23 September 2021

Attraqt Group plc

(“Attraqt”, the “Group” or the “Company”)

Half Year results

Attraqt Group plc (AIM:ATQT), the provider of SaaS solutions that power exceptional online shopping experiences, is pleased to announce its unaudited results for the six months ended 30 June 2021.

GROUP FINANCIAL HIGHLIGHTS

- Revenue increased 10% to £11.1m (HY2020: £10.2m)
- Gross profit increased by 8% to £8.1m (HY2020: £7.5m)
- Adjusted EBITDA[1] was £0.5m (HY2020: £0.5m)
- Loss before tax was £1.8m (HY2020: £1.3m)
- Basic EPS loss 0.7p per share (HY2020: 0.6p loss per share)
- Operating cash outflow of £1.3m (HY2020 inflow of £1.1m)
- Cash at the period end was £3.5m (FY2020: £6.6m) and is expected to increase in the second half of the year.

NON-FINANCIAL KPIs

- Renewed 100% of eligible client contracts – including 14 multi-year renewals (HY2020: 27) due to a smaller number of clients being eligible for renewal in the period.
- Exit annual recurring revenue (ARR) increased 13% at constant exchange rates to £22.2m (FY2020: £21.1m, HY2020: £19.8m) – and a 9% increase at actual exchange rates
- £0.6m worth of new logos signed (HY2020: £0.7m), including a new contract with the international arm of a major British multinational retailer
- ARR Bookings of £1.8m (HY2020: £1.3m)
- Net retention rate of 103% (FY2020: 102%, HY2020: 98%)
- Net promoter score of 33 (HY 2020 26).

OPERATING HIGHLIGHTS

- Seven upsells of the Group’s AI Search capabilities acquired from Aleph in 2020
- 95% of the transferral of intellectual property from Aleph achieved ahead of schedule with the remaining 5% anticipated in the coming months
- BigCommerce native integration now live, with demonstrable results already

COMMENT FROM MARK ADAMS, CHIEF EXECUTIVE OFFICER OF ATTRAQT GROUP

“Over the past six months we have continued to make strides forward both financially and strategically, demonstrating the continued momentum within the business. The investment in our product is enhancing our competitiveness as well as improving our ability to retain and build revenues in our customer base as evidenced by our record net revenue retention through the first half of the year.

Our focus on customer success is paying dividends with the continued improvement of our KPIs, including our net promoter score and net retention rate, highlighting the strength of the relationships we have built with our existing clients. We have set a clear vision to be the number one team and growth engine for our customers; powering the world’s best product discovery experiences, wherever and whenever they happen. The deployment of our AI Search technology, which provides more relevant product discovery experiences for shoppers leading to significantly increased conversion and revenues for our customers, is yet another proof point of that vision.

1. Adjusted EBITDA refers to earnings before interest, tax, depreciation, amortisation, share based payments and exceptional items.

We are continuing to implement our strategy to address the mid-market growth opportunity with deep integrations to ecommerce platforms. Revenue is trading in line with expectations for the full year on a constant currency basis and we are confident we have the right strategy and the right technology to drive the business forward."

A video overview of the results from the CEO, Mark Adams is available to watch here: https://bit.ly/ATQT_H1_overview

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ABOUT ATTRAQT GROUP

Attraqt enables online retailers and brand owners to maximise the performance and potential of their e-commerce investments by enabling best in class product discovery experiences. The Company delivers omnichannel search, merchandising, and product & content personalization for online retailers and brands. Our vision is to be the number one team and growth engine for our customers; powering the world's best product discovery experiences, wherever and whenever they happen.

For more information visit www.attraqt.com

CHIEF EXECUTIVE OFFICER'S STATEMENT

I am very pleased to report on another period of clear strategic progress, demonstrating the continued momentum of the Group. We have also increased our annual recurring revenue by double digits year-on-year.

