13 September 2016

ATTRAQT Group plc
("ATTRAQT", the "Group" or the "Company")

INTERIM RESULTS

ATTRAQT Group plc (AIM: ATQT), a leading provider of visual merchandising, eCommerce site search and personalised recommendation technology, announces its unaudited results for the six months ended 30 June 2016.

Financial Highlights

- Revenue growth of 25% to £1.7m (H1 2015: £1.34m)
  - Recurring revenue[1] increased 27% to £1.57m (H1 2015: £1.24m)
  - Average deal value[2] increased by 14%
- Adjusted EBITDA[3] losses were £0.78m, in line with expectations, reflecting the accelerated investment in the North American market (H1 2015: £0.18m)
- Losses before tax were £0.86m, in line with expectations (H1 2015: £0.35m)
- Adjusted basic EPS loss 3.2 pence per share (H1 2015: 1.4 pence loss per share)
- Exit Rate (period end annualised billing) up 31% to £3.38m (H1 2015: £2.58m)
- Gross margin marginally up at 86% (H1 2015: 85%)
- Cash at period end £1.8m (H1 2015: £0.19m)

[1]. *Monthly recurring revenue accrued Jan-June 2016.*
[2]. *Average value of new contracts signed, includes new clients and upgrades from existing clients.*
[3]. *Adjusted EBITDA refers to earnings before interest, tax, depreciation, amortization and share based payments*

Operational Highlights

- Continued strong sales momentum with 22 deals signed in H1, including signing 18 new clients and the renewal of the existing Boohoo.com contract for a further two years
  - New clients include: Fraser Hart & Fields, JoJo Maman Bebe, L.K. Bennett, The North Face, OKA Direct, The Original Factory Shop, Timberland and Vans (Europe)
- Total number of clients at period end of 120 (H1 2015:100)
- US sales operations performing well with four new customers signed, bringing the total clients in North America to 21 (H1 2015: 15)
- Platform usage up 32% in the period
- 17 new customer implementations delivered, bringing total number of live sites to 169 (H1 2015: 113)
- Continued investment in upgrading the Freestyle Merchandising platform ('the Platform'), with three new core code releases in the period

Post period end highlights

- New clients added post period end include Eddie Bauer - a large US clothing store chain - Matches Fashion and Moss Bros

Andre Brown, CEO of ATTRAQT Group plc, commented,

"I'm pleased to report, following the successful £3.3m fundraising in November 2015, ATTRAQT has continued to grow both its revenues and client base in the UK and North America, whilst at the same time marginally growing gross margin. We have signed 22 new deals in the period, including several marquee retailers and have delivered a 25% increase in revenue in H1 2016.

"With an exit rate of £3.38m, good growth in recurring revenue, a 193% growth in revenue from North America as a consequence of our investment in this region, significant client wins post-period end and a strong sales pipeline for H2 2016, we are confident in the continued success of ATTRAQT for the rest of 2016 and the foreseeable future."

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About ATTRAQT

ATTRAQT launched its merchandising platform, Freestyle Merchandising, in 2009 which included product recommendations, site search and visual merchandising. The client base has now grown to 120 clients, including Tesco Clothing (part of Tesco Plc (LSE: TSCO)), boohoo.com (LSE: BOO) and Superdry (LSE: SGP). The Group has market presence in Western Europe and North America with offices in London and Chicago. For more information, please visit: http://attraqt.com

Chairman's Statement

I am delighted to see continued strong progress for ATTRAQT during the first half of 2016. The impressive sales momentum of 2015 has continued into H1 2016 with 22 new deals signed worth £0.70m on an annualised basis.

The financial results for H1 2016 are very encouraging with the Company delivering revenue growth of 25% to £1.7m, which includes a 27% increase in recurring revenue. ATTRAQT delivered an EBITDA loss of £0.78m, in line with expectations, reflecting the accelerated investment in the North American market following the successful fundraising in November 2015. The Company has also marginally increased gross margin to 86%.

The Company continues to make good progress in the important North American market, having signed four new clients in the period, and growing revenue by 193%.

