

## ARCONTECH GROUP PLC

(“Arcontech” or the “Group”)

### INTERIM RESULTS FOR THE SIX MONTHS ENDED 31 DECEMBER 2024

Arcontech (AIM: ARC), the provider of products and services for real-time financial market data processing and trading, reports its unaudited results for the six months ended 31 December 2024.

#### Overview:

- Revenue increased by 4.3% to £1,511,346 (H1 2023: £1,448,804)
- Recurring revenues represented 97% of total revenues for the period (H1 2023: 100%)
- Adjusted EBITDA\* decreased by 12.1% to £446,513 (H1 2023: £507,668) reflecting the expected increase in staff costs  
*(\* adjusted ebitda is defined as operating profit before depreciation, amortisation, share base payments and releases of historic accruals relating to administrative expenses)*
- Profit before tax decreased by 3.8% to £518,166 (H1 2023: £538,790)
- Our preferred measure of adjusted profit before tax, which excludes the release of accruals unrelated to the underlying business, decreased by 7.5% to £494,360 (H1 2023: £534,775)
- Net cash of £7,166,839 at 31 December 2024, up 24.9% (H1 2023: £5,734,226). The period under review saw the return to a normal billing cycle for one of our large customers, and a record dividend payment of £501,479 on 1 November 2024
- Trading in line with full year market expectations and confident in the full year outturn

#### Geoff Wicks, Chairman of Arcontech, said:

“The improvements to market conditions we mentioned in our Preliminary Statement last year have continued and the growth has materialised. We remain cautious as customers are careful about increasing their costs and lead times remain long. However, our pipeline is strong and we are confident about our future and the full year outturn.”

## **Enquiries:**

### **Arcontech Group plc**

020 7256 2300

Geoff Wicks, Chairman and Non-Executive Director

Matthew Jeffs, Chief Executive

### **Cavendish Capital Markets Ltd (Nomad & Broker)**

020 7220 0500

Carl Holmes/Rory Sale (Corporate Finance)

Harriet Ward (Corporate Broking)

**To access more information on the Group please visit: [www.arcontech.com](http://www.arcontech.com)**

The interim report will only be available to view online enabling the Group to communicate in a more environmentally friendly and cost-effective manner.

## **Chairman's Statement**

Arcontech has seen continued growth and although market conditions have improved many customers are cautious about embarking on new projects and increasing their cost base. As a result our pipeline has improved but lead times remain long. Our continued focus on our core market has ensured we continue to build the potential for future growth.

Our expected growth is likely to be tempered by some downsizing at larger customers as technology and markets change, however we are confident that new business will continue to work its way through the pipeline. With the complexity of markets changing, we have started to see some one-off contracts for work to change and embed our products into our customers' systems. It remains a small part of our business.

Revenue was £1.51 million, up 4.3% on the same period last year, Profit before tax ("PBT") was £0.51 million, down 3.8% on the same period last year. Adjusted profit before tax, which is PBT before the release of accruals for administrative costs in respect of prior years was £0.50 million, down 7.5% on the previous year.

## **Financing**

Our balance sheet remains robust with net cash of £7.1 million, £1.2 million higher than at 31 December 2023. The cash generation profile for the period normalised with a return to regular timing of the billing cycle for a large customer. This cash position allows for continued investment in sales and products and for us to remain alert to opportunities to acquire small complementary businesses.

## **Dividend**

No interim dividend is proposed to be paid in respect of the half year. The Board expects to continue its policy of paying a dividend following the announcement of its full year results.

**Outlook**

The improvements to market conditions we mentioned in our Preliminary Statement last year have continued and the growth has materialised. We remain cautious as customers are careful about increasing their costs and lead times remain long. However, our pipeline is strong and we are confident about our future and the full year outturn.

