AUCTION TECHNOLOGY GROUP PLC

INTERIM RESULTS FOR THE SIX MONTHS ENDED 31 MARCH 2024

London, United Kingdom, 16 May 2024 – Auction Technology Group plc (“ATG”, “the Company”, “the Group”) (LON: ATG), operator of world-leading marketplaces for curated online auctions, today announces its unaudited financial results for the six months ended 31 March 2024.

For FY24 and subsequent financial periods, the Group has changed the presentational currency in which the Group presents its financial results from pound sterling to US dollars.

Financial results

	HY24	**HY23**	**Movement**	**Organic[2]**
Revenue[1&2]	**$86.0m**	$80.8m	+6%	1%
Adjusted EBITDA[1]	**$35.7m**	$37.8m	(6)%	
Adjusted EBITDA margin %[1]	**42%**	47%	(5)ppt	
Operating profit	**$10.5m**	$11.8m	(11)%	
Operating margin %	**12%**	15%	(3)ppt	
Adjusted diluted earnings per share[1]	**16.6c**	19.2c	(14)%	
Basic earnings per share	**5.3c**	11.6c	(54)%	
Adjusted net debt[1]	**$141.6m**	$163.7m	$(22.1)m	
Cash generated by operations	**$27.6m**	$29.4m	(6)%	

Financial highlights

- Revenue of $86.0m up 6%, driven by continued strong growth in value-added services, event fees and the contribution from EstateSales.Net (“ESN”). Revenue up 1% on an organic basis, including marketplace revenue growth of 2%.
- Adjusted EBITDA of $35.7m, down 6% and adjusted EBITDA margin of 42% down 5ppt, impacted by a higher mix of lower-margin shipping and payments revenue, a lower mix of higher-margin commission revenue and the phasing of costs in the year.
- Operating profit of $10.5m, down 11% year-on-year driven by the change in revenue mix and phasing of costs through the year. 8% increase in administrative costs includes a full period contribution from ESN.
- Adjusted diluted earnings per share of 16.6c, down 14% primarily due to the decrease in adjusted EBITDA; basic earnings per share of 5.3c compared to 11.6c, driven by lower operating profit and a lower tax credit, partially offset by lower net finance costs.
- Strong adjusted free cash flow generation of $27.7m was offset by the timing of payments, including the final consideration and bonuses for ESN of $12m paid in the half. As a result, closing adjusted net debt of $141.6m was in line with $141.2m at FY23 year-end and adjusted net debt/adjusted EBITDA ratio slightly increased to 1.9x from 1.8x at FY23 year end.

Operational highlights

- Group take rate[3] excluding ESN up 0.7ppt to 3.9%, driven by growth in value-added services, event fees and marketplace mix.
- Strong growth in value-added services, with revenue up 44% and now accounting for 23% of the Group’s revenue. Contribution across all three services (Payments – “atgPay”, shipping – “atgShip”, Digital Marketing - “atgAMP”): 59% of auctioneers use a paid-for auctioneer digital marketing solution, 94% of US based LiveAuctioneers and 48% of Proxibid auctioneers onboarded to atgPay by end of March, and around 10,000 lots shipped with atgShip in the half.
- Gross Merchandise Value (“GMV”) of $1.9bn down 17% year-on-year, impacted by the previously highlighted normalisation of used Industrial & Commercial (“I&C”) asset prices, a lower conversion rate, and weaker end markets in Art & Antiques (“A&A”). GMV down 9% when excluding the impact from the rotated volume which had high service requirements but minimal revenue contribution as described in our FY23 results. Improving momentum in GMV on Proxibid in March and April.
- Positive results in the early stages of the rollout of atgXL, our new cross-listing offering, combined with strong uptake of ATG’s white label solution. With limited distribution, atgXL has provided auctioneers with a 9% uplift in GMV on average when an auction is cross-listed.
- Very strong period-on-period revenue growth at ESN with a positive response to cross-listing ESN with other ATG marketplaces.

