9 September 2015

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 2015.

Financial Highlights

- Significant revenue growth of 40% to £1.34m (H1 2014: £0.96m)
  - Recurring revenue[1] increased 43% to £1.24m (H1 2014: 0.87m)
  - Average deal value[2] increased by 31%
- Adjusted EBITDA[3] losses were reduced to £0.18m, in line with management expectations (H1 2014: £0.31m)
- Losses before tax were in line with management's expectations at £0.35m (H1 2014: £0.47m)
- Adjusted basic EPS loss was 1.4 pence per share (H1 2014: 2.4 pence loss per share)
- Gross margin improvement to 85% (H1 2014: 79%)
- Cash at period end of £0.19m (H1 2014: £0.01m)

[1]. Monthly recurring revenue accrued Jan-June 2015.
[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 sales momentum, with 24 deals in H1, including 7 upgrades/new sites and the signing of 17 new clients, bringing the total client number at end of the period to 100 (H1 2014: 73).
  - New clients include: All Beauty, Bonmarché, Brown Thomas, Joules and StylistPick.com.
- US sales operations performing well with six new customers signed, bringing the total clients in North America to 15.
- Platform usage up 57% in the period.
- 22 new customer implementations, bringing total number of live sites to 113 (H1 2014: 88).
- Continued investments in upgrading the Freestyle Merchandising platform, with Hypercaching technology added in H1, allowing a significant increase in performance speed and scale.

Post period end highlights

- Seven additional clients signed, including first client in Eastern Europe (Bfashion) and large new US contract win (TUMI)
- Launch of 'Live Catalog' joint service offering with mobile digital catalogue app developer YUDU Media

Andre Brown, CEO of ATTRAQT Group plc, commented,

"I'm delighted to report continued strong financial and operational progress in the first half of 2015. We continue to gain traction with leading retailers in the UK, Europe and North America, having signed some important new clients in H1 2015. ATTRAQT has delivered revenue growth of 40% in the period with 24 new deals signed. We have also increased the average value of new deals as well as the volume of client renewals and service upgrades.

"With a growing recurring revenue stream and a strong pipeline for new business in both the UK and North America in the second half of the year, we are confident in the ongoing success of ATTRAQT for the remainder of 2015 and beyond."

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About ATTRAQT

ATTRAQT launched its merchandising platform Freestyle Merchandising in 2009, which included visual merchandising, site search and personalised product recommendation technology. The client base has now grown to over100 clients, including Tesco Clothing (part of Tesco Plc (LSE: TSCO)), Bonmarché (LSE: BON), Boohoo.com (LSE: BOO) and Superdry (LSE: SGP). The Company has market presence in Europe and the US with offices in London and Chicago. For more information, please visit: http://attraqt.com/

Chairman's Statement

ATTRAQT's vision is to become the visual merchandising platform of choice for multichannel retailers. With over 100 clients, including many high value marquee names, ATTRAQT is well on its way to achieving its goal. The Company has continued its sales momentum from 2014 by signing 24 new deals during H1 2015, worth approximately £670,000 on an annualised basis, an increase in value of 37% on the same period last year.

We are also particularly pleased with the progress made in North America, where ATTRAQT continues to demonstrate its value in the very competitive multichannel retail space having signed six new clients in H1, bringing the total number of clients in that region to 15.

The financial results for H1 are very encouraging. The Group has achieved revenue growth of 40% to £1.34m, which includes a 43% increase in the annualised monthly revenue. Similarly, the Company has improved its EBITDA loss from £0.31m to £0.18m in the period, accompanied by an improvement in the Company's margin from 79% to 85%.

We continue to see encouraging growth from our Freestyle Merchandising platform, both in terms of new clients joining as well as increased use by existing clients. H1 usage statistics revealed a 57% increase in page impressions to 4.2bn (H1 2014: 2.65bn) and a doubling in the number of transactions.