Alongside this, the continued improvement of our KPIs, including our net promoter score and net retention rate, reflects the strength of the relationships we have built with our existing clients. I am confident these relationships are currently the strongest they have ever been and with a client base that includes top brands such as ASOS, JD Sports, Waitrose, Screwfix and Tommy Hilfiger, this achievement should not be overlooked.

Another stand out achievement in the period has been the success of our AI Search functionality. As anticipated, it has proven very valuable; it is making our existing technology platform more competitive and has been strategically up sold to seven existing clients in H1 with an encouraging pipeline underpinning strategic upselling well into the future. We are also delighted to have completed the majority of the Aleph IP transfer in July ahead of schedule.

REVIEW OF SALES AND OPERATIONS

Revenue was up 10% to £11.1m for the period, driven by capacity and strategic up-sells to our existing customer base alongside new logos won. There were seven up-sells in the period of our AI Search functionality. This figure compares to zero strategic upsells secured in HY2020 and is key in making our offering even more integral to our customers.

During the period we conducted an AI search proof of concept with Screwfix with outstanding results. The project has proven the effectiveness of our AI Search engine in a different vertical to fashion, where until now it has been most widely appreciated, and represents a very useful case study for the Group to use going forwards. We have now demonstrated that our AI Search technology delivers significant improvement in search result relevance, conversion and revenue uplift for customers across the fashion, grocery and the DIY verticals.

Whilst the number of multi-year renewals was down year-on-year, this was a product of timing, with fewer clients eligible for renewal during the period compared to H1 2020. All clients that were eligible renewed on a multi-year basis.

Recurring bookings increased by 38% to £1.8mI and encouragingly this included some significant wins with opportunity to expand, for example with the international arm of a major British multinational retailer. Another milestone was achieved in new sales in the period, as we recorded a key enterprise client win and displacement of a major global competitor, underlining the increasingly competitive nature of our product set.

As mentioned, a key highlight of the period was our net retention figure continuing to grow to a record level for Attraqt, reaching 103%. Similarly, our NPS improved again to 33 and the average lifetime of our clients increased by 12%. Churn was also down, at 4.7% (H1 2020: 8.3%) These figures demonstrate the ever-increasing strength of our relationship with our existing clients, the improved innovation of our product set and our focus on operational excellence.

MARKET DEVELOPMENTS

UK online retail sales as a proportion of total retail sales represented 27.9% in July 2021. Whilst this has dropped back from the peak of around 36% under lockdown earlier in the year, it remains higher than the proportion of online retail spending in February 2020 (pre-coronavirus pandemic) of 19.8%. Retailers and brands are investing more in digital commerce and many Attraqt customers have formally signalled these plans.

As investment in our sector grows the online retail market is increasingly recognised as an excellent investment opportunity. Whilst this undeniably impacts our competitive landscape to some extent, it also demonstrates beyond doubt the scale and attractive nature of the industry we are in. The opportunity for growth is significant, and we have a clear strategy to provide the world’s best product discovery technology targeted at both enterprise and mid-market brands and retailers.

PERFORMANCE AGAINST GROWTH STRATEGY

Despite the continued uncertainty of the external environment seen in the first six months of the year, we have continued to make progress against many our strategic priorities.

Our ongoing priorities are:

- Evolving our data-led approach
- Increasing the speed of our innovation
- Executing our partnership strategy
- Replicating our UK success in other geographies
- Improving the customer and developer experience
- Being recognised as a market leader

Our partnership strategy remains a major focus and we continue to see increasing lead flow derived from these partnerships year-on-year. Pleasingly, our native integration with BigCommerce went live this month. This enables any Big Commerce merchant to deploy our search and merchandising tools along with recommendations and personalisation to their storefront without any integration effort. We are planning to develop further native integrations to global eCommerce platform vendors as 60% of our current partner pipeline originates from our pre-integration strategy with common eCommerce platforms.