Our clients continue to increase their use of the Platform with the usage statistics from H1 2016 showing a 32% growth in page impressions. The Company continues to invest in and develop its core software platform to keep it ahead of the competition, with H1 2016 seeing three new core code releases.

Nick Habgood
Interim Non-Executive Chairman
12 September 2016

CEO's Statement

Introduction

Following the successful £3.3m (before expenses) fundraising on 30 November 2015, ATTRAQT continues to deliver strong operational and financial progress. We have grown our client base in both the UK and North America, adding numerous well-known retailers to the client roster as well as securing a significant contract extension from Boohoo.com.

The Company is delivering to plan, seeing revenues increase by 25%, including a 193% increase from our North American operation.

Business model

The Group's business model is based on a recurring monthly service fee plus a one-off set-up fee and additional follow-on project fees. Clients sign up for a minimum of 12 months, with some larger clients signing up for a longer period of two to three years.

The current sales model is based on direct sales via a dedicated sales team. Due to the importance of the functionality provided by the Platform to our clients, client loyalty is strong with most clients automatically renewing at the end of the contractual term.

Growth strategy

The Group's objective is to become the visual merchandising platform of choice for online retailers in Europe and North America and in a more global capacity in the long term.

The November 2015 fundraising enabled ATTRAQT to continue to build on its business plan in 2016, founded on five key elements:

1) Invest in sales and marketing to grow client base and volume of recurring revenue;
2) Expand the Company's production capacity to keep pace with accelerating sales;
3) Develop strategic partnerships – both sales and technology – to accelerate sales growth and extend our product offering;
4) Extend the capabilities of the platform through continued investment in research and development, adding new features and creating new products to initiate new revenue streams; and
5) Identify new markets and innovative ways to repurpose our technology.

Sales Update

The Group has gained further traction in the UK and North American markets signing 18 new clients, including four new clients in North America and 14 new clients in the UK and Europe. New clients include key marquee retailers such as L.K. Bennett, The North Face, OKA Direct, The Original Factory Shop, Timberland and Vans (Europe). As announced on 18 July 2016, post period end, the Group also secured the renewal of the existing Boohoo.com contract (a client since 2009) for a further two years, effective from 1 August 2016.This brings the total number of signed clients to 120 as at the end of June 2016 (H1 2015: 100).

The sales momentum experienced in the first half of the year has carried into H2 2016, with several new high value clients including Matches Fashion and Eddie Bauer (US) and a strong sales pipeline for the rest of the year.

The average value of new clients continued to increase during H1 2016 and post period close, with the value of new deals signed in H1 2016 increasing by 14% (H1 2015: 31%). This reflects both a maturing of the sales team and sales process, as well as the larger scale of clients in North America.

As outlined at the time of the November 2015 fundraising, the Directors believed that, in order to deliver on the exciting potential of its target markets, significant investment would be required to develop the Company's sales teams in the UK and in North America. In line with this objective, the Company has continued to invest in its lead-generation resources in the UK and North America, and expects to see this producing results in H2 2016 and beyond.

Operations Update

ATTRAQT continues to deliver strong operational results, adding 17 new client sites during H1 2016 (H1 2015: 9), and a 229% increase on the comparative period in the value of new client sites delivered. This brings the total number of live sites to 169 (H1 2015: 113). The Company also has 36 site builds and other projects in the production pipeline for delivery during the course of H2 2016 worth an annualised £776,868.

Project highlights for H1 2016

- **MarkaVIP**: MarkaVIP is the Company's first Middle Eastern implementation and required a sophisticated deployment to cope with a dual Arabic and English language site. The Company's new Hyper-caching technology was deployed to deal with the large and varied data-set.
- **Buck and Hickman**: The client had a complex data structure plus a very large number of products in their catalog. The Company delivered the site using its new Hyper-caching technology, without which it would have struggled to support such a large and complex data set efficiently.
- **Simply Personalized:** This was a challenging implementation as the client had a unique product structure, with products also being categories. The Company's technology platform proved flexible enough to deliver both categories and products as merchandisable entities on the site.
- **Castorama:** Castorama is the Company's first Russian language implementation and required working with a French language agency as well as the Russian language client.

