segments and revenue streams.

On a constant currency basis, Ticketing and Distribution benefited from strong organic ticketing growth offsetting the reduction in certain elements of non-repeatable license revenue and the impact from Amazon UK exiting the UK ticketing space in the prior period. Underlying revenue growth, excluding the non-repeatable impact, was 5.7% and continues to benefit from the roll out of Merlin venues and from strong same store growth. *accesso's* strategy to utilise *Ingresso* technology to drive incremental revenue for operators remains on track, albeit distribution volumes are lower than initially anticipated at this stage, as operators appraise this innovative distribution channel.

Within Guest Experience, transactional *accesso LoQueue* revenues were slightly below the Group's internal expectations, although first half performance is rarely a definitive indicator of trading performance for the full year, and the Board are encouraged by the progress that has been made as the business has traded through the busier part of the season post the end of June. Underlying revenue growth, on a constant currency basis and excluding the non-repeatable revenues, was 12.8%. *TE2*, which had been largely dependent on project-based professional services revenues, continues to gain traction evolving its repeatable revenue, via either platform or revenue share deals. While this currently represents a small proportion of Group revenues the Board believes experience management and data orchestration technology is a pivotal element of the Group's strategy to unify its offering and maximise its market impact.

Revenue Quality

The following is an analysis of the Group's revenue visibility. 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, without the need for additional sales activity, such as maintenance support revenue. 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.

	Six months ended 30 June 2019 Unaudited $000	**Proforma six months ended 30 June 2019 Unaudited (2)** $000	Six months ended 30 June 2018 Unaudited $000
Transactional revenue	**35,731**	36,771	34,840
Other repeatable revenue	**4,511**	4,526	3,943
Total Repeatable	**40,242**	41,297	38,783
Non-repeatable revenue	**8,143**	8,173	12,869
Other revenue	**2,327**	2,361	2,722
	50,712	51,831	54,374
Total Repeatable as % of total	*79.3%*	*79.7%*	*71.3%*

(2) The period ended 30 June 2019 has been prepared on a proforma basis using consistent currency rates with the period ended 30 June 2018 to assist with assessing the underlying performance of the segments and revenue streams.

On a constant currency basis repeatable revenue increased by 6.5% year-on-year and demonstrates continued successful growth of core repeatable revenue streams. The reduction in non-repeatable revenue represents the impact of the non-repeatable license revenue highlighted earlier.

The reported gross profit margin was 74.9% in 1H 2019, compared to 73.4% in 1H 2018. This was primarily driven by mix changes across the revenue streams and the timing of venue deployments and other non-repeatable items.

Operating costs increased 12.8% to $42.4m (1H 2018: $37.6m), while underlying administrative expenditure increased by 8.4% to $26.9m (1H 2018: $24.9m). This increase was primarily driven by an increase in headcount of approximately 3.5% together with salary increases and a lower level of internal capitalised development costs, offset by a $0.8m reduction in expenditure relating to IFRS 16. The impact of IFRS16 is explained in greater detail below.

	Six months ended 30 June 2019 Unaudited $000	Six months ended 30 June 2018 Unaudited $000
Administrative expenses - reported	**42,417**	37,614
Deferred equity settled acquisition consideration (i)	**(1,460)**	(1,723)

Amortisation related to acquired intangibles	**(5,812)**	(5,928)
Share based payments	**(1,080)**	(1,047)
Amortisation and depreciation (excluding acquired intangibles)	**(7,120)**	(4,054)
Underlying administrative expenditure	**26,945**	24,862

Adjusted operating profit

Adjusted operating profit, which the Board considers a key underlying metric, reduced by 64.5% to $3.9m (1H 2018: $11.0m), while adjusted EBITDA, reduced by 27.2% to $11.0m (1H 2018: $15.1m). On a constant currency basis, adjusted EBITDA would have been $11.3m. These reductions reflect the impact of certain of the non-repeatable revenue items, together with the net increase in operating costs identified above.

The table below sets out a reconciliation between statutory operating profit, adjusted operating profit and adjusted EBITDA and cash EBITDA:

	Six months ended 30 June 2019 Unaudited $000	Six months ended 30 June 2018 Unaudited $000	Year ended 31 December 2018 Audited $000
Operating (loss)/profit	**(4,427)**	2,304	6,267
Add: Acquisition expenses	**-**	-	1,703
Add: Deferred equity settled acquisition consideration (i)	**1,460**	1,723	3,176
Add: Amortisation related to acquired intangibles	**5,812**	5,928	11,740
Add: Share based payments	**1,080**	1,047	2,245
Adjusted operating profit	**3,925**	11,002	25,131
Add: Amortisation and depreciation (excluding acquired intangibles)	**7,120**	4,054	9,624
Adjusted EBITDA	**11,045**	15,056	34,755
Capitalised internal development costs	(10,040)	(11,181)	(21,100)
Cash EBITDA	**1,005**	3,875	13,655

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

The group reported a statutory loss before tax of $5.0m (1H 2018: profit of $1.5m), adjusted earnings per share in the first half of 2019 reduced by 53.1% to 14.21 cents (1H 2018: 30.31 cents).