John-Paul Savant, Chief Executive Officer of Auction Technology Group plc, said:
“ATG is executing against the investments we are making and where we’ve invested, we are growing. Our focus in FY22 and FY23 was upgrading the online auction user experience through the rollout and growth of value-added services, and as outlined in December 2023, in FY24 we are now focused on initiatives that drive GMV. We launched atgXL, our new cross-listing offering, that further differentiates our proposition for auctioneers and bidders and enhances our network effect. Since the launch of these new products, we have been very pleased with the auctioneer response, the trends in bidder activity as well as the differentiation this gives ATG’s white label over competing white labels . This differentiation hinges on an auctioneer’s ability to run a white label whilst simultaneously cross-listing onto multiple ATG marketplaces, all from a single work flow, thus lowering operating costs and giving the auctioneer greater exposure to bidders for minimal effort. The strong momentum that we are seeing from our strategic programmes, as well as the improved trajectory in Proxibid, gives us confidence in revenue acceleration in the second half of FY24.”

Current trading and outlook

Trading in the first six weeks of the second half has been in line with the guidance communicated in our trading update on 16 April 2024. We are therefore maintaining our full year outlook for Group revenue to be in the range of $175m-$180m, implying a mid-point growth rate of 7%, including organic revenue growth of 2% - 5%. We expect improvement in organic revenue growth in the second half driven by continued strong growth from our strategic programmes including atgXL, atgShip and atgPay, and improving GMV momentum on the Proxibid marketplace, as seen in March and April, in conjunction with the easing of year-on-year comparatives. We maintain our full year adjusted EBITDA margin guidance of 46%, supported by the phasing of costs through the year and a higher mix of high-margin commission revenue in the second half.

Webcast presentation

There will be a webcast presentation this morning at 9.30am. Please contact ATG@teneo.com if you would like to attend.

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About Auction Technology Group plc

Auction Technology Group plc ("ATG") is the operator of world-leading marketplaces and auction services for curated online auctions, seamlessly connecting bidders from around the world to around 4,000 trusted auction houses across two major sectors: Industrial & Commercial ("I&C") and Art & Antiques ("A&A").

The Group powers eight online marketplaces and listing sites using its proprietary auction platform technology, hosting in excess of 85,000 live and timed auctions each year. ATG has been supporting the auction industry since 1971 and the Group has offices in the UK, US and Germany.

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1. The Group provides alternative performance measures ("APMs") which are not defined or specified under the requirements of UK-adopted International Accounting Standards. We believe these APMs provide readers with important additional information on our business and aid comparability. We have included a comprehensive list of the APMs in note 3 to the Condensed Consolidated Interim Statements, with definitions, an explanation of how they are calculated, why we use them and how they can be reconciled to a statutory measure where relevant.
2. The Group has made certain acquisitions that have affected the comparability of the Group's results. To aid comparisons between HY24 and HY23, organic revenue has been presented to exclude the acquisition of EstateSales.Net on 6 February 2023. Organic revenue is shown on a constant currency basis using average exchange rates for the current financial period applied to the comparative period and is used to eliminate the effects of fluctuations in assessing performance.
3. Refer to glossary for full definition of the terms. GMV and Take Rate exclude the impact of the acquisition of ESN.

CEO REVIEW

ATG's HY24 results highlight the progress we have made in diversifying revenue and opening up new growth opportunities through execution against each of our six strategic growth drivers. Value-added services have continued to grow strongly and we are pleased with the early results from atgXL, which differentiate ATG's offering to auction houses and bidders alike. As we integrate our assets with atgXL, whilst improving the end-to-end user experience by rolling out atgShip, atgPay and atgAMP, we are increasingly differentiating our offering to provide a seamless experience that raises online auctions to ecommerce standards. The success of these investments, as well as the improving momentum in GMV in March and April gives us confidence that our rate of revenue growth will accelerate in the second half and into FY25. As we begin the second half of FY24, ATG is a stronger company with an increasingly differentiated set of assets.

1. Expand the total addressable market

In the first half of FY24, both auctioneers and bidders continued to trust ATG as the platform to deliver value for online auctions. The total number of auctioneers on our marketplaces remains robust at just under 4,000, with the number of auctions facilitated in the half increasing 3% to 44,000 and the number of lots listed growing 7% to 12.6m. We hosted 185m bidding sessions, up 15%, benefiting from investments we had made into search engine optimisation in FY23 as well as from promising initial results from new bidder loyalty programmes.

Despite this positive volume backdrop, Total Hammer Value ("THV") continued to be impacted by the macroeconomic environment with Group THV down 7% at constant currency to $6.7bn. In A&A, THV was 5% lower at $2.8bn and included the negative impact from the timing of Easter in HY24 which tends to be a slower period for A&A auctions. In I&C, THV was 9% lower at $3.9bn, which was largely expected given the impact of the low margin high service volume we rotated and the normalisation of used asset prices following a period of elevated prices in the prior year. In the second half, we expect these factors to have a lower impact on the rate of our THV growth due to the easing of asset price normalisation as well as the end of the year-on-year impact from the rotated volume.