Furthermore, we are also seeing client reliance on our software increasing, resulting in high renewal rates and some significant service upgrades during H1. We expect to see this trend continue through the second half of the year. The Company has also maintained a low client revenue churn of 6%.

The Company continues to develop its core software platform, Freestyle Merchandising, with a number of new code releases focused on performance improvements and new features to make merchandising easier, and importantly, the release of the new Hypercaching technology, which allows for a significant increase in performance speed and scale.

As ATTRAQT continues to demonstrate strong sales growth and robust financial and operational progress, we remain confident in the outlook for the rest of the year.

Dan Wagner
Chairman
8 September 2015

CEO's Statement

Introduction

We are pleased with the strong operational and financial progress achieved by ATTRAQT in the first half of the year. We have continued to grow our customer base, adding key marquee names and further improving our recurring revenue base.

The Company's focus on customer service and support continues to pay dividends. ATTRAQT has been successful in securing a number of significant client renewals and service upgrades during H1 and the revenue churn rate remains encouragingly low at 6%.

The Company continues to deliver to plan, seeing revenues increase by 40% whilst also increasing its gross margin from 79% in H1 2014 to 85%, leading to an improved EBITDA position.

Business model

The Company's business model is robust, based primarily on a recurring monthly service fee with a one-off set-up fee and additional follow-on project fees. Clients typically sign for a minimum of 12 months and larger clients commonly sign for 2-3 years.

The current sales model is based upon direct sales via a dedicated sales team. Due to the importance of the functionality provided by Freestyle Merchandising to the client, client loyalty is strong and attrition typically only represents 5-6% of revenue per annum, with most clients automatically renewing at the end of the contracted term. On an annualised basis, this rate has remained constant throughout the first half of the year.

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 Group's business plan is simple and scalable, founded on five key elements:

1) Focus on sales and marketing to grow the client base and volume of recurring revenue;
2) Expand the Company's productive capacity to keep pace with accelerating sales;
3) Develop strategic partnerships – both in the sales and technology fields – to accelerate client growth and expand 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 new ways to repurpose our technology.

Supportive market developments

Online retail is a highly competitive industry that is constantly evolving as retailers continue to develop their multichannel propositions and extend their eCommerce platforms into international markets, looking for new ways to drive conversion rates and increase customer loyalty. The challenge for these retailers is to ensure consistency of merchandising across channels and countries – something that ATTRAQT successfully achieves through its Freestyle Merchandising platform.

An extension to these trends has been the move towards responsive web design ("RWD"), whereby retailers design a universal eCommerce site to work on any mobile device, rather than creating separate sites to cater for different devices. ATTRAQT has been instrumental in helping its clients adapt to RWD requirements, with recent examples including Ben Sherman and Fat Face.

We continually monitor the market for trends and enhancements to incorporate into our platform in order to ensure it meets all our clients' current and potential needs, as retailers continue to focus on ways to create a richer, deeper and more personalised engagement with consumers. Inserting marketing content into product details on the category listing pages is becoming more commonplace and in the period under review, ATTRAQT worked with several third party providers during H1 to deliver mixed content for clients such as Fat Face. While ATTRAQT's platform already uses behavioural merchandising technology to provide personalised product recommendations, the technology roadmap for H2 includes further enhancements to deliver greater personalisation capability.

Review of Sales and Operations

Customer wins demonstrate growing traction

The Company has had a strong start to 2015, adding 17 new clients in the UK and North America including All Beauty, Bonmarché, Brown Thomas, Joules, StylistPick.com and Vix Swimwear. This brings the total number of clients to 100 by the end of June 2015 (H1 2014: 73). This trend has continued into H2 with the signing of seven additional clients post period end, including TUMI Inc, a major US brand in the travel luggage market.

In addition to new client signings, it is encouraging to see the average value of signed deals increase by 31% to £2,322 per month (H1 2014: £1,769), reflecting the clear return on investment for our technology products, the growing maturity of our sales process and the increasing size of our typical client.