**Geoff Wicks****Chairman and Non-Executive Director**

## GROUP INCOME STATEMENT AND STATEMENT OF COMPREHENSIVE INCOME

	<b>Note</b>	<b>Six months ended 31 December 2024 (unaudited) £</b>	<b>Six months ended 31 December 2023 (unaudited) £</b>	<b>Year ended 30 June 2024 (audited) £</b>
<b>Revenue</b>		1,511,346	1,448,804	2,910,232
Administrative costs		<u>(1,109,882)</u>	<u>(1,039,456)</u>	<u>(2,040,541)</u>
<b>Operating profit</b>	4	401,464	409,348	869,691
Finance income		139,066	126,055	247,903
Finance costs	12	(22,364)	3,387	(18,635)
<b>Profit before taxation</b>		<u>518,166</u>	<u>538,790</u>	<u>1,098,959</u>
Taxation	6	<u>-</u>	<u>-</u>	<u>(31,302)</u>
<b>Profit for the period after tax</b>		<u>518,166</u>	<u>538,790</u>	<u>1,067,657</u>
<b>Total comprehensive income</b>		<u><u>518,166</u></u>	<u><u>538,790</u></u>	<u><u>1,067,657</u></u>
<b>Profit per share (basic)</b>		3.87p	4.03p	7.98p
<b>Adjusted* Profit per share (basic)</b>		3.70p	4.00p	7.80p
<b>Profit per share (diluted)</b>		3.85p	4.02p	7.96p
<b>Adjusted* Profit per share (diluted)</b>		3.68p	3.99p	7.78p

All of the results relate to continuing operations and there was no other comprehensive income in the period.

\* Before release of accruals for administrative costs in respect of prior years.

## GROUP BALANCE SHEET

	<b>Note</b>	<b>31 December 2024 (unaudited) £</b>	<b>31 December 2023 (unaudited) £</b>	<b>30 June 2024 (audited) £</b>
<b>Non-current assets</b>				
Goodwill		1,715,153	1,715,153	1,715,153
Property, plant and equipment		10,220	6,325	5,404
Right of use asset	12	447,279	559,098	503,190
Deferred tax asset		358,000	328,000	358,000
Trade and other receivables	9	141,750	141,750	141,750
		<u>2,672,402</u>	<u>2,750,326</u>	<u>2,723,497</u>
Total non-current assets				
<b>Current assets</b>				
Trade and other receivables	9	821,336	1,335,408	677,069
Cash and cash equivalents		7,166,839	5,734,226	7,160,177
		<u>7,988,175</u>	<u>7,069,634</u>	<u>7,837,246</u>
Total current assets				
<b>Current liabilities</b>				
Trade and other payables	10	(594,088)	(473,512)	(595,190)
Deferred income		(1,221,194)	(1,013,405)	(1,092,835)
Lease liabilities	12	(114,893)	(68,869)	(110,308)
Provisions		-	(50,000)	-
		<u>(1,930,175)</u>	<u>(1,605,786)</u>	<u>(1,798,333)</u>
Total current liabilities				
<b>Non-current liabilities</b>				
Lease liabilities	12	(368,748)	(483,641)	(427,365)
Provisions		(70,000)	(20,000)	(70,000)
		<u>(438,748)</u>	<u>(503,641)</u>	<u>(497,365)</u>
Total non-current liabilities				
<b>Net current assets</b>		<u>6,058,000</u>	<u>5,463,848</u>	<u>6,038,913</u>
<b>Net assets</b>		<u>8,291,654</u>	<u>7,710,533</u>	<u>8,265,045</u>
<b>Equity</b>				
Share capital		1,671,601	1,671,601	1,671,601
Share premium account		115,761	115,761	115,761
Share option reserve		340,668	305,101	330,746
Retained earnings		6,163,624	5,618,070	6,146,937
		<u>8,291,654</u>	<u>7,710,533</u>	<u>8,265,045</u>

## GROUP CASH FLOW STATEMENT

	Note	Six months ended 31 December 2024 (unaudited) £	Six months ended 31 December 2023 (unaudited) £	Year ended 30 June 2024 (audited) £
<b>Cash generated from / (used in) operating activities</b>	11	<b>432,237</b>	<b>(296,937)</b>	<b>1,051,177</b>
Tax paid	6	-	-	(15,586)
<b>Net cash generated from / (used in) operating activities</b>		<b>432,237</b>	<b>(296,937)</b>	<b>1,035,591</b>
<b>Investing activities</b>				
Interest received		137,775	126,055	247,903
Proceeds on disposal of fixed assets		-	417	417
Purchases of plant and equipment		(7,840)	(3,471)	(12,055)
<b>Net cash generated from investing activities</b>		<b>129,935</b>	<b>123,001</b>	<b>236,265</b>
<b>Financing activities</b>				
Dividends paid		(501,479)	(468,048)	(468,048)
Payment of lease liabilities		(54,031)	(35,031)	(54,872)
<b>Net cash used in financing activities</b>		<b>(555,510)</b>	<b>(503,079)</b>	<b>(522,920)</b>
<b>Net increase / (decrease) in cash and cash equivalents</b>		<b>6,662</b>	<b>(677,015)</b>	<b>748,936</b>
Cash and cash equivalents at beginning of period		7,160,177	6,411,241	6,411,241
<b>Cash and cash equivalents at end of period</b>		<b>7,166,839</b>	<b>5,734,266</b>	<b>7,160,177</b>