2. Grow the conversion rate

Our confidence in ATG's ability to grow the conversion rate is even stronger off the back of the early results seen from atgXL and our integrated white label. More bidders easily accessed by auctioneers drive an uplift in bidding, GMV and thus conversion rate. As we make it even easier for auctioneers to work with all of ATG's assets in a seamless way, as well as offering a convenient and price competitive solution for bidders, we still see significant potential to grow our conversion rate over the medium term. In the first half, progress was impacted by short term factors, largely in the I&C sector, and which we now see steadily reversing, benefiting also from the promotion of our integrated white label product. Auctioneers representing 16% of Proxibid GMV have now taken up the ATG white label since the start of January, demonstrating the attractiveness of our integrated cross-listing solution and providing an incremental GMV opportunity. These strategic actions, as well as the easing of year-on-year comparatives, are driving an improvement in momentum on Proxibid GMV since the start of the second half.

For A&A, the conversion rate was flat at 15% having now stabilised post the Covid-19 period. In the half, our new rate cards incentivise the adoption of timed online-only auctions, where we have a 100% conversion rate, as well as the adoption of ATG's value-add services. We have seen positive initial results, including a 29% increase in THV derived from timed auctions for TheSaleroom.

3. Enhance the network effect

In the first six months of HY24, we have made great progress in our strategy to drive differentiated value from our unique network of multiple marketplaces through the rollout of atgXL. atgXL enables an auctioneer to upload their inventory on an ATG marketplace or an ATG white label and then to expose that inventory across other ATG marketplaces. It gives auctioneers running timed auctions exposure to a wider pool of bidders and it gives bidders access to a great selection of inventory without having to hunt across multiple sites. Our updated rate cards have provided a fixed fee incentive for auctions run with atgXL. As noted above, this product also differentiates the ATG white label as it is the only white label in the market that lets an auctioneer preserve his/her own brand while also accessing the larger bidder base of an aggregator marketplace. A common average commission rate between an ATG white label and the cross-listed ATG marketplace makes bidders and ATG increasingly agnostic between the different channels. Since launch, around 800 atgXL auctions have been run, with over $100m of GMV generated from these events. Auctioneers are seeing high value when they cross-list with an average 9% uplift in GMV for a cross-listed event.

4. Expand operational leverage

We continue to improve on our hub and spoke operating model that provides ATG with exceptional leverage. Following the retirement of our CPO in January, we are delighted to welcome Megan Schoen to ATG, who was formerly CPO at Shutterstock, and who brings with her deep product and marketing experience from a two-sided global marketplace, leveraging data to create better experiences for sellers and buyers. In HY24 we also reorganised our North America product and marketing teams to ensure greater focus and more streamlined decision making. With a view to retaining operating leverage in the future, even as we scale our product and engineering capabilities, in January we opened a new ATG Tech Hub international office in Mexico. Here, we have high quality engineers at a cost that allows us to add capacity more quickly and cost effectively. In the first half, focus within this project was on the development and rollout of cross-listing products.

5. Grow the take rate via value-added services
In HY24, the Group take rate increased 0.7ppt to 3.9%, largely driven by value-added services where revenue grew 44% on a constant currency basis and which now accounts for 23% of total revenue.

atgAMP (paid-for digital marketing) revenue growth remained strong with 59% of auctioneers having used a marketing solution in the half, up from 56% last year, and 30% of auction events supported by atgAMP, up 3ppt year-on-year. Average spend per marketing event increased, including by 14% on Proxibid and 31% on Bidspotter.com. In the half we introduced subscription packages for advertising products as well as new self-serve features. The return on investment on marketing spend for an auctioneer is compelling with auctions supported by marketing delivering around 2x to 3x the number of browsers per auction and 1.5x to 2x the number of auction registrations, versus an auction without any atgAMP support.

atgPay revenue also grew in the period. On LiveAuctioneers, we reached 94% of US auctioneers onboarded by the end of March, whilst the penetration of atgPay in US Gross Transaction Value averaged 61% throughout the period. The onboarding of Proxibid auctioneers to atgPay has progressed, reaching 48% by the end of March, highlighting the significant future potential for payments on I&C marketplaces. Our current atgPay product for Proxibid is suited for lower value card payments and further expansion depends on additional feature developments that we will work on in 2H24 and 1H25.