It is also pleasing to see the number of existing clients trusting the Company to undertake follow-on project work, such as implementing RWD, migrating to new eCommerce platforms, changing integration types and adding additional features to existing sites.

The Company has continued to deliver strong operational results, adding 22 client sites in the period, bringing the total number of live sites to 113 (H1 2014: 88). The Company also started 27 site builds and other projects scheduled for delivery in the second half of the year (H1 2014: 27).

Furthermore, the Company's investment in client service standards is evidenced in its low customer churn rates, and in its ability to achieve renewals/upgrades from seven of our major clients in H1, including Laura Ashley (LSE: ALY), TK Maxx, Kate Spade (UK) and White Stuff.

Client implementations during the first half of the year include:

- St Bernard Sports (SEO JavaScript rebuild)

St Bernard Sports were unhappy with the speed of their Magento site. The JavaScript implementation of Freestyle Merchandising is known to improve responsiveness on slow eCommerce sites; but to ensure good SEO for their category pages, the company implemented the first crawlable JavaScript implementation of Freestyle Merchandising. St Bernard Sports are now running a fast and SEO friendly version of Freestyle Merchandising on a Magento site.

- Laura Ashley – Made to order products ("MTO")

Laura Ashley have Freestyle Merchandising implemented on their main site but have a separate furniture site for their MTO products delivered by a separate eCommerce system which resulted in a disjointed experience for users. The Company implemented a solution that mixed MTO products in with their traditional products on search results and category pages. This proved the flexibility of the Freestyle Merchandising system when dealing with different data sources and the separation of the merchandising features from the technical restraints of a client eCommerce site. This would not have been possible without ATTRAQT.

- Revolve Clothing – Platform enhancements

Revolve clothing is a well-known US fashion brand with a large merchandising team. To support some very specific merchandising requirements, the company made a number of performance and control panel changes for the manual merchandising of very large product collections - illustrating how integral the company's visual merchandising platform becomes to a client's eCommerce operations.

US Expansion progressing well

ATTRAQT has continued to focus on the development of the North American market through its US sales office, which was strengthened during H1 with the addition of a project manager. The office successfully added six new clients in the period under review, bringing the total clients in the region to 15. This trend has continued into H2 with the signature of another new US client, TUMI Inc.

Platform enhancements and product development

The product development roadmap is driven by observing trends in the market and by listening to customer requirements. The first half of the year saw continued development of the Freestyle Merchandising platform with three new code releases. These releases were focused on performance improvements and new features to make merchandising easier, new numeric balance factor bandings options; Smart Collections to allow clients to automatically add and remove products from manual collections; and most importantly the new Hypercaching performance technology. In addition, the Company completed its migration of the entire platform to a more scalable cloud infrastructure.

The development roadmap for the remainder of the year will focus on enhancements to our personalisation technology, improvements to manual merchandising and additional reporting functionality. The Company is aiming to improve performance for very large collections; enhance cookie/local storage support for multi-session personalisation, add personalisation filters within ATTRAQTMail™ and include A/B attribute splits within reports.

Financial Review

Total revenue grew by 40% to £1.34m (H1 2014: £0.96m), increasing slightly ahead of plan; reflecting the addition of new clients as well as existing customers launching additional sites. The recurring monthly revenue also rose by 43% from £868,000 in H1 2014 to £1,240,000 leading to an increase in the Exit Rate for H1 (i.e. period end annualised billing) by 45% to £2.58m (H1 2014: £1.78m). At the same time, the Group has improved its gross margin to 85% (H1 2014: 79%) leading to an improved EBITDA position with adjusted EBITDA losses falling £129,000 to £0.18m (H1 2014: £0.31m) in line with management expectations.

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 £0.19m.

Outlook

The Board is pleased with the strong progress achieved in the first half of the year – the management team is delivering to plan and we are confident in the outlook for remainder of the year and beyond.