## GROUP STATEMENT OF CHANGES IN EQUITY

	Share capital	Share premium	Share- option reserve	Retained earnings	Total
	£	£	£	£	£
<b>At 1 July 2023</b>	<b>1,671,601</b>	<b>115,761</b>	<b>279,455</b>	<b>5,547,328</b>	<b>7,614,145</b>
Profit for the period	-	-	-	538,790	538,790
Total comprehensive income for the period	-	-	-	538,790	538,790
Dividends paid	-	-	-	(468,048)	(468,048)
Share-based payments	-	-	25,646	-	25,646
Total transactions with owners	-	-	25,646	(468,048)	(442,402)
<b>At 31 December 2023</b>	<b>1,671,601</b>	<b>115,761</b>	<b>305,101</b>	<b>5,618,070</b>	<b>7,710,533</b>
Profit for the period	-	-	-	528,867	528,867
Total comprehensive income for the period	-	-	-	528,867	528,867
Share-based payments	-	-	25,645	-	25,645
Total transactions with owners	-	-	25,645	-	25,645
<b>At 30 June 2024</b>	<b>1,671,601</b>	<b>115,761</b>	<b>330,746</b>	<b>6,146,937</b>	<b>8,265,045</b>
Profit for the period	-	-	-	518,166	518,166
Total comprehensive income for the period	-	-	-	518,166	518,166
Dividends paid	-	-	-	(501,479)	(501,479)
Share-based payments	-	-	9,922	-	9,922
Total transactions with owners	-	-	9,922	(501,479)	(491,557)
<b>At 31 December 2024</b>	<b>1,671,601</b>	<b>115,761</b>	<b>340,668</b>	<b>6,163,624</b>	<b>8,291,654</b>

## NOTES TO THE FINANCIAL INFORMATION

1. The figures for the six months ended 31 December 2024 and 31 December 2023 are unaudited and do not constitute statutory accounts. The accounting policies adopted are consistent with those applied by the Group in the preparation of the annual consolidated financial statements for the year ended 30 June 2024. The Group has not early adopted any standard, interpretation or amendment that has been issued but is not yet effective. Several amendments and interpretations apply for the first time in the 2025 financial year, but these do not have a material impact on the interim condensed consolidated financial statements of the Group.
2. The financial information for the year ended 30 June 2024 set out in this interim report does not comprise the Group's statutory accounts as defined in section 434 of the Companies Act 2006. The statutory accounts for the year ended 30 June 2024, which were prepared in accordance with UK-adopted international accounting standards, have been delivered to the Registrar of Companies. The auditors reported on those accounts; their report was unqualified and did not contain a statement under either Section 498(2) or Section 498(3) of the Companies Act 2006 and did not include references to any matters to which the auditor drew attention by way of emphasis.
3. Copies of this statement are available from the Company Secretary at the Company's registered office at 1<sup>st</sup> Floor 11-21 Paul Street, London, EC2A 4JU or from the Company's website at [www.arcontech.com](http://www.arcontech.com).
4. Operating profit is stated after release of accruals for administrative expenses in respect of prior years of £23,806 (31 December 2023: £4,014; 30 June 2024: £24,603).
5. Earnings per share have been calculated based on the profit after tax and the weighted average number of shares in issue during the half year ended 31 December 2024 of 13,372,811 (31 December 2023: 13,372,811 30 June 2024: 13,372,811).

