

ARCONTECH GROUP PLC

("Arcontech" or the "Group")

INTERIM RESULTS FOR THE SIX MONTHS ENDED 31 DECEMBER 2025

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 2025.

Overview:

- Revenue decreased by 4.7% to £1,439,382 (H1 2024: £1,511,346) with recurring revenues down by 3% and one-off revenues down by 69%
- Recurring revenues represented 99% of total revenues for the period (H1 2024: 97%)
- Adjusted EBITDA* decreased by 23.6% to £341,239 (H1 2024: £446,513) as the result of the revenue decrease noted above and continuing investment in staff

(* *adjusted ebitda is defined as operating profit before depreciation, amortisation, share based payments and releases of historic accruals relating to administrative expenses*)

- Profit before tax decreased by 23.8% to £394,622 (H1 2024: £518,166)
- Net cash of £7,774,037 at 31 December 2025, up 8.4% (H1 2024: £7,166,839)

Geoff Wicks, Chairman of Arcontech, said:

"With our strong pipeline we are confident that we will build back lost business and return to growth next year."

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To access more information on the Group please visit: 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's revenue was lower in the first half of this financial year with a net reduction in annual contracted revenue due to the loss of a long-standing customer and some downsizing coupled with a drop in one-off revenues. Churn is inevitable but we have been very successful maintaining our excellent customer base with a material proportion on multi-year contracts.

We are now unlikely to make up the recurring revenue loss in the year which has been further impacted by lower levels of one-off revenue. We noted in our last full year's statement that one-off revenue was exceptionally high and not expected to continue at the previous year's levels.

Overall, given our strong pipeline we expect the recurring revenue run rate to recover around the end of the financial year. We have won a prestigious new customer with another in the last stages of contract negotiation and while our pipeline is strong lead times continue to be long. There are a number of very good prospects in advanced stages of the sales process and we are seeing growth in some existing customers enabling us to remain confident about the future.

Revenue was £1.44 million, down 4.7% on the same period last year, Profit before tax ("PBT") was £0.39 million, down 23.8% on the same period last year. Profit before tax was £0.39 million, down 24% on the previous year.

Financing

Our balance sheet remains robust with net cash of £7.8 million, £0.6 million higher than at 31 December 2024. This strong position allows us to continue to invest in our development team to ensure the work needed to bring on new customers is done efficiently. It also supports our strategy to look for new areas of business in order to augment growth in our core market.

The Board's objective for capital allocation is to deploy the Company's financial resources in a manner that maximises long-term shareholder value while maintaining financial strength, flexibility, and investment capacity. We continue to assess our policy taking into account business performance, capital requirements and shareholder expectations.

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 full year results.

Outlook

With our strong pipeline we are confident that we will build back lost business and return to growth next year.

Geoff Wicks
Chairman and Non-Executive Director

GROUP INCOME STATEMENT AND STATEMENT OF COMPREHENSIVE INCOME

Note	Six months ended 31 December 2025 (unaudited) £	Six months ended 31 December 2024 (unaudited) £	Year ended 30 June 2025 (audited) £
Revenue	1,439,382	1,511,346	3,106,991
Administrative costs	(1,141,483)	(1,109,882)	(2,328,438)
Operating profit	497,899	401,464	778,553

Operating profit	207,000	701,707	170,000
Finance income	114,336	139,066	249,816
Finance costs	(17,613)	(22,364)	(40,979)
Profit before taxation	394,622	518,166	987,390
Taxation	6	-	(43,960)
Profit for the period after tax	394,622	518,166	943,430
Total comprehensive income	394,622	518,166	943,430
Profit per share (basic)	2.95p	3.87p	7.05p
Adjusted* Profit per share (basic)	2.77p	3.70p	6.70p
Profit per share (diluted)	2.94p	3.85p	7.02p
Adjusted* Profit per share (diluted)	2.76p	3.68p	6.67p

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

	Note	31 December 2025	31 December 2024	30 June 2025
		(unaudited) £	(unaudited) £	(audited) £
Non-current assets				
Goodwill		1,715,153	1,715,153	1,715,153
Property, plant and equipment		7,588	10,220	7,964
Right of use asset	12	335,459	447,279	391,369
Deferred tax asset		336,000	358,000	336,000
Trade and other receivables	9	<u>141,750</u>	<u>141,750</u>	<u>141,750</u>
Total non-current assets		<u>2,535,950</u>	<u>2,672,402</u>	<u>2,592,236</u>
Current assets				
Trade and other receivables	9	464,415	821,336	833,462
Cash and cash equivalents		<u>7,774,037</u>	<u>7,166,839</u>	<u>7,395,514</u>
Total current assets		<u>8,238,452</u>	<u>7,988,175</u>	<u>8,228,976</u>
Current liabilities				
Trade and other payables	10	(488,910)	(594,088)	(681,562)
Deferred income		<u>(1,247,327)</u>	<u>(1,221,194)</u>	<u>(910,517)</u>
Lease liabilities	12	<u>(124,641)</u>	<u>(114,893)</u>	<u>(119,668)</u>
Total current liabilities		<u>(1,860,878)</u>	<u>(1,930,175)</u>	<u>(1,711,747)</u>
Non-current liabilities				
Lease liabilities	12	(244,107)	(368,748)	(307,696)
Provisions		<u>(70,000)</u>	<u>(70,000)</u>	<u>(70,000)</u>
Total non-current liabilities		<u>(314,107)</u>	<u>(438,748)</u>	<u>(377,696)</u>
Net current assets		<u>6,377,574</u>	<u>6,058,000</u>	<u>6,517,229</u>
Net assets		<u>8,599,417</u>	<u>8,291,654</u>	<u>8,731,769</u>
Equity				
Share capital		1,671,601	1,671,601	1,671,601
Share premium account		115,761	115,761	115,761
Share option reserve		331,626	340,668	323,688
Retained earnings		<u>6,480,429</u>	<u>6,163,624</u>	<u>6,620,719</u>