atgShip, our new integrated shipping solution on LiveAuctioneers, grew strongly with over 270 auctioneers onboarded and with 9% of US listed items eligible for shipping by the end of March. Around 10,000 lots were shipped through atgShip in the half. Additional features to expand the addressable market are being rolled out in June and July to help sustain momentum in this exciting new product. Almost 40% of bidders in a survey listed integrated shipping as the best thing that LiveAuctioneers could do to improve the experience for them and ATG is pleased to have been able to respond and see the early results. We are encouraged by the early signs of favourable marketplace bidder dynamics when shipping is offered. Auction houses offering shipping at the start of the programme saw on average an 10% increase in auction registrations and a 9% increase in the number of bidders. These auctions also saw a 6% improvement in the conversion rate for ATG demonstrating the enhanced bidder experience offered on an ATG platform.

6. Pursue accretive M&A
ESN delivered another period of very strong performance, growing revenues 36% in the half versus the same six month period a year ago. Improvements to the subscription funnel, refinements to pricing, a more visible presence for ESN in the estate sales community combined with excellent commercial execution by the team to shift estate sellers to regional and national advertising features versus lower priced local features, is driving these results. A key thesis behind our ESN acquisition was the impact of cross-listing their 180m visitor sessions on our other marketplaces. We have begun to cross-list ESN and LiveAuctioneers, and as of March 2024, 12% of auctions on LiveAuctioneers were cross-listed on ESN, with buyers originating from ESN driving on average a 9% GMV uplift on the auctions they are participating in. Our successes in these early days highlight the significant opportunity available to us to further drive the network effect between ATG and ESN's complementary buyer bases.

Summary
We have demonstrated that executing the marketplace playbook works for the auction industry. 44% growth in value-added services demonstrates both the high return on investment we offer auctioneers and our ability to monetize more around the core transaction. The initial success of atgXL, including the 9% uplift in GMV, differentiates ATG from all the competition and accelerates our network effect, keeping the cost of customer acquisition low while driving incremental performance. The strong revenue growth at ESN shows how acquisitions add to ATG's scale and accelerate our network effect, whilst also highlighting that ATG buyers can come from all sectors of the secondary goods market, and not just from auctions. The strength of these initiatives, combined with the improvement momentum we are seeing as we begin the second half, gives us confidence in our outlook and builds excitement for ATG's future.

John-Paul Savant
Chief Executive Officer

CFO REVIEW

Group presentation of results

The financial results for HY24 are presented for the six months ended 31 March 2024. The Group has changed the presentational currency from pound sterling to US dollars for FY24 and future financial periods. Note 1 of the Condensed Consolidated Interim Financial Statements provides further details on the change in presentation currency.

On 6 February 2023, the Group completed its acquisition of Vintage Software LLC., trading as EstateSales.NET ("ESN"), for a consideration of $40m. The results for ESN are included within the A&A operating segment. The impact of the acquisition affects the comparability of the Group's results. Therefore, to aid comparisons between HY23 and HY24, organic revenue growth is presented to exclude the acquisition of ESN on 6 February 2023. Organic revenue is shown on a constant currency basis, using average exchange rates for the current financial period applied to the comparative period and is used to eliminate the effects of foreign exchange fluctuations in assessing performance. Note 3 of the Condensed Consolidated Interim Financial Statements includes a full reconciliation of all APMs presented to the reported results for HY24 and HY23.

Revenue

	HY24 $m	HY23 $m	Movement Reported	Movement Organic
Art & Antiques ("A&A")	44.6	38.2	17%	5%
Industrial & Commercial ("I&C")	35.2	35.8	(2)%	(2)%
Total marketplace	**79.8**	**74.0**	**8%**	**2%**
Auction Services	4.4	5.0	(12)%	(13)%
Content	1.8	1.8	-	(4)%
Total	**86.0**	**80.8**	**6%**	**1%**

Group

Group revenue increased 6% year-on-year to $86.0m, driven by growth in marketplace revenue and the acquisition of ESN. On an organic basis, revenue grew 1%, with 2% growth in marketplace revenue partially offset by declines in both Auction Services and Content. Marketplace revenue growth was primarily driven from value-added services and event fees, which offset a decline in commission revenue, down 9% on an organic basis. Commission revenue was driven by a 17% decline in GMV across our marketplaces, partially offset by a favourable mix of average commission rates including a higher contribution from A&A.