Development expenditure

At the Group's preliminary results, 27 March 2019, the business outlined plans to invest in the digital guest journey to provide an integrated product strategy with initial expectations of total development expenditure at full year 2019 of $36m to $39m (2018: $29.3m). Total development expenditure in 2019 is now expected to be in the region of $33.0m (2018: $29.3m) for the full year, below previous guidance. The decreased full year expectation for development expenditure reflects thoughtful progress in the year towards a unified set of solutions. The development roadmap over the next two years to move to a unified product strategy and operate in a way to deliver innovation with greater efficiency is now largely defined. In 1H 2019, the group capitalised development expenditure of $10.0m (1H 2018: $11.2m) and on a full year basis the proportion of total development expenditure capitalised is expected to be within 60-63%. The net benefit in the period of development capitalisation less related amortisation, reduced to $4.4m (1H 2018: $7.7m).

Cash and net debt

In line with the traditional seasonality of the business, the first half has not been significantly cash generative, with a cash outflow from operations in the period of $4.5m (1H 2018: $4.1m). This included an outflow of $3.9m relating to cash balances (1H 2018: $6.7m), inherited with the 2017 acquisition of *Ingresso* which, while beneficially owned, is less relevant when considering the underlying cash conversion of the business.

Net debt at 30 June 2019 was $15.2m, representing a total outflow of $15.7m from the position at 31 December 2018 of $0.5m net cash. In addition to the outflow of $3.9m referenced above, the Group capitalised development expenditure of $10.0m (1H 2018: $11.2m) which includes investment into development of the Group's integrated platform, as well as $1.4m of tangible capex. Financing activities included bank interest paid of $0.4m (1H 2018: $0.3m).

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 $40m, denominated in either US dollars, GB Pound Sterling or Euros, and expires in 2021. This provides an additional accordion mechanism allowing for a further $10m relating to future acquisitions. The total available for drawdown is subject to a reduction of $10m on 30 March 2020.

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.

Taxation

The Board expects the 2019 effective tax rate on adjusted profit before tax to be approximately 20% (2018: 19%), while the effective tax rate on statutory profit before tax for the full year is expected to be approximately 26%, (FY 2018: 36%) which are the rates used within 1H 2018. The reduction from the FY 2018 effective rate of tax is primarily a result of the reduction of the US and UK statutory tax rates and a removal of the effect of a one-off non-deductible tax item which occurred in 2018 with respect to an aborted acquisition.

Accounting Developments

IFRS 16 is the new lease accounting standard which has been implemented on 1 January 2019 using the modified retrospective method being applied from 1 January 2019. The impact of the new accounting standard for assets in the scope is the recognition of right of use assets within non-current assets and the recognition of lease liabilities within current and non-current liabilities; operating lease charges on those assets have been removed from profit and loss and replaced with depreciation and interest expense. Further details regarding the implementation of IFRS 16 are included in note 8.

Operational Progress

Unified Product Strategy

A hallmark of *accesso* is its ongoing ability to anticipate shifts in guests' behaviours and preferences and develop solutions that allow operators to meet and benefit from those evolving expectations. Our early position with hosted ticketing eCommerce solutions followed by our innovations to support the rapid movement to mobile purchases are two good examples. Now, as guest preferences shift again towards more tailored and personalised interactions from operators, *accesso* is once again at the forefront of developing technology solutions to help its customers benefit from this trend.

As detailed in the 2018 preliminary results, *accesso* estimates the Group's current total addressable market opportunity as approximately $3.4bn. The Board's confidence in addressing this opportunity reflects market trends and our customers' increasing demand for more effective use of technology to drive increases in yield per guest while enhancing the guest experience. Customers are recognising the value of growing their per guest revenues from existing attendance versus the traditional playbook which includes significant capital investments in new capacity and attractions. *accesso* is well placed to capitalise on this trend as venues require a partner to integrate a disparate set of systems to deliver a guest experience necessary to drive guest revenues, improve Net Promoter Scores (NPS) and increased visitation. At the same time, we expect our core point solutions (*accesso Passport, accesso ShoWare, Ingresso, accesso Siriusware, accesso LoQueue*) will become more valuable and differentiated as they are integrated with this guest experience capability, mainly powered by our *TE2* technology.