We've also made good progress against our aim to improve the customer and developer experience, having opened connectivity into our platforms that allow brands to self-serve and onboard faster. Our new CTO has identified the three key pillars of our roadmap which we are evaluating increasing investment in; develop on our open platform strategy, embed AI everywhere and improve the usability of our tools for business and technical users.

Our ambition to be recognised as a market leader was realised in a recent Gartner paper on personalisation, which ranked Attraqt second globally in the competitive landscape for personalisation in digital commerce. This is a clear third-party proof point regarding the strength of our technology.

PEOPLE

We were delighted to have appointed Laura Harnett as an independent Non-Executive Director in early June. Laura brings extensive expertise in customer experience, strategy and in leveraging digital capabilities, and we look forward to benefitting from her guidance over the coming years.

On 6 September 2021, post period end, we were pleased to announce the appointment of Tom Crawford as Non-Executive Chairman with immediate effect. Tom took over from Nick Habgood who stepped down from his role as Non-Executive Chairman but will remain available for a number of months to facilitate a smooth transition. Tom is a decisive and energetic leader known for his ability to execute strategies and motivate team members. I am confident that Attraqt will benefit from Tom's expertise as we continue to execute on our growth strategy.

I would like to take this opportunity to thank every member of the Attraqt team for their hard work and commitment during the first half. Your drive to provide the best possible technology and service to our clients has shone through.

OUTLOOK

We ended the first half in a good position, with very strong relationships with our clients, and progress being made in innovation.

Looking ahead our focus is on the continued targeting of the mid-market alongside the integration of product into partnerships.

Whilst ongoing pandemic related uncertainty and challenges remain apparent in the period ahead, we expect that the Full Year revenue performance, on a constant currency basis, will be in line with expectations. Any foreign currency translational effects are anticipated to be partly mitigated by matching costs of sales and our cash balance to is expected to increase in the second half of the year, including through the reversal of temporary working capital items. We have a great client base, the right strategy and the right technology to be able to continue driving us forward. Our market opportunity has never been bigger, and our focus remains on capitalising on those opportunities to deliver returns for all our stakeholders.

Mark Adams
Chief Executive Officer

FINANCIAL REVIEW

Total revenue increased by 10% to £11.1m (HY 2020: £10.2m). SaaS revenues increased by 8% to £10.2m driven by upsells of £1.3m of AI Search and capacity to existing customers. Annual Recurring Revenue (ARR) increased by 13% year on year at Constant exchange rates and 9% at Actual exchange rates. Services revenue increased by 37% to £0.9m as business normalised after the impact of Covid-19 in the first half of 2020.

Recurring bookings were £1.8m in the period (HY 2020: £1.3m) and the business saw strong demand from existing customers for the AI Search product.

Gross profit increased by 8% to £8.1m (HY 2020: £7.5m), with a gross margin of 73% (HY 2020: 74%). The SaaS gross margin decreased by 3% points to 78% due to some contractual challenges in the legacy XO contracts. The Services gross margin rebounded by 33 points as revenue increased and costs remained flat.

Operating expenses (defined as administrative expenses less exceptional items, amortisation and depreciation) increased by 9% to £7.6m (HY 2020: £7.0m) driven wholly by an increase in sales and marketing expenditure as business normalised. To the loss from operations of £1.8m we add back exceptional costs of £0.3m, share based payments of £0.2m, depreciation and amortisation costs of £1.9m and a foreign exchange credit of £0.1m to give the Adjusted EBITDA figure of £0.5m.

Adjusted EBITDA profit of £0.5m (HY 2020: £0.5m profit) was in line with management's expectations.

The exceptional costs of £0.3m in the period relate to additional costs associated with the finalisation of the Early Birds SAS acquisition and redundancy costs.

Depreciation and amortisation totalled £1.9m (HY 2020: £1.7m) and increased in line with the scale of the business. There was a share-based payment charge of £0.1m (HY 2020: £nil m).