US expansion progressing well

A key focus for ATTRAQT is the development of the North American market through its Chicago sales office, which was strengthened during H1 2016 with the addition of five new hires. The Company added four new North American clients during H1 2016, bringing the total number of clients in the region to 21 (H1 2015: 15). This trend has continued in the second half of the year with the signing of Eddie Bauer, a large US clothing store chain.

Development Update

ATTRAQT continues to invest in the development of the technology platform with three significant core code releases during the period. The code releases were focused principally on internal improvements and admin tools such as speeding up the process of publishing merchandising rules by clients and creating tools to enable quicker site creation and set-up.

In addition, as part of its strategy of moving to a new cloud-based data-centre provider, the Company invested in a new fail-over facility to provide greater levels of deployment flexibility and security. The migration to the new cloud-based data-centre provider is expected to be complete by the end of Q3 2016.

The remainder of the platform development for 2016 will focus on developing and implementing new features, with work in the pipeline for reporting upgrades, new recommendations, new ways of using balance factor and easier merchandising management for multinational sites.

Platform usage continues to grow apace with a 32% increase in page impressions for H1 2016 and site search usage up by 65%.

Financial Review

Total revenue grew by 25% to £1.7m (H1 2015: £1.34m) in line with management expectations and reflecting the continued success of sales and production. The recurring monthly revenue also rose by 27% from £1.24 in H1 2015 to £1.57m leading to an increase in the Exit Rate for H1 2016 (i.e. period end annualised billing) of 31% to £3.38m (H1 2015: £2.58m).

The Company's EBITDA loss position was £0.78m (H1 2015: £0.18m), in line with management expectations. At the same time, the Group marginally grew gross margin to 86% (H1 2015: 85%).

The Company continues to invest in technical enhancements to its existing product offering and in new products. Some of this cost is capitalised but much is absorbed as part of the operating costs of the business.

The cash balance at the end of the period was £1.8m (H1 2015: £0.19m).

Outlook

Following further targeted investment, ATTRAQT has continued to grow both its revenues and client base in the UK and North America, whilst at the same time maintaining its gross margin. We have signed 22 new deals in the period, including several marquee retailers and have delivered a 25% increase in revenue in H1 2016.

With an exit rate of £3.38m, good growth in recurring revenue, a 193% growth in revenue from North America, significant client wins post-period end and a strong sales pipeline for H2 2016, we are confident in the continued success of ATTRAQT for the rest of 2016 and for the foreseeable future.

André Brown
Chief Executive Officer
12 September 2016

ATTRAQT Group PLC
Unaudited consolidated statement of comprehensive income
For the half year ended 30 June 2016

	Note	30.6.16	30.6.15	Audited Full year 2015
		£'000	£'000	£'000
Revenue		**1,682**	1,342	2,911
Cost of sales		**(239)**	(197)	(480)
Gross profit		**1,443**	1,145	2,431
Administrative expenses		**(2,410)**	(1,494)	(3,045)
Exceptional administrative expenses		**-**	-	(118)
Total administrative expenses		**(2,410)**	(1,494)	(3,163)
Loss from operations		**(967)**	(349)	(732)
Loss before tax		**(967)**	(349)	(732)
Tax credit	4	**102**	62	80
Loss for the year		**(865)**	(287)	(652)
Other comprehensive income:				
Items that will be reclassified subsequently to profit or loss:				
Exchange differences on translation of foreign operations		**19**	(6)	(6)
Total other comprehensive income		**19**	(6)	(6)
Total comprehensive loss for the year attributable to shareholders of the parent		**(846)**	(293)	(658)
Loss per share attributable to the ordinary equity holders of the company				
Basic and diluted EPS	5	**(3.2p)**	(1.4p)	(3.1p)

ATTRAQT Group plc
Unaudited consolidated statement of financial position
at 30 June 2016