In order to address the growing demand from existing and potential customers, the Group previously announced plans to accelerate investment into product integration necessary to support the digital guest journey and differentiated point solutions. In the first half of 2019, the Group has made important progress finalising and implementing this plan and is committed to meeting further key strategic milestones in 2019, which will allow the Group the ability to accelerate delivery of its integrated technologies.

Unified Product Plan is underway and will be implemented in phases by the end of 2021:

1. **Initial Phase (complete) – Successfully Deliver Integrated Solution Proof Points to Existing Customers**

- The Group's initial proof points were delivered in 2018 including combined product solutions for certain customers. These combined deployments create significant value for both the customer, their guests and *accesso* through improving the digital guest journey, differentiating *accesso* solutions and providing significant learnings for the integrated plan.
    - Merlin's Bear Grylls Adventure (*accesso LoQueue, accesso Passport* and *TE2*) in the first half of 2018
    - Cedar Fair (*TE2* Identity service and *accesso Passport* to deliver new ticket sales capability through its mobile app)
    - Marketplace Live Data Prototype (*Ingresso* and *TE2* content and identity service)

2. **End-to-End Deployment of Fully Integrated Guest Experience Solutions (in process)**

- The Group has now sold integrated guest experience solutions at scale to leaders in their respective industries that leverage a robust set of point solutions and integrated guest experience capabilities. The development accounted for a variety of system integration points, extensible APIs and select microservices – all of which were key to informing the Group's unified product strategy and plan. The following are scheduled to be implemented within 2019:
    i. Village Roadshow Theme Parks - Full guest experience solution including an entire *accesso* suite of systems and capabilities – *accesso Passport* ticketing, *accesso ShoWare* reserved seating, *accesso LoQueue*, Identity, Mobile App, Distribution, Content, Product Catalog and Customer Data. (November launch)
    ii. Leading Hospitality operator - *TE2* integration with operator's annual pass programme and a variety of on-premise systems across the enterprise's locations

3. **Unified Product Strategy and Organisation Rollout (in process)**
    - *accesso* has identified the collection of APIs, micro services, technical debt, system scale needs, testing/automation, operational tools and product features which we believe will transform its ability to deliver an expanding set of guest experience solutions efficiently and further differentiate *accesso's* point solutions (i.e. *accesso Passport*, *accesso ShoWare*, etc) as a result. This Unified Product plan will allow the Group to capitalise on the market opportunity with precision and cost effectiveness.
    - Deliver selective organisational change to move the current business unit structure towards high-performing product teams focused on the key vertical solutions, applications and core systems.
    - At the same time, *accesso* will synchronise its operations to support an integrated product approach and provide cross-training, automation and tools necessary to rationalise our support base.

The Group will focus on implementing this strategy by the end of 2021 but allowing for continuous delivery of integrated capabilities during this period. There are many benefits of this strategy, with significant upside across the Group's key operational and financial metrics

These benefits are an important component of the Groups longer range guidance and are expected to include:

- Decreasing development costs as a percentage of revenue
- Significant reduction in deployment times driving significant benefits of scale from mid-market deployments
- Operational efficiencies

- Increased repeatable revenue
- Improved pipeline creation and strengthened new business close rates

Go-to-Market

The Group currently serves ten verticals within the leisure, entertainment and hospitality markets. As the Group expands its integrated guest experience solutions and core point solutions, *accesso* will also evolve its go-to-market organisation to support the growth opportunity within these verticals. This evolution will transition the Group's go-to-market team to a multi-segment/multi-channel organisation that will include a mix of enterprise sales, field sales, inside sales and lead generation functions. Specific initiatives designed to enhance the Group's go to market include:

- Expand field teams in the Americas and other international markets to capitalise on the growth in the Group's product and solution set and the previous investments in global capabilities.
- Establish a mid-market team via inside sales to improve lead generation and higher volume sales, particularly as we capitalise on reduced product costs and deployment times necessary to penetrate the mid-market.
- Create an Enterprise sales capability to deliver larger platform deals, typically with high repeatable revenue, to existing and new logos in core verticals globally.

This structure will provide for greater pipeline generation, improved new business close rates, a more robust solution-based selling capability in our 10 verticals and multiple geographies.

People

The company remains deeply committed to the people within the business that drive *accesso's* technology, sales and execution. In the period, the management team was strengthened with the addition of John Guilfoy, who has been appointed the Group's Chief Operating Officer, to drive both sales and the product integration strategy.