The loss before tax was £1.8m (HY 2020: £1.3m loss) and the tax credit in the period of £0.4m (HY 2020: £0.2m). Therefore, the loss for the half year was £1.4m (HY 2020: £1.1m loss).

The loss per share increased to 0.7p (HY 2020: 0.6p loss) partly due to exceptional charges.

There was a cash outflow of £1.3m from operations (HY 2020: inflow of £1.1m). This was as a result of the return of an escrow amount of £0.4m, the settlement of a VAT deferral from 2020 of £0.3m which was a government initiative as a result of COVID, the stretching of credit terms from a significant customer which was settled in July for £0.3m and exceptional charges of £0.3m. Collections remain good and bad debts due to Covid are low.

The cash balance at the end of the period was £3.5m. The cash balance at 31 December 2020 was £6.6m and the cash balance at 30 June 2020 was £3.8m.

The directors continue to believe that the preparation of these condensed consolidated interim financial statements should be on the basis of a going concern.

We are also delighted to have completed the Aleph IP transfer in July ahead of schedule. Subsequent milestones were reached, resulting in the issuance of 5,131,374 new ordinary shares ("Consideration Shares"), deferred consideration, to Aleph-One GmbH, following the completion of 95% of the successful development and transfer of intellectual property from Aleph-One GmbH to Attraqt. IP has become a core component of the Attraqt offering.

Eric Dodd
Chief Financial Officer

[1] Adjusted EBITDA refers to earnings before interest, tax, depreciation, amortisation, other income, foreign exchange and also exceptional items (exceptional items set out in note 6)

CONSOLIDATED FINANCIAL STATEMENTS

CONSOLIDATED INTERIM INCOME STATEMENT FOR THE SIX MONTHS ENDED 30 JUNE 2021

	Note	HY2021 (unaudited) £'000	HY2020 (unaudited) £'000	FY2020 £'000
Revenue	5	**11,141**	10,166	21,003
Cost of Sales	5	**(3,040)**	(2,689)	(5,502)
Gross profit		**8,101**	7,477	15,501
Administration expenses		**(9,619)**	(8,696)	(17,822)
Exceptional administrative expense	6	**(264)**	(65)	(256)
Total administrative expenses		**(9,883)**	(8,761)	(18,078)
Loss from operations		**(1,782)**	(1,284)	(2,577)
Finance costs		**(31)**	(27)	(58)
Loss before tax		**(1,813)**	(1,311)	(2,635)
Taxation credit	7	**390**	169	408
Loss for the period/year		**(1,423)**	(1,142)	(2,227)

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME FOR THE SIX MONTHS ENDED 30 JUNE 2021

	Note	HY2021 (unaudited) £'000	HY2020 (unaudited) £'000	FY2020 £'000
Loss for the period/year		**(1,423)**	(1,142)	(2,227)
Foreign exchange translation differences		**(138)**	(122)	(50)
Total comprehensive loss for the period/year, attributable to shareholders of the parent		**(1,561)**	(1,264)	(2,277)
Loss per share attributable to the ordinary equity holders of the company				
Basic and diluted EPS	8	**(0.7p)**	(0.6p)	(1.2p)

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	Notes	**HY2021 (unaudited) £'000**	HY2020 (unaudited) £'000	FY2020 £'000
Non-current assets				
Intangible assets	9	**39,996**	39,303	40,585
Right of use assets		**902**	1,073	1,073
Plant and equipment		**248**	269	243
Total non-current assets		**41,146**	40,645	41,901
Current assets				
Trade and other receivables		**6,877**	5,461	6,155
Cash and cash equivalents	10	**3,522**	4,210	6,591
Corporation tax recoverable		**308**	186	573
Total current assets		**10,707**	9,857	13,319
Total assets		**51,853**	50,502	55,220
Current Liabilities				
Trade and other payables		**9,393**	10,413	11,251
Lease liability		**459**	575	416
Corporation tax		**554**	246	267
Total current liabilities		**10,406**	11,234	11,934
Non-current liabilities				
Lease liability		**497**	573	738
Deferred tax liability		**2,660**	3,018	2,839
Total non-current liabilities		**3,157**	3,591	3,577
Net Assets		**38,290**	35,677	39,710
Equity				
Issued capital	11	**1,961**	1,800	1,961
Share premium	11	**53,251**	48,516	53,251
Merger reserve		**1,457**	1,457	1,457
Share based payment		**1,726**	1,435	1,585
Forex reserve		**(413)**	(347)	(275)
Retained earnings		**(19,692)**	(17,184)	(18,269)
Total equity attributable to equity holders of the parent		**38,290**	35,677	36,710