Art & Antiques

A&A revenue increased 17% to $44.6m and includes the contribution from ESN. On an organic basis, A&A revenue grew 5%, predominantly driven by the continued strong adoption of value-added services, including atgPay and atgShip. This growth in value-added services combined with the impact of higher event fees, partly driven by new rate cards on A&A marketplaces, resulted in a 1.2ppt increase in the take rate to 9.5% (excluding the ESN acquisition). A&A marketplaces saw encouraging early signs from the rollout of atgXL, which incentivises both the adoption of timed auctions as well as the adoption of an ATG white label product. These strategic initiatives partially offset GMV which declined 8%, largely driven by the weaker market backdrop including the timing of Easter, with the conversion rate broadly flat year-on-year. ESN continued to perform better than expected, driven by robust activity levels on the platform as well as by strategic initiatives to optimise pricing and marketing on the site.

Industrial & Commercial

I&C revenue declined 2% on a reported and on an organic basis to $35.2m. Whilst the Bidspotter platforms delivered strong organic growth driven from both stable GMV year-on-year and from the growth in value-added services, this was offset by the performance on Proxibid. As expected, Proxibid, one of the four operating units in I&C, was impacted by end market dynamics including the normalisation of used asset prices in some I&C categories and exceptional auction activity in the prior year. In addition, the conversion rate on Proxibid declined year-on-year partly due to the impact from a new rate card launched in April 2023. As we lap the impact of the rate card, we are pleased with the auctioneer response to our cross-listing offering, which is driving a strong adoption of ATG's white label by I&C auctioneers. I&C commission revenue decreased 12% in the first half driven by a 19% decline in I&C GMV, or 9% decline excluding the impact of the rotated volume which had high service requirement but minimum revenue contribution. Partially offsetting the decline in commission was the growth in both value-added services and event fees, which drove a 0.5ppt increase in the I&C take rate to 2.4%.

Auction Services

Auction Services revenue of $4.4m declined 12% on a reported and 13% on an organic basis, impacted by the strategic decision to pause additions to our existing white label solution as we develop a new cross-listing white label product, which is now live and for which we have seen strong demand. Through the rollout of cross-listing and the better integration of our white label solutions, we would expect ATG to increasingly become the preferred provider for white label solutions.

Content
Content revenue was broadly flat year-on-year as growing subscription revenue offset declining advertising volumes.

Financial performance

	Reported		
	HY24 $m	**HY23 $m**	**Movement**
Revenue	**86.0**	**80.8**	6%
Cost of sales	(28.1)	(25.6)	10%
Gross profit	**57.9**	**55.2**	**5%**
Administrative expenses	(47.4)	(44.0)	(8)%
Other operating income	-	0.6	(100)%
Operating profit	**10.5**	**11.8**	**(11)%**
Adjusted EBITDA (as defined in note 3)	**35.7**	**37.8**	**(6)%**
Finance income	0.2	0.1	100%
Finance cost	(7.6)	(11.3)	(33)%
Net finance costs	**(7.4)**	**(11.2)**	**34%**
Profit before tax	**3.1**	**0.6**	**417%**
Income tax credit	3.4	13.4	(75)%
Profit for the period attributable to the equity holders of the Company	**6.5**	**14.0**	**(54)%**

Operating profit
The Group reported an operating profit of $10.5m compared to $11.8m in the prior period. The increase in revenue was offset by an increase in cost of sales, largely related to the growth in lower margin value-added services, as well as an increase in administrative expenses.

Gross profit increased 5% to $57.9m, with the gross profit margin down 1ppt year-on-year impacted by the growth in lower margin value-added services. Administrative expenses increased by $3.4m to $47.4m and include a share-based payment expense of $4.6m which is broadly in line with the prior year (HY23: $4.7m). It also includes $0.8m of exceptional costs related to the final costs from the acquisition of ESN (HY23: $2.1m) and amortisation of acquired intangible assets of $13.9m (HY23: $13.1m). Excluding the impact from the one-off exceptional costs, amortisation of acquired assets and share-based payments, administrative expenses increased $4.0m year-on-year reflecting a full period cost contribution from ESN, annual pay increases and an increase in the level of expected credit losses in the period. In HY24 there are costs associated with the reorganisation of the product and marketing teams and the establishment of the cost efficient technology hub in Mexico, which should not repeat in the second half.