Outlook

The first half of the year has been a period of focus within the business, driving the formation and delivery of the Group's strategy while also delivering a solid performance across both divisions. With *accesso's* development and go-to market strategy now in place and the Group beginning to benefit from initial integrations, the Board is confident that the Group will be well positioned to accelerate penetration of its significant addressable market.

– ENDS –

Consolidated statement of comprehensive income
for the six-month period ended 30 June 2019

	Six months ended 30 June 2019 Unaudited $000	Six months ended 30 June 2018 Unaudited $000	Year ended 31 December 2018 Audited $000
Revenue	**50,712**	54,374	118,747
Cost of sales	**(12,721)**	(14,456)	(30,543)
Gross profit	**37,991**	39,918	88,204
Administrative expenses	**(42,418)**	(37,614)	(81,937)
Operating (loss)/profit	**(4,427)**	2,304	6,267
Finance expense	**(607)**	(897)	(1,127)
Finance income	**11**	41	37
(Loss)/profit before tax	**(5,023)**	1,448	5,177
Income tax credit/ (charge)	**1,346**	(426)	(1,887)
(Loss)/profit for the period	**(3,677)**	1,022	3,290
Other comprehensive income			
Items that will be reclassified to the income statement			
Exchanges differences on translating foreign operations	**30**	(832)	(2,291)
Other comprehensive income/ (loss) for the period, net of tax	**30**	(832)	(2,291)
Total comprehensive(loss)/ income for the period	**(3,647)**	190	999
All profit and comprehensive income are attributable to the owners of the parent			
(Loss)/earnings per share expressed in cents per share:			
Basic	**(13.44)**	3.85	12.23
Diluted	**(13.44)**	3.71	11.74

All activities of the company are classified as continuing.

Consolidated statement of financial position as at 30 June 2019

	30 June 2019 Unaudited $000	30 June 2018 Unaudited $000	31 December 2018 Audited $000
Assets			
Non-current assets			
Intangible assets	**195,826**	198,829	197,332
Property, plant and equipment	**4,210**	3,707	3,723
Right of use assets	**6,391**	-	-
Contract assets	**4,392**	-	5,141
Deferred tax	**6,196**	9,186	5,346
	217,015	211,722	211,542
Current assets			
Inventories	**889**	830	1,083
Contract assets	**3,009**	-	3,337
Trade and other receivables	**24,992**	20,702	18,833
Income tax receivable	**777**	1,060	1,961
Cash and cash equivalents	**9,537**	14,690	20,704
	39,204	37,282	45,918
Liabilities			
Current liabilities			
Trade and other payables	**17,794**	24,951	28,856
Lease liabilities	**1,251**	-	-
Contract Liabilities	**6,795**	-	7,093
Corporation tax payable	**3,073**	1,940	1,440
	28,913	26,891	37,389
Net current assets	**10,291**	10,391	8,529
Non-current liabilities			
Deferred tax	**13,943**	14,551	15,435
Contract Liability	**1,722**	-	2,412
Lease liabilities	**5,559**	-	-
Other non-current liabilities	**860**	930	543
Borrowings	**24,752**	26,239	20,224
	46,836	41,720	38,614
Total liabilities	**76,870**	68,611	76,003
Net assets	**180,470**	180,393	181,457
Shareholders' equity			
Called up share capital	**424**	421	421
Share premium	**107,220**	106,840	107,103
Own shares held in trust	**(665)**	(675)	(665)
Retained earnings	**59,348**	58,290	60,486
Merger reserve	**19,641**	19,641	19,641
Translation reserve	**(5,498)**	(4,124)	(5,529)
Total shareholders' equity	**180,470**	180,393	181,457