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE SIX MONTHS ENDED 30 JUNE 2021

	Share Capital	Share premium	Merger reserve	Share based payment reserve	Foreign exchange reserve	Retained earnings	Total
	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Balance at 1 January 2020	1,800	48,516	1,457	1,423	(225)	(16,042)	36,929
Loss for the period	-	-	-	-	-	(1,142)	(1,142)
Foreign currency translation differences	-	-	-	-	(122)	-	(122)
Total comprehensive loss for the period	-	-	-	-	(122)	(1,142)	(1,264)
Contributions by and distributions to owners							
Share based payment charge	-	-	-	12	-	-	12
Total contributions by and distributions to owners	-	-	-	12	-	-	12
Balance at 30 June 2020	1,800	48,516	1,457	1,435	(347)	(17,184)	35,677
Loss for the period	-	-	-	-	-	(1,085)	(1,085)
Foreign currency translation differences	-	-	-	-	72	-	72
Total comprehensive loss for the period	-	-	-	-	72	(1,085)	(1,013)
Contributions by and distributions to owners							
Shares issued	161	4,991	-	-	-	-	5,152
Issue costs	-	(256)	-	-	-	-	(256)
Contingent shares to be issued	-	-	-	103	-	-	103
Share based payment charge	-	-	-	47	-	-	47
Total contributions by and distributions to owners	161	4,735	-	150	-	-	5,046
Balance at 31 December 2020	1,961	53,521	1,457	1,585	(275)	(18,269)	39,710
Loss for the period	-	-	-	-	-	(1,423)	(1,423)
Foreign currency translation differences	-	-	-	-	(138)	-	(138)
Total comprehensive loss for the period	-	-	-	-	(138)	(1,423)	(1,561)
Contributions by and distributions to owners							
Share based payment charge	-	-	-	141	-	-	141
Total contributions by and distributions to owners	-	-	-	141	-	-	141
Balance at 30 June 2021	**1,961**	**53,251**	**1,457**	**1,726**	**(413)**	**(19,692)**	**38,290**

CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE SIX MONTHS ENDED 30 JUNE 2021

	Notes	HY2021 (unaudited) £'000	HY2020 (unaudited) £'000	FY2020 £'000
Cash flows from operating activities				
Loss for the period/year		**(1,423)**	(1,142)	(2,227)
Adjustments for:				
Depreciation of property, plant and equipment		**76**	73	139
Amortisation of right of use assets		**268**	281	574
Amortisation of intangible fixed assets	9	**1,591**	1,365	2,817
Income tax (credit)/charge		**(390)**	(169)	(408)
Finance costs		**31**	27	58
Share based payment expense	12	**141**	12	59
Foreign exchange differences		**(81)**	(23)	(99)
		213	424	913
(Increase)/decrease in trade and other receivables		**(774)**	(122)	(1,110)
(Decrease)/increase in trade and other payables		**(1,554)**	804	880
Cash (used in)/generated from operating activities before interest and tax		**(2,115)**	1,106	(683)
Taxation (paid)/received		**774**	(18)	(166)
Net cash (used in)/generated from operating activities		**(1,341)**	1,088	517
Cash flows (used in)/generated from investing activities				
Purchases of Property, plant and equipment		**(46)**	(25)	(66)
Acquisition of IP software	9	**(350)**	-	-
Development of intangibles	9	**(1,001)**	(522)	(1,341)
Net cash (used in)/from investing activities		**(1,397)**	(547)	(1,407)
Cash flows from financing activities				
Lease principal payments		**(213)**	(268)	(626)
Lease interest payments		**(31)**	(30)	(61)
Interest received		**-**	3	3
Issue of ordinary shares, net of issue costs		**-**	-	3,744
Loan received		**-**	-	450
Repayments of loan		**(13)**	-	(27)
Net cash (used in)/generated from financing activities		**(257)**	(295)	3,483
Net (decrease)/increase in cash and cash equivalents		**(2,995)**	246	2,593
Cash and cash equivalents at beginning of period/year		**6,591**	3,950	3,950
Effect of foreign currency exchange rate changes		**(74)**	14	48
Cash and cash equivalents at end of period/year		**3,522**	4,210	6,591