	Note	**30.6.16**	30.6.15	Audited 31.12.15
		£'000	£'000	£'000
Assets				
Non-current assets				
Property, plant and equipment		**44**	39	27
Intangible assets		**240**	130	170
		284	169	197
Current assets				
Trade and other receivables		**679**	377	473
Corporation tax receivable		**163**	43	61
Cash and cash equivalents		**1,799**	198	2,996
		2,641	618	3,530
Total assets		**2,925**	787	3,727
Liabilities				
Current liabilities				
Trade and other payables		**659**	619	700
Total liabilities		**659**	619	700
NET ASSETS		**2,266**	168	3,027
Issued capital and reserves attributable to owners of the parent				
Share capital		**269**	206	269
Share premium		**4,253**	1,252	4,253
Merger reserve		**1,457**	1,457	1,457
Share based payment reserve		**562**	316	477
Foreign exchange reserve		**(13)**	(31)	(32)
Retained earnings		**(4,262)**	(3,032)	(3,397)
TOTAL EQUITY		**2,266**	168	3,027

ATTRAQT Group plc
Unaudited consolidated statement of cash flows
for the 6 months ended 30 June 2016

	Note	30.6.16	30.6.15	Audited Full year 2015
		£’000	£’000	£’000
Cash flows from operating activities				
Loss for the period		**(865)**	(287)	(652)
Adjustments for:				
Depreciation of property, plant and equipment		**12**	14	28
Amortisation of intangible fixed assets		**92**	60	139
Income tax credit		**(102)**	(62)	(80)
Share based payment expense		**85**	94	255
Foreign exchange loss		**19**	(5)	(6)
		(759)	(186)	(316)
(Increase) in trade and other receivables		**(206)**	(67)	(163)
Increase in trade and other payables		**(41)**	79	160
Cash used in operations		**(1,006)**	(174)	(319)
Income taxes received		**-**	138	138
Net cash flows from operating activities		**(1,006)**	(36)	(181)
Investing activities				
Purchases of property, plant and equipment		**(29)**	(3)	(5)
Development of intangibles		**(162)**	(70)	(189)
Net cash used in investing activities		**(191)**	(73)	(194)
Financing activities				
Issue of ordinary shares, net of issue costs		**-**	-	3,064
Repayment of debt		**-**	-	-
Net cash from investing and financing activities		**(191)**	(73)	2,870
Net (decrease)/increase in cash and cash equivalents		**(1,197)**	(109)	2,689
Cash and cash equivalents at beginning of year		**2,996**	307	307
Cash and cash equivalents at end of period		**1,799**	198	2,996

ATTRAQT Group PLC
Unaudited consolidated statement of changes in equity
for the 6 months ended 30 June 2016

	Share capital	Share premium	Merger reserve	Share based payment reserve	Foreign exchange reserve	Retained earnings	Total equity
	£'000	**£'000**	**£'000**	**£'000**	**£'000**	**£'000**	**£'000**
Full year 2015							
01-Jan-15	**206**	**1,252**	**1,457**	**222**	**(26)**	**(2,745)**	**366**
Loss for the year	-	-	-	-	-	(652)	(652)
Translation of foreign entity	-	-	-	-	(6)	-	(6)
Total comprehensive Income for the year	-	-	-	-	(6)	(652)	(658)
Share based payment charge	-	-	-	255	-	-	255
Issue of share capital	63	3,222	-	-	-	-	3,285
Issue costs	-	(221)	-	-	-	-	(221)
31-Dec-15	**269**	**4,253**	**1,457**	**477**	**(32)**	**(3,397)**	**3,027**
Half year 2015							
01-Jan-15	**206**	**1,252**	**1,457**	**222**	**(26)**	**(2,745)**	**366**
Loss for the period	-	-	-	-	-	(287)	(287)
Translation of foreign entity	-	-	-	-	(5)	-	(5)
Total comprehensive Income for the period	-	-	-	-	(5)	(287)	(292)
Share based payment charge	-	-	-	94	-	-	94
30-Jun-15	**206**	**1,252**	**1,457**	**316**	**(31)**	**(3,032)**	**168**
Half year 2016							
01-Jan-16	**269**	**4,253**	**1,457**	**477**	**(32)**	**(3,397)**	**3,027**
Loss for the period	-	-	-	-	-	(865)	(865)
Translation of foreign entity	-	-	-	-	19	-	19
Total comprehensive Income for the period	-	-	-	-	19	(865)	(846)
Share based payment charge	-	-	-	85	-	-	85
30-Jun-16	**269**	**4,253**	**1,457**	**562**	**(13)**	**(4,262)**	**2,266**