8,599,417 8,291,654 8,731,769

GROUP CASH FLOW STATEMENT

	Note	Six months ended 31 December 2025 (unaudited) £	Six months ended 31 December 2024 (unaudited) £	Year ended 30 June 2025 (audited) £
Cash generated from operating activities	11	860,247	432,237	667,719
Tax paid	6	-	-	(61,304)
Net cash generated from operating activities		860,247	432,237	606,415
Investing activities				
Interest received		114,725	137,775	249,816
Purchases of plant and equipment		(2,921)	(7,840)	(9,107)
Net cash generated from investing activities		111,804	129,935	240,709
Financing activities				
Dividends paid		(534,912)	(501,479)	(501,480)
Payment of lease liabilities		(58,616)	(54,031)	(110,307)
Net cash used in financing activities		(593,528)	(555,510)	(611,787)
Net increase in cash and cash equivalents		378,523	6,662	235,337
Cash and cash equivalents at beginning of period		7,395,514	7,160,177	7,160,177
Cash and cash equivalents at end of period		7,774,037	7,166,839	7,395,514

GROUP STATEMENT OF CHANGES IN EQUITY

	Share capital £	Share premium £	Share-option reserve £	Retained earnings £	Total £
At 1 July 2024	1,671,601	115,761	330,746	6,146,937	8,265,045
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)
At 31 December 2024	1,671,601	115,761	340,668	6,163,624	8,291,654

Profit for the period	-	-	-	425,263	425,263
Total comprehensive income for the period	-	-	-	425,263	425,263
Share-based payments	-	-	14,852	-	14,852
Transfer between reserves	-	-	(31,832)	31,832	-
Total transactions with owners	-	-	(16,980)	31,832	14,852
At 30 June 2025	1,671,601	115,761	323,688	6,620,719	8,731,769
Profit for the period	-	-	-	394,622	394,622
Total comprehensive income for the period	-	-	-	394,622	394,622
Dividends paid	-	-	-	(534,912)	(534,912)
Share-based payments	-	-	7,938	-	7,938
Total transactions with owners	-	-	7,938	(534,912)	(526,974)
At 31 December 2025	1,671,601	115,761	331,626	6,480,429	8,599,417

NOTES TO THE FINANCIAL INFORMATION

1. The figures for the six months ended 31 December 2025 and 31 December 2024 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 2025. 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 2026 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 2025 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 2025, 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 1st Floor 11-21 Paul Street, London, EC2A 4JU or from the Company's website at 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 2024: £23,806; 30 June 2025: £47,611).
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 2025 of 13,372,811 (31 December 2024: 13,372,811 30 June 2025: 13,372,811).

The number of dilutive shares under option at 31 December 2025 was 38,618 (31 December 2024: 76,017; 30 June 2025: 63,570). 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 2025 of 4.00 pence per share (2024: 3.75 pence per share) was paid on 31 October 2025.

8. The Directors have elected not to apply IAS 34 Interim financial reporting.

9. Trade and other receivables

	31 December 2025 £ (unaudited)	31 December 2024 £ (unaudited)	30 June 2025 £ (audited)
Due within one year:			
Trade and other receivables	292,830	628,762	659,197
Prepayments and accrued income	171,585	192,574	174,265
	464,415	821,336	833,462

	31 December 2025 £ (unaudited)	31 December 2024 £ (unaudited)	30 June 2025 £ (audited)
Due after more than one year:			
Other receivables	141,750	141,750	141,750
	141,750	141,750	141,750

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

	31 December 2025 £ (unaudited)	31 December 2024 £ (unaudited)	30 June 2025 £ (audited)
Trade payables	45,808	88,874	64,882
Other tax and social security payable	143,554	169,864	75,759
Other payables and accruals	299,548	335,350	540,921
	488,910	594,088	681,562

11. Cash generated from operations

	Six months ended 31 December 2025 (unaudited) £	Six months ended 31 December 2024 (unaudited) £	Year ended 30 June 2025 (audited) £
Operating profit	297,899	401,464	778,554
Depreciation charge	59,207	58,933	118,367
Non-cash share option charges	7,938	9,922	24,774
Lease interest charge	(16,984)	(21,569)	(40,891)
Other interest charge	(629)	(795)	(88)

Decrease / (increase) in trade and other receivables	368,658	(133,039)	(156,394)
Increase / (decrease) in trade and other payables	144,158	117,321	(56,603)
Cash generated from operations	860,247	432,237	667,719

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 2025	391,369	(427,364)	-
Depreciation	(55,910)	-	(55,910)
Interest	-	(16,984)	(16,984)
Lease payments	-	75,600	-
Carrying value at 31 December 2025	335,459	(368,748)	(72,894)

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

Contractual maturity analysis of lease liabilities as at 31 December 2025

	Less than 3 months £	3 - 12 months £	1 - 5 Years £	Longer than 5 Years £	Total £
Lease liabilities	37,800	86,841	244,107	-	368,748

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