- The Company has maintained the sales momentum from 2014, significantly increasing the number of new clients as well as increasing the number of sites from existing clients
- Revenue and recurring revenue have grown significantly during H1; this combined with an improved Gross Margin has led to a reduced EBITDA loss
- We have continued to grow in North America, adding six new clients in H1 and signing a significant marquee brand (TUMI) in H2
- Contract renewals, upgrades and the low level of churn demonstrate the value of the Company's technology to its clients
- The Company's production processes are becoming more efficient, enabling the Company to support the increasing volume of new clients being signed
- The platform and technology are continuing to perform well, with platform usage up 57% and transaction volumes having doubled

With a strong start to 2015, a growing revenue stream and strong pipeline for new business in the UK, Europe and North America, and an increasingly powerful merchandising platform, we are confident in the ongoing success of ATTRAQT and for the outlook in 2015 and beyond.

André Brown
Chief Executive Officer
8 September 2015

ATTRAQT Group PLC
Unaudited consolidated statement of comprehensive income
For the half year ended 30 June 2015

	Note	30.6.15	30.6.14	Audited Full year 2014
		£'000	£'000	£'000
Revenue		**1,342**	961	2,086
Cost of sales		**(197)**	(203)	(399)
Gross profit		**1,145**	758	1,687
Administrative expenses		**(1,494)**	(1,228)	(2,736)
Exceptional administrative expense		**-**	-	(484)
Total administrative expenses		**(1,494)**	(1,228)	(3,220)
Loss from operations		**(349)**	(470)	(1,533)
Loss before tax		**(349)**	(470)	(1,533)
Tax credit	4	**62**	48	119
Loss for the year		**(287)**	(422)	(1,414)

Unaudited consolidated statement of comprehensive income

	Note	30.6.15	30.6.14	Audited Full year 2014
		£'000	£'000	£'000
Loss for the year		**(287)**	(422)	(1,414)
Other comprehensive income:				
Items that will be reclassified subsequently to profit or loss:				
Exchange differences on translation of foreign operations		**(6)**	-	(26)
Total other comprehensive income		**(6)**	-	(26)
Total comprehensive loss for the year attributable to shareholders of the parent		**(293)**	(422)	(1,440)
Basic and diluted loss per share attributable to equity holders of the parent	5	**(1.4p)**	(2.4p)	(8p)

ATTRAQT Group plc
Unaudited consolidated statement of financial position
at 30 June 2015

	Note	30.6.15	30.6.14	Audited 31.12.14
		£'000	£'000	£'000
Assets				
Non-current assets				
Property, plant and equipment		**39**	50	50
Intangible assets		**130**	116	120
		169	166	170
Current assets				
Trade and other receivables		**377**	276	310
Corporation tax recoverable		**43**	48	119
Cash and cash equivalents		**198**	15	307
		618	339	736
Total assets		**787**	505	906
Liabilities				
Current liabilities				
Trade and other payables		**619**	453	540
Total liabilities		**619**	453	540
NET ASSETS		**168**	52	366
Issued capital and reserves attributable to owners of the parent				
Share capital		**206**	177	206
Share premium		**1,252**	-	1,252
Merger reserve		**1,457**	1,457	1,457
Equity component of convertible debt		**-**	45	-
Share based payment reserve		**316**	133	222
Foreign exchange reserve		**(31)**	-	(26)
Retained earnings		**(3,032)**	(1,760)	(2,745)
TOTAL EQUITY		**168**	52	366

ATTRAQT Group plc
Unaudited consolidated statement of cash flows
for the 6 months ended 30 June 2015