NOTES TO THE CONSOLIDTAED INTERIM FINANCIAL STATEMENTS

1. GENERAL INFORMATION

Attraqt Group plc (the 'Company') and its subsidiaries' (collectively, the 'Group') principal activity is the development and provision of eCommerce site search, merchandising and recommendation technology.

The Company is a public limited company, which is listed on the London Stock Exchange, incorporated, registered and domiciled in England (registered number: 08904529). The address of its registered office is 7th Floor, 222-236 Grays Inn Road, London, WC1X 8HB.

The condensed consolidated interim financial statements for the six months ended 30 June 2021 was approved by the Board on 23 September 2021.

2. BASIS OF PREPERATION

BASIS OF PREPERATION OF INTERIM FINANCIAL STATEMENTS

The condensed consolidated interim financial information has been prepared in accordance with the Disclosure and Transparency Rules of the Financial Conduct Authority and with IAS 34 Interim Financial Reporting. They do not include all the information required for full annual financial statements and should be read in conjunction with information contained in the Group's Annual Report and Accounts for the year ended 31 December 2020.

The financial information for the year ended 31 December 2020 does not comprise statutory accounts within the meaning of section 434 of the Companies Act 2006 for that year, but it is derived from those accounts. Statutory accounts for the year ended 31 December 2020 were approved by the Board of Directors on 11 March 2021 and delivered to the Registrar of Companies. The report of the auditor on those accounts was unqualified, did not draw attention to any matters by way of emphasis and did not contain statements under section s498 (2) or (3) of the Companies Act 2006.

GOING CONCERN

As part of the Directors' consideration of the appropriateness of adopting the going concern basis in preparing the financial statements, given the uncertainty of COVID-19.

The Group has monitored the impact of COVID-19 by reviewing the monthly results versus the budget set for 2021. The Group has not seen a severe impact in the year to June 2021, due to lockdowns, with consolidated Revenue for half year being just 1% behind budget, and consolidated EBITDA on budget. The consolidated cash balance available to the Group is healthy at £3,522,000. The Group has continued to offer services and support to our clients uninterrupted by the lockdowns and has not relied upon any furlough schemes available.

Directors have identified that there is sensitivity to a reduction in revenue receipts, with sustained reduction of over 12.5% of budgeted revenue bringing the Group outside existing cash facilities without any mitigating cost reductions, however they consider this to be unlikely given the impact seen within the business in the current financial year to date.

Should revenue cash flows deteriorate, management would take some mitigating actions, which include but are not limited to:

- Negotiating longer credit terms with suppliers, for instance 30 day to 60 days;
- Alter invoicing terms with customers, from quarterly invoices to annually;
- Reduction in marketing spend in relation to events, some which have been suspended due to COVID restrictions;
- Reduction in staff costs, for instance reduction in headcount or suspension of pay rises and reduction of temporary staff usage.

Based on the above, acknowledging the uncertainty in the economic environment as a result of the pandemic, the Board remains satisfied that the Group holds sufficient cash together with bank and other facilities and has further options available to meet its working capital requirements for at least 12 months from the date of approval of these financial statements and therefore supports the preparation of the financial statements on a going concern basis.