Consolidated statement of cash flows
for the six-month period ended 30 June 2019

	Six months ended 30 June 2019 Unaudited $000	Six months ended 30 June 2018 Unaudited $000	Year ended 31 December 2018 Audited $000
Cash flows from operations			
(Loss)/profit for the period	**(3,677)**	1,022	3,290
Adjustments for:			
Depreciation	**1,442**	550	1,519
Amortisation on acquired intangibles	**5,812**	5,928	11,740
Amortisation on development costs	**5,658**	3,504	8,067
Amortisation on other intangibles	**19**	-	38
Share based payments	**2,540**	2,539	2,245
Finance expense	**607**	897	1,127
Finance income	**(11)**	(41)	(37)
Loss on disposal of fixed assets	**82**	-	-
Payment of deferred consideration to employees	**-**	-	(1,342)
Foreign exchange (gain) / loss	**-**	(69)	(304)
Income tax (credit)/expense	**(1,346)**	426	1,887
	11,126	14,756	28,230
Decrease/ (increase) in inventories	**193**	(340)	(577)
(Increase)/ decrease in trade and other receivables	**(4,233)**	(1,652)	928
Decrease in trade and other payables	**(9,930)**	(16,830)	(11,422)
(Decrease)/increase in contract assets/contract labilities	**(1,652)**	-	666
Cash (used in)/ generated from operations	**(4,496)**	(4,066)	17,825
Tax received/ (paid)	**1,761**	(411)	(452)
Net cash (outflow)/inflow from operating activities	**(2,735)**	(4,477)	17,373
Cash flows from investing activities			
Deferred consideration settlement	**(647)**	(9,596)	(6,962)
Capitalised internal development costs	**(10,040)**	(11,181)	(21,100)
Purchase of property, plant and equipment	**(1,371)**	(997)	(1,959)
Purchase of other intangible assets	**-**	-	(2)
Interest received	**15**	41	37
Net cash used in investing activities	**(12,043)**	(21,733)	(29,986)
Cash flows from financing activities			
Share Issue	**120**	1,643	1,906
Sale of shares held in trust	**-**	403	-
Interest paid	**(373)**	(300)	(1,833)
Payments to finance lease creditors	**(686)**	(9)	(9)
Proceeds from borrowings	**4,802**	15,737	15,530
Repayment of borrowings	**(275)**	(4,720)	(10,089)
Net cash generated from financing activities	**3,588**	12,754	5,505
Decrease in cash and cash equivalents in the period	**(11,190)**	(13,456)	(7,108)
Cash and cash equivalents at beginning of year	**20,704**	28,668	28,668
Exchange gain/ (loss) on cash and cash equivalents	**23**	(522)	(856)
Cash and cash equivalents at end of period	**9,537**	14,690	20,704

Consolidated statement of changes in equity for the six-month period ended 30 June 2019

	Share capital	Share premium	Retained earnings	Merger reserve	Own shares held in trust	Translation reserve	Total
	$000	$000	$000	$000	$000	$000	$000
Balance at 31 December 2018	**421**	**107,103**	**60,486**	**19,641**	**(665)**	**(5,529)**	**181,457**
Comprehensive loss for the period							
Loss for period	-	-	(3,677)	-	-	-	(3,677)
Other comprehensive income	-	-	-	-	-	30	30
Total comprehensive (loss)/income for the year	-	-	(3,677)	-	-	30	(3,647)
Contributions by and distributions by owners							
Issue of share capital	3	117	-	-	-	-	120
Share based payments	-	-	2,540	-	-	-	2,540
Total contributions by and distributions by owners	3	117	2,540	-	-	-	2,660
Balance at 30 June 2019	**424**	**107,220**	**59,349**	**19,641**	**(665)**	**(5,499)**	**180,470**
Balance at 31 December 2017	**411**	**105,207**	**54,273**	**19,641**	**(1,163)**	**(3,088)**	**175,281**
Impact of IFRS 15	-	-	457	-	-	(204)	253
Restated balance at 31 December 2017	**411**	**105,207**	**54,730**	**19,641**	**(1,163)**	**(3,292)**	**175,534**
Comprehensive Income for the year							
Profit for period	-	-	1,022	-	-	-	**1,022**
Other comprehensive income	-	-	-	-	-	(832)	**(832)**
Total comprehensive income for the year	-	-	1,022	-	-	(832)	**190**
Contributions by and distributions by owners							
Issue of share capital	10	1,633	-	-	-	-	**1,643**
Reduction of shares held in trust	-	-	(85)	-	488	-	**403**
Equity settled deferred consideration	-	-	1,576	-	-	-	**1,576**
Share based payments	-	-	1,047	-	-	-	**1,047**
Total contributions by and distributions by owners	10	1,633	2,538	-	488	-	**4,669**
Balance at 30 June 2018	**421**	**106,840**	**58,290**	**19,641**	**(675)**	**(4,124)**	**180,393**

Notes to the Interim Statements

1. Basis of preparation

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

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

This is the first set of the Group's financial statements where IFRS 16 has been applied. Changes to significant accounting policies are described in Note 3.

This interim financial information has neither been audited nor reviewed pursuant to guidance issued by the FRC and the financial information contained in this report does not constitute statutory accounts within the meaning of Section 434 of the Companies Act 2006. The period to 31 December 2018 has been extracted from the audited financial statements for that period.

Having considered the principal risks and uncertainties as presented in the 31 December 2018 audited financial statements, and those additional risks and uncertainties disclosed below, the Directors have a reasonable expectation that the Group has adequate resources to continue in operational existence for the foreseeable future. Therefore, they continue to adopt the going concern basis in preparing the half-yearly financial information.