ATTRAQT Group PLC
Abbreviated notes to the unaudited consolidated financial statements
for the 6 months ended 30 June 2016

1. General information

The principal activity of ATTRAQT Group PLC ("the Company") and its subsidiaries (together "the Group") is the development and provision of eCommerce site search, merchandising and recommendation technology.

The principal trading subsidiaries are ATTRAQT Limited and ATTRAQT Inc.

The Company is a public limited company which is quoted on the Alternative Investment Market of the London Stock Exchange and is incorporated and domiciled in the UK. The address of the registered office is 3 Waterhouse Square, 138 Holborn, London, EC1N 2SW.

The registered number of the Company is 8904529.

2. Basis of preparation

The financial information presented in this Interim Report has been prepared in accordance with the recognition and measurement requirements of International Financial Reporting Standards issued by the International Accounting Standards Board, as adopted by the European Union. The principal accounting policies adopted in the preparation of the financial information in this Interim Report are unchanged from those used in the Company's financial statements for the year ended 31 December 2015 and are consistent with those that the Company expects to apply in its financial statements for the year ended 31 December 2016.

The financial information for the year ended 31 December 2015 presented in this Interim Report does not constitute the Company's statutory accounts for that period but has been derived from them. The Annual Report and Accounts for the year ended 31 December 2015 were audited and have been filed with the Registrar of Companies. The Independent Auditors' Report on the Annual Report and Accounts for the year ended 31 December 2015 was unqualified and did not draw attention to any matters by way of emphasis and did not contain statements under s498(2) or (3) of the Companies Act 2006. The financial information for the periods ended 30 June 2015 and 30 June 2016 is unaudited.

3. Accounting policies

Revenue
Revenue represents sales to customers at invoiced amounts less value added tax or local taxes on sales. The web-based services are provided by the group under both fixed term, fixed price contracts and cancellable, rolling contracts. In each cash revenue is recognised evenly over the relevant contracted term. Amounts invoiced in advance of the service delivery are deferred until that service has been delivered and, where services are delivered in advance of billing, that revenue is accrued.

Foreign currency
Transactions entered into in currencies other than Pounds Sterling are recorded at the rates ruling when the transactions occur. Foreign currency monetary assets and liabilities are translated at the rates ruling at the reporting date. Exchange differences arising on the translation of unsettled monetary assets and liabilities are recognised immediately to the statement of comprehensive income.

Intangible assets
The measurement of development costs to be capitalised is based on an estimate of known development time incurred by as a function of their specific hourly rate.

Capitalised development costs are amortised over the periods when benefit is expected from selling the products developed. The amortisation expense is included within administrative expenses in the consolidated statement of comprehensive income.

Taxation
Taxes on income for the interim periods are accrued using the tax rate that would be applicable to expected total earnings. Tax being shown in the Statement of Comprehensive Income is largely due to tax credits.

4. Tax credit

Tax credits represent the value of the cash tax refund received or estimated to be received under the Research and Development Tax Credit legislation.

5. Loss 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.

	30.6.16	**30.6.15**	**2015**
	£'000	£'000	£'000
Numerator			
Loss for the period and loss used in basic and diluted EPS	(865)	(287)	(652)
Denominator			
Weighted average number of shares used in basic and diluted EPS	26,942,340	20,625,994	21,127,841
Loss per share – basic and diluted	(3.2p)	(1.4p)	(3.1p)

In accordance with IAS 33 where there is a loss for the period, there is no dilutive effect of options and therefore there is no difference between the basic and diluted loss per share.

6. Dividend

The directors do not propose a dividend for the period.