

Interim Results for the six months ended 31 December 2013

06/03/2014

INTERIM RESULTS FOR THE SIX MONTHS ENDED 31 DECEMBER 2013

Arcontech (AIM: ARC), the provider of products and services for real-time financial market data processing and trading, is pleased to report its unaudited results for the six months ended 31 December 2013.

Financial and business highlights:

- Turnover increased by 15% to £976,578 (six months to 31 December 2012: £848,101).
- Operating loss reduced by 74% to £68,976 (six months to 31 December 2012: £262,850).
- Annual run-rate of recurring revenues at 31 December 2013 amount to £1.9 million (2012: £1.7 million) and cover 94% of the cost base.
- Net cash of £0.7 million at 31 December 2013.

Richard Last, Chairman of Arcontech Group, said:

“Arcontech has continued to make steady progress towards profitability, which we expect to continue in the second half of the year. The Group has an increasing pipeline of opportunities with both existing and potential new customers, which gives us confidence that the business remains on track to continue to deliver improvements in operational performance.”

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To access more information on the Group please visit: <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

Turnover for the Group for the six month period to 31 December 2013 increased by 15% to £976,578 (six month period to 31st December 2012: £848,101). Of this, £962,378 (99%) relates to recurring annual licence fees (six month period to 31 December 2012: £818,145 (96%)) and £14,200 (1%) relates to support revenues (six month period to 31 December 2012: £29,956 (4%)). The operating loss for the period was £68,976, 74% lower than the corresponding six month period to 31 December 2012 (£262,850).

Significant progress has been made in the six months to 31 December 2013 to improve the operating efficiency and level of costs in the business, the full benefit of which will not be seen until the fourth quarter of this financial year. The sales cycle remains longer than we would like, the first half has been one of primarily consolidating our relationships with our existing customers and increasing the size of our order pipeline. The annual run-rate of recurring revenues at 31 December 2013 was £1.9 million (31 December 2012: £1.7 million). As a result of this increase and the reduction in our operating costs recurring revenues now cover 94% of the cost base.

Financing

As at 31 December 2013 the Group had net cash balances of £664,098 (31 December 2012: £602,157). As a result of the

timing of contract renewals our net cash as at 31 January 2014 increased to £839,530.

Employees

I should like to thank all of our employees for their continued hard work and support over the last six months, without which it would not have been possible to achieve the operating efficiencies that have enabled the business to continue to move towards profitability.

Outlook

Arcontech has continued to make steady progress towards profitability, which we expect to continue in the second half of the year. The Group has an increasing pipeline of opportunities with both existing and potential new customers, which gives confidence that the business remains on track to continue to deliver improvements in operational performance.

Richard Last
Chairman