2. Accounting policies

The condensed consolidated interim financial information has been prepared using accounting policies consistent with those set out on pages 61 to 70 in the audited financial statements for the year ended 31 December 2018 with exception to the changes identified in note 3. These accounting policies have been applied consistently to all periods presented in this financial information.

The policy for recognising and measuring income taxes in the interim period is described in Note 5.

3. Changes to significant accounting policies

IFRS 16 Leases

Details of the changes to the Group's accounting policies as a result of the adoption of IFRS 16 are set out below as accounted for from 1 January 2019 onwards.

Definition of a lease

Previously, the Group determined at contract inception whether an arrangement contained a lease under IFRIC 4. The Group now assesses whether a contract is or contains a lease based on the new definition of a lease. Under IFRS 16, a contract is, or contains, a lease if the contract conveys a right to control the use of an identified asset for a period of time in exchange for consideration.

On transition to IFRS 16, the Group elected to apply the practical expedient to grandfather the assessment of which transactions were leases. It applied IFRS 16 only to contracts that were previously identified as leases. Contracts that were not identified as lease under IAS 17 and IFRIC 4 were not reassessed. Therefore, the definition of a lease under IFRS 16 has been applied only to contracts entered into or changed on or after 1 January 2019.

As a lessee

The Group leases commercial office space. The Group has elected not to recognise right of use assets and lease liabilities for some leases of low value. The Group recognises the lease payments associated with these leases as an expense on a straight-line basis over the lease term. The Group presents right of use assets that do not meet the definition of investment property as a separate line item on the statement of financial position.

The Group recognises a right of use asset and lease liability at the lease commencement date.

The right of use asset is initially measured at cost, and subsequently at cost less any accumulated depreciation and impairment losses and adjusted for certain remeasurements of the lease liability.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounting using the Group's incremental borrowing rate.

The lease liability is subsequently increased by the interest cost on the lease liability and decreased by lease payments made. It is remeasured when there is a change in future lease payments arising from a change in an index or rate, a change in the estimate of the amount expected to be payable under a residual value guarantee, or as appropriate, changes in the assessment of whether a purchase or extension option is reasonably certain to be exercised or a termination option is reasonably certain not to be exercised.

The Group has applied judgement to determine the lease term for some lease contracts that include renewal options. The assessment of whether the Group is reasonably certain to exercise such options impacts the lease term, which significantly affects the amount of lease liabilities and right of use assets recognised.

The Group applied the exemption not to recognise right of use assets and liabilities for leases with less than twelve months of lease term.

The changes in accounting policies will be reflected in the Group's consolidated financial statements as at and for the year ending 31 December 2019.

4. Business segments and revenue analysis

Segmental analysis

The Group's operating segments have been determined with reference to the financial information presented to the Board of directors and encompasses Ticketing and Guest Experience. The Board of the Group is considered the Chief Operating Decision Maker ("CODM") as defined within IFRS 8, as it sets the strategic goals for the Group and monitors its operational performance against this strategy.

The Group's Ticketing operating segment comprises the following point solutions:

- *accesso Passport* ticketing suite using our hosted proprietary technology offering to maximise up-selling, cross-selling and selling greater volumes.
- *accesso Siriusware* software solutions providing modules in ticketing & admissions, memberships, reservations, resource scheduling, retail, food service, gift cards, kiosks and eCommerce.
- The *accesso ShoWare* ticketing solution for box office, online, kiosk, mobile, call centre and social media sales.
- *Ingresso* operate a consolidated distribution platform which connects venues and distributors, opening up a larger global channel for clients to sell their event, theatre and attraction tickets.

The Group's virtual queuing solution (*accesso LoQueue*) and experience management platform (The Experience Engine '*TE2*') are headed by their respective Presidents who act as segment managers and discuss the operating activities, financial results, forecasts and plans of their respective segments with the CODM. These two distinct operating segments share similar economic characteristics, customers and markets; the products are heavily bespoke, 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.

The Group's Guest Experience operating segment comprises the following aggregated segments:

- *accesso LoQueue* providing leading edge virtual queuing solutions to take customers out of line, improve guest experience and increase revenue for theme parks
- The Experience Engine ("*TE2*") experience management platform which delivers personalised real time immersive customer experiences at the right time elevating the guest's experience and loyalty to the brand

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. The prior year segmental information has been restated to provide comparability.

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

The following is an analysis of the Group's revenue and results from the continuing operations by reportable segment which represents revenue generated from external customers.