3. ACCOUNTING POLICIES

In preparing the condensed consolidated interim financial information, the same accounting policies, methods of computation and presentation have been applied as set out in the Group's Annual Report and Accounts for the year ended 31 December 2020. The accounting policies are consistent with those of the previous financial year and corresponding interim reporting period.

The annual financial statements of the Group are prepared in accordance with international accounting standards in conformity with the requirements of Companies Act 2006 and international financial reporting standards adopted pursuant to Regulation (EC No 1606/2002) as it applies to the European Union.

The Group has not early adopted any standard, interpretation or amendment that was issued but is not yet effective.

4. SIGNIFICANT JUDGEMENTS AND ESTIMATES

The preparation of the condensed interim financial information requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amount of assets and liabilities, income and expense. Actual results may differ from these estimates.

The significant judgements and estimates used in the application of the Group's accounting policies are the same as those described in the Group's Annual Report and Accounts for the year ended 31 December 2020.

5. SEGMENTAL REPORTING

For the purpose of IFRS 8, the chief operating decision maker takes the form of the Board of Directors. The Directors' opinion is that the business of the group is to provide cloud-based e-commerce solutions. Based on this, there is one reportable segment. The internal and external reporting is on a consolidated basis with transactions between group companies eliminated on consolidation.

	HY2021 (unaudited) £'000	HY2020 (unaudited) £'000	FY 2020 £'000
Revenue by type			
SaaS	**10,185**	9,468	19,278
Services	**956**	698	1,725
Total Revenue	**11,141**	10,166	21,003
Cost of Sales by type			
SaaS	**2,193**	1,836	3,932
Services	**847**	853	1,570
Total Cost of Sales	**3,040**	2,689	5,502
Gross profit	**8,101**	7,477	15,501

There is one customer which contributes 10%, which is £1.0m of the Group's revenues (H1 2020: 1 customer – contributing £1.0m).

The table below provides an analysis of the Group's revenue by geographical market where the customer is based.

	HY2021 (unaudited) £'000	HY2020 (unaudited) £'000	FY 2020 £'000
Geographical split of revenue			
UK	**5,149**	5,032	9,861
France	**2,496**	2,328	4,979
Netherlands	**1,251**	1,108	2,441
Rest of Europe	**1,543**	1,215	2,618
Rest of the World	**702**	483	1,103
Total Revenue	**11,141**	10,166	21,003

6. EXCEPTIONAL ITEMS

The Group separately identifies those items which in management's judgement, need to be disclosed by virtue of their nature, size or incidence in order for the user to obtain a proper understanding of the underlying performance of the business. The exceptional costs of £264,000 (H1 2020: £65,000) relate to costs associated with redundancies and additional costs resulting from the finalisation of the Early Birds acquisition there was no exceptional income in 2021 (H1 2020: £27,000). The exceptional costs in 2020 relate to costs associated with the acquisition and restructuring costs and exceptional income in relation to COVID-19 grants.

7. TAXATION

The Group tax charge is based on the estimated annual effective rate and for the half year is calculated at 19.00%, (HY2020: 19.00%) and applied to the loss before tax for the period.

8. LOSS PER SHARE

Basic Earnings per share is calculated by dividing the loss attributable to the equity holders of the Company by the weighted average number of ordinary shares outstanding in the period.

The calculation of continued earnings per share is based on the following:

	HY2021 (unaudited) £'000	HY2020 (unaudited) £'000	FY 2020 £'000
Numerator			
Loss for the period/year and loss used in basic and diluted EPS	**(1,423)**	(1,142)	(2,227)
Denominator			
Weighted average number of shares used in basic and diluted EPS	**196,149,171**	180,048,207	184,051,542
Loss per share – basic and diluted	**(0.7p)**	(0.6p)	(1.2p)

The outstanding share options calculation are antidilutive, due to loss made in the period. If they were to be included, the weighted average number of shares would be 205,607,381 (H1 2020: 180,188,962) and the loss per share would be 0.7 pence (H1 2020: 0.6 pence).