The number of dilutive shares under option at 31 December 2024 was 76,017 (31 December 2023: 26,988; 30 June 2024: 31,620). The calculation of diluted earnings per share assumes conversion of all potentially dilutive ordinary shares, all of which arise from share options. A calculation is done to determine the number of shares that could have been acquired at the average market price during the period, based upon the issue price of the outstanding share options including future charges to be recognised under the share-based payment arrangements.

6. Taxation is based on the unaudited results and provision has been estimated at the rate applicable to the Company at the time of this statement and expected to be applied to the total annual earnings. No corporation tax has been charged in the period as any liability has been offset against tax losses brought forward from prior years. The tax paid represents the cash payment of tax liability from the preceding income tax year.
7. A final dividend in respect of the year ended 30 June 2024 of 3.75 pence per share (2023: 3.50 pence per share) was paid on 1 November 2024.
8. The Directors have elected not to apply IAS 34 Interim financial reporting.



9. Trade and other receivables

	<b>31 December 2024 £ (unaudited)</b>	31 December 2023 £ (unaudited)	30 June 2024 £ (audited)
<b>Due within one year:</b>			
Trade and other receivables	628,762	1,137,648	458,227
Prepayments and accrued income	192,575	197,760	218,842
Other receivables	-	-	-
	<u>821,336</u>	<u>1,335,408</u>	<u>677,069</u>

	<b>31 December 2024 £ (unaudited)</b>	31 December 2023 £ (unaudited)	30 June 2024 £ (audited)
<b>Due after more than one year:</b>			
Other receivables	141,750	141,750	141,750
	<u>141,750</u>	<u>141,750</u>	<u>141,750</u>

The long term trade receivable of £141,750 is the rental agreement deposit for the Group's Paul Street office.

10. Trade and other payables

	<b>31 December 2024 £ (unaudited)</b>	31 December 2023 £ (unaudited)	30 June 2024 £ (audited)
Trade payables	88,874	27,055	61,328
Other tax and social security payable	169,864	69,714	106,899
Other payables and accruals	335,350	376,743	426,963
	<u>594,088</u>	<u>473,512</u>	<u>595,190</u>

11. Cash generated from operations

	Six months ended 31 December 2024 (unaudited) £	Six months ended 31 December 2023 (unaudited) £	Year ended 30 June 2024 (audited) £
Operating profit	401,464	409,348	869,691
Depreciation charge	58,933	76,688	134,518
Non-cash share option charges	9,922	25,646	51,291
Lease interest charge	(21,569)	(476)	(18,435)
Other interest charge	(795)	(1,141)	(200)
Profit on disposal of fixed assets	-	(152)	(151)
Increase in trade and other receivables	(133,039)	(990,910)	(318,958)
Increase in trade and other payables	117,321	184,060	333,421
<b>Cash generated from / (used in) operations</b>	<b>432,237</b>	<b>(296,937)</b>	<b>1,051,177</b>

## 12. Leases

As a lessee, under IFRS 16 the Group recognises right-of-use assets and lease liabilities for all leases on its balance sheet. The only lease applicable under IFRS 16 is the Group's office.

The key impacts on the Statement of Comprehensive Income and the Statement of Financial Position are as follows:

	Right of use asset £	Lease liability £	Income statement £
As at 1 July 2024	503,190	(537,672)	-
Depreciation	(55,911)	-	(55,910)
Interest	-	(21,569)	(21,569)
Lease payments	-	75,600	-
<b>Carrying value at 31 December 2024</b>	<b>447,279</b>	<b>(483,641)</b>	<b>(77,479)</b>

	Right of use asset £	Lease liability £	Income statement £
As at 1 July 2023	73,152	(40,324)	-
Recognition of new lease under IFRS 16	559,803	(552,220)	-
Depreciation	(73,857)	-	(73,857)
Liability write-back at expiry	-	5,293 <sup>1</sup>	5,293
Interest	-	(765)	(765)
Lease payments	-	35,506	-
<b>Carrying value at 31 December 2023</b>	<b>559,098</b>	<b>(552,510)</b>	<b>(69,329)</b>

### Contractual maturity analysis of lease liabilities as at 31 December 2024

	Less than 3 months £	3 – 12 months £	1 – 5 Years £	Longer than 5 Years £	Total £
Lease liabilities	37,800	113,400	332,441	-	483,641