	Note	30.6.15	30.6.14	Audited Full year 2014
		£'000	£'000	£'000
Cash flows from operating activities				
Loss for the period		**(287)**	(423)	(1,414)
Adjustments for:				
Depreciation of property, plant and equipment		**14**	23	34
Amortisation of intangible fixed assets		**60**	64	132
Income tax credit		**(62)**	(48)	-
Share based payment expense		**94**	73	162
Foreign exchange loss		**(5)**	(7)	(40)
		(186)	(317)	(1,126)
(Increase) in trade and other receivables		**(67)**	(41)	(96)
Increase in trade and other payables		**79**	77	164
Cash used in operations		**(174)**	(281)	(1,058)
Income taxes received		**138**	98	-
Net cash flows from operating activities		**(36)**	(183)	(1,058)
Investing activities				
Purchases of property, plant and equipment		**(3)**	(3)	(15)
Development of intangibles		**(70)**	(60)	(131)
Net cash used in investing activities		**(73)**	(63)	(146)
Financing activities				
Issue of ordinary shares, net of issue costs		**-**	-	1,295
Repayment of debt		**-**	-	(45)
Net cash (outflow)/inflow from investing and financing activities		**(73)**	(63)	1,104
Net (decrease)/increase in cash and cash equivalents		**(109)**	(246)	46
Cash and cash equivalents at beginning of year		**307**	261	261
Cash and cash equivalents at end of period		**198**	15	307

ATTRAQT Group PLC
Unaudited consolidated statement of changes in equity
for the 6 months ended 30 June 2015

	Share capital	Share premium	Merger reserve	Other reserve	Share based payment reserve	Foreign exchange reserve	Retained earnings	Total equity
	£'000	**£'000**	**£'000**	**£'000**	**£'000**	**£'000**	**£'000**	**£'000**
Full year 2014								
01-Jan-14	**177**	**-**	**1,457**	**45**	**60**	**-**	**(1,331)**	**408**
Loss for the year							(1,414)	(1,414)
Translation of foreign entity						(26)		(26)
Total comprehensive Income for the year						(26)	(1,414)	(1,440)
Share based payment charge					162			162
Issue of share capital	29	1,252		(45)				1,236
31-Dec-14	**206**	**1,252**	**1,457**	**-**	**222**	**(26)**	**(2,745)**	**366**
Half year 2014								
01-Jan-14	**177**	**-**	**1,457**	**45**	**60**	**-**	**(1,331)**	**408**
Loss for the period							(422)	(422)
Translation of foreign entity							(7)	(7)
Share based payment charge					73			73
30-Jun-14	**177**	**-**	**1,457**	**45**	**133**	**-**	**(1,760)**	**52**
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						(6)		(6)
Total comprehensive Income for the year						(6)	(287)	(293)
Share based payment charge					94			94
30-Jun-15	**206**	**1,252**	**1,457**	**-**	**316**	**(31)**	**(3,032)**	**168**

ATTRAQT Group PLC
Abbreviated notes to the unaudited consolidated financial statements
for the 6 months ended 30 June 2015

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 Heron Tower, 35th Floor, 110 Bishopsgate, London, EC2N 4AY.

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 2014 and are consistent with those that the company expects to apply in its financial statements for the year ended 31 December 2015.

The financial information for the year ended 31 December 2014 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 2014 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 2014 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 2014 and 30 June 2015 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.

The number of shares used in the weighted average has been adjusted to reflect the 100 for 1 share for share exchange between ATTRAQT Group PLC and ATTRAQT Limited and to make the numbers consistent for each of the reporting periods.

	30.6.15	**30.6.14**	**2014**
	£'000	£'000	£'000
Numerator			
Loss for the period and loss used in basic and diluted EPS	(287)	(422)	(1,414)
Loss used in diluted EPS	(287)	(422)	(1,414)
Denominator			
Weighted average number of shares used in basic EPS	20,625,994	17,759,600	18,819,772
Loss per share – basic and diluted	(1.4p)	(2.4p)	(8p)

In accordance with IAS 33 where there is a loss for the period, there is no dilutive effect from the convertible debt 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.