9. INTANGIBLE ASSETS

	Goodwill	Customer Relationships	Existing Technology	Trademark	Software Development	Total
	£'000	£'000	£'000	£'000	£'000	£'000
Cost						
At 1 January 2020	25,649	6,709	8,685	1,136	4,223	46,402
Additions - internally developed	-	-	-	-	522	522
Foreign Exchange	-	-	-	-	(8)	(8)
At 30 June 2020	25,649	6,709	8,685	1,136	4,737	46,916
Additions - internally developed	-	-	-	-	819	819
Acquired through asset purchase	-	-	1,826	-	-	1,826
Foreign Exchange	-	39	-	-	103	142
At 31 December 2020	25,649	6,748	10,511	1,136	5,659	49,703
Additions - internally developed	-	-	-	-	1,001	1,001
Foreign Exchange	-	-	-	-	-	-
At 30 June 2021	**25,649**	**6,748**	**10,511**	**1,136**	**6,660**	**50,704**
Amortisation						
At 1 January 20	-	1,283	2,157	242	2,566	6,248
Charge for the period	-	328	537	57	443	1,365
At 30 June 20	-	1,611	2,694	299	3,009	7,613
Charge for the period	-	331	576	57	488	1,400
Foreign Exchange	-	14	-	-	39	53
At 31 December 2020	-	1,956	3,270	356	3,536	9,118
Charge for the period	-	328	537	57	668	1,590
At 30 June 2021	-	**2,284**	**3,807**	**413**	**4,204**	**10,708**
Net Book Value						
At 30 June 2020	25,649	5,098	5,991	837	1,728	39,303
At 31 December 2020	25,649	4,792	7,241	780	2,123	40,585
At 30 June 2021	**25,649**	**4,464**	**6,704**	**723**	**2,456**	**39,996**

Payment of £350,000 in the cashflow statement relates to a cash consideration which was capitalised in previous period within the amount acquired through asset purchase. This amount was included in other payables in December 2020

10. CASH AND CASH EQUIVILENTS

	HY2021 (unaudited) £'000	HY2020 (unaudited) £'000	FY 2020 £'000
Cash at bank	**3,582**	4,315	6,672
Bank loan	**(60)**	(105)	(81)
	3,522	4,210	6,591

11. SHARE CAPITAL

Allocated, called up and fully paid

	Number of Shares	Share capital £'000	Share Premium £'000
Ordinary shares of £0.01 each			
At 30 June 2020	180,048,207	1,800	48,516
Shares issued for cash during the year	12,500,000	125	3,619
Shares issued to sellers as part of asset purchase and acquisition	3,600,964	36	1,116
At 31 December 2020	196,149,171	1,961	53,251
At 30 June 2021	**196,149,171**	**1,961**	**53,251**

No shares were issued during the current period. During 2020, the company raised £4,000,000 before expenses, by a private placing of 12,500,000 1p Ordinary shares at 32p on 1 October 2020. 3,600,964 Ordinary shares were issued to the sellers as consideration for the asset purchase of the Aleph software.

12. SHARE OPTIONS

During the six months ended 30 June 2021, the Group made further grants under its existing share-based payment schemes, as follows:

On 22 April 2021, the Company granted employees a total of 510,000 share options who had a year's service as at this date. The options will vest based upon three years' service. Upon vesting, the options will remain exercisable until 22 April 2031.

On 22 April 2021, the Company granted senior employees a total of 2,414,000 nil cost share options who had a year's service as at this date. The options will vest based upon three years' service. Upon vesting, the options will remain exercisable until 22 April 2031.

For the six months ended 30 June 2021, the total cost recognised in the income statement was £141,000 (H1 2020: £12,000).