	Six months ended 30 June 2019 Unaudited $000	**Proforma six months ended 30 June 2019 Unaudited (1) $000**	**Six months ended 30 June 2018 Unaudited $000**	**Year ended 31 December 2018 Audited $000**
Ticketing	**35,835**	**36,837**	37,378	78,550
Guest Experience	**14,877**	**14,994**	16,996	40,197
Total revenue	**50,712**	**51,831**	54,374	118,747

(1) The period ended 30 June 2019 has been prepared on a proforma basis using consistent currency rates with the period ended 30 June 2018 to assist with assessing the underlying performance of the segments and revenue streams.

Period ended 30 June 2019 - Unaudited	**Ticketing $000**	**Guest Experience $000**	**Central unallocated costs $000**	**Group $000**
Adjusted EBITDA (2)	14,729	5,570	(9,254)	11,045
Depreciation and amortisation (excluding acquired intangibles)				(7,120)
Deferred consideration related to employment expense				(1,460)
Amortisation related to acquired intangibles				(5,812)
Share-based payments				(1,080)
Finance income				11
Finance expense				(607)
Loss before tax				(5,023)

Period ended 30 June 2018 - Unaudited	Ticketing $000	Guest Experience $000	Central unallocated costs $000	Group $000
Adjusted EBITDA (2)	15,651	7,984	(8,579)	15,056
Depreciation and amortisation (excluding acquired intangibles)				(4,054)
Deferred consideration related to employment expense				(1,723)
Amortisation related to acquired intangibles				(5,928)
Share-based payments				(1,047)
Finance income				41
Finance expense				(897)
Profit before tax				1,448

Year ended 31 December 2018 – Audited	Ticketing $000	Guest Experience $000	Central unallocated costs $000	Group $000
Adjusted EBITDA (2)	30,805	19,256	(15,306)	34,755
Depreciation and amortisation (excluding acquired intangibles)				(9,624)
Acquisition expenses				(1,703)
Deferred and contingent payments				(3,176)
Amortisation related to acquired intangibles				(11,740)
Share-based payments				(2,245)
Finance income				37
Finance expense				(1,127)
Profit before tax				5,177

(2) Adjusted EBITDA: operating profit before the deduction of amortisation, depreciation, acquisition costs, deferred and contingent payments, and costs related to share-based payments

Revenue analysis

The following is an analysis of the Group's revenue visibility. 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.

	Six months ended 30 June 2019 Unaudited $000	Proforma six months ended 30 June 2019 Unaudited (3) $000	Six months ended 30 June 2018 Unaudited $000	Year ended 31 December 2018 Audited $000
Transactional revenue	**35,731**	**36,771**	34,840	79,665
Other repeatable revenue	**4,511**	**4,526**	3,943	8,698
Non-repeatable revenue	**8,143**	**8,173**	12,869	26,487
Other revenue	**2,327**	**2,361**	2,722	3,897
Total revenue	**50,712**	**51,831**	54,374	118,747

(3) The period ended 30 June 2019 has been prepared on a proforma basis using consistent currency rates with the period ended 30 June 2018 to assist with assessing the underlying performance of the segments and revenue streams.

5. Taxation

The tax expense for each period has been calculated on the expected annual effective rate. The adjusted earnings per share (note 7) for 1H 2019 has been presented using an estimated adjusted rate for the period, which has been adjusted to remove the effect of earn out and deferred consideration expected in relation to the acquisitions of *Ingresso* and *TE2*. Under IFRS 3, consideration paid to employees of the acquired entity, who must remain employees' post-acquisition to receive earn out or deferred consideration, is treated as compensation expense rather than consideration for book purposes. For tax purposes, these amounts are considered part of the earn out or deferred consideration, which is not deductible for tax purposes. In addition, the adjusted effective tax rate ignores the rate change effect on the deferred tax assets and liabilities that reside in the US.

6. Reconciliation of alternative performance measures

Management has presented the alternative performance measures below because it monitors performance at a consolidated level and believes these measures are relevant to an understanding of the Group's underlying financial performance. The definitions of the measures are the same as in the last annual financial statements.

The measures are not a defined performance measure under IFRS. The Group's definition of each measure may not be comparable with similarly titled performance measures and disclosures by other entities.

The Group has initially applied IFRS 16 as at 1 January 2019. Under the transition method chosen, comparative information is not restated.

Adjusted operating profit and adjusted EBITDA	**Six months ended 30 June 2019 Unaudited $000**	Six months ended 30 June 2018 Unaudited $000	Year ended 31 December 2018 Audited $000
Operating (loss)/profit	**(4,427)**	2,304	6,267
Add: Acquisition expenses	**-**	-	1,703
Add: Deferred acquisition consideration (1)	**1,460**	1,723	3,176
Add: Amortisation related to acquired intangibles	**5,812**	5,928	11,740
Add: Share based payments	**1,080**	1,047	2,245
Adjusted operating profit	**3,925**	11,002	25,131
Add: Amortisation and depreciation (excluding acquired intangibles)	**7,120**	4,054	9,624
Adjusted EBITDA	**11,045**	15,056	34,755
Capitalised internal development costs	(10,040)	(11,181)	(21,100)

Cash EBITDA	**1,005**	3,875	13,655

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

Adjusted cash from operations	**Six months ended 30 June 2019 $000**	Six months ended 30 June 2018 $000	Year ended 31 December 2018 $000
Cash flow from operating activities	**(4,496)**	(4,066)	17,825
Add: Acquisition related expenses paid	**1,311**	-	392
Add: Payment of deferred consideration	**-**	-	1,342
Add: *TE2* option cash movement in period	**-**	1,641	3,992
Add: Decrease in *Ingresso* short term settlement cash	**3,945**	5,109	2,403
Underlying cash from operations	**760**	2,684	25,954

7. Earnings per share ("EPS")

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

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

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

	Six months ended 30 June 2019	Six months ended 30 June 2018	Year ended 31 December 2018
	Unaudited $000	Unaudited $000	Audited $000
(Loss)/profit attributable to ordinary shareholders	**(3,677)**	1,022	3,290
Basic EPS			
Denominator			
Weighted average number of shares used in basic EPS	**27,358**	26,539	26,905
Basic (loss)/earnings per share – cents	**(13.44)**	3.85	12.23
Diluted EPS			
Denominator			
Weighted average number of shares used in basic EPS	**27,358**	26,539	26,905
Deferred share consideration on business combinations	**280**		421
Effect of dilutive securities			
Options	**690**	1,023	709
Weighted average number of shares used in diluted EPS	**28,328**	27,562	28,035
(loss)/ diluted earnings per share – cents	**(13.44)**	3.71	11.74

The Group has made a loss in the period ended 30 June 2019, and therefore the options and equity settled deferred consideration are anti-dilutive. As a result, diluted earnings per share is presented on the same basis for the period ended 30 June 2019.

Adjusted EPS			
(Loss)/profit attributable to ordinary shareholders	**(3,677)**	1,022	3,290
Adjustments to profit for the period:			
Acquisition expenses (including debt arrangement fees)	**-**	-	1,703
Amortisation relating to acquired intangibles	**5,811**	5,928	11,740
Deferred and contingent consideration linked to employment	**1,460**	1,723	3,176
Interest expense related to deferred and contingent liabilities	**-**	537	331
Shared based payments	**1,080**	1,047	2,245
Amortisation of capitalised finance costs	**214**	57	-
Adjusted profit before tax	**4,888**	10,314	22,485
Tax at the adjusted effective rate: (1H 2019: 20.47%; 1H 2018: 22%; FY 2018: 18.89%)	**(1,000)**	(2,269)	(2,689)
Adjusted profit attributable to ordinary shareholders	**3,888**	8,045	19,796
Adjusted basic EPS			
Denominator			
Weighted average number of shares used in basic EPS	**27,358**	26,539	26,905
Adjusted earnings per share - cents	**14.21**	30.31	73.58
Adjusted diluted EPS			
Denominator			
Weighted average number of shares used in diluted EPS	**28,358**	27,562	28,035
Adjusted earnings per share - cents	**13.71**	29.19	70.61

8. Impact of adoption of IFRS 16 – Leases

The results for the year ended 31 December 2018 and the half year ended 30 June 2018 have not been restated for the initial application of IFRS 16 and as a result there is no impact on equity or reserves.

The impact of adopting IFRS 16 at 1 January 2019 was to recognise a right of use asset of £5.9m and a lease liability of £6.1m. The accounting policy that the Group has elected to use in respect of IFRS 16 is included within note 1 to the interim financial statements. As a result of IFRS 16, the Group has recognised depreciation and interest costs instead of operating lease expense. During the 1H 2019, the Group recognised £0.6m of depreciation charges and £0.2m of interest costs from leases recognised following the adoption of IFRS 16.

In adopting IFRS 16 the Group has taken advantage of the practical expedients that are applicable. These include:

- Applying a single discount rate to portfolio of leases with similar characteristics.
- The Group has also relied on its previous assessment of whether leases are onerous or not immediately before initial application.
- Leases with a term ending within 12 months of 1 January 2019 have been classified as short-term leases and expensed through the administrative expenses.
- Initial direct costs have been excluded from the measurement of the right of use asset at the date of application

9. Dividend

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