Adjusted EBITDA
Adjusted EBITDA definitions and reconciliations to the reported results are presented in note 3 of the Condensed Consolidated Interim Financial Statements.

Adjusted EBITDA decreased from $37.8m in HY23 to $35.7m and the adjusted EBITDA margin declined 5ppt to 42%, impacted by an increase in low margin value-added services revenue, the decline of high margin commission revenue in addition to the phasing of costs in the year.

Net finance costs
Net finance costs were $7.4m compared to $11.2m in HY23. Costs include the impact of a $0.6m non-cash foreign exchange loss versus a $4.8m non-cash foreign exchange loss in HY23 related to intergroup balances. Excluding this impact, finance costs increased to $7.0m (HY23: $6.5m). In the half the Group paid $9.3m of the Senior Term Facility and drew down $9.5m on the Revolving Credit Facility to fund the payments related to the ESN, of which $2.0m was subsequently repaid, resulting in a decrease to our outstanding loan balance to $147.2m as at 31 March 2024. The lower average loan balance was offset by a higher average interest rate of 8%. Other finance costs of $0.6m (HY23: $0.4m) include commitment fees and loan origination amortisation on our Senior Facility, movement in the deferred consideration as well as interest on lease liabilities. Finance income of $0.2m primarily relates to interest income in the year (HY23: $0.1m).

Profit before tax

After the impact of lower net finance costs year-on-year, the Group reported a profit before tax of $3.1m (HY23: $0.6m).

Taxation

The overall tax credit for the period was $3.4m (HY23: $13.4m credit), as tax on profit in the year was offset by a $2.9m deferred tax credit on unrealised foreign exchange differences (HY23: $9.1m) and a $1.2m credit from foreign exchange differences on US dollar denominated intra-group balances which are not taxable for US tax purposes (HY23: $3.8m). The unrealised foreign exchange differences were not recognised in the Group's profit for the half year due to differences in the functional currency basis under tax and accounting rules for the US holding entities. This compares to a tax credit of $13.4m in HY23 largely driven by the deferred tax credit. The Group's effective tax rate for HY24 of 109% (HY23: 138%) is higher than the UK tax rate due the deferred tax credit on the foreign exchange movements in the period. The tax rate on adjusted earnings of 19% reflects the increase in the UK corporate tax rate to 25% from 1 April 2023, our primary tax jurisdiction. The Group is committed to paying its fair share of tax and manages tax matters in line with the Group's Tax Strategy, which is approved by the Board and is published on our website www.auctiontechnologygroup.com.

Earnings per share and adjusted earnings per share

Basic and diluted earnings per share was 5.3c compared to 11.6c and 11.4c respectively in HY23, driven by the increase in profit before tax, offset by a lower tax credit compared to HY23. The weighted average number of shares in issue during the period was 121.6m (HY23: 120.8m shares), with the increase year-on-year driven, as expected, by the impact of vested equity incentive awards.

Adjusted diluted earnings per share was 16.6c compared to 19.2c in HY23 and is based on profit after tax adjusted to exclude share-based payment expense, exceptional items (operating and finance costs), amortisation of acquired intangible assets and any related tax effects. The decrease year-on-year is largely due to the decrease in adjusted EBITDA and an increase in the weighted average number of ordinary shares and dilutive options.

A reconciliation of the Group's diluted earnings per share to adjusted diluted earnings per share is set out in note 3.

Foreign currency impact

Although the Group has changed its presentational currency to US dollars, the Group's reported performance is sensitive to movements in both the pound sterling and the euro against the US dollar with a mix of revenues included in the table below.

Revenue	HY24 $m	HY23 $m
United Kingdom	12.7	11.7
USA	70.4	66.6
Germany	2.8	2.5
Total	**86.0**	**80.8**

The average HY24 exchange rate of US dollar against the pound weakened by 4.2% and by 1.9% against the euro compared to HY23, as shown in the table below.

	Average rate				Closing rate			
	HY24	**HY23**	**Movement**	**FY23**	**HY24**	**HY23**	**Movement**	**FY23**
Pound Sterling	1.25	1.20	4.2%	1.23	1.26	1.24	1.6%	1.22
Euro	1.08	1.06	1.9%	1.07	1.08	1.09	(0.9)%	1.06

The tax for the period was impacted by movements in foreign currency exchange rates, resulting in a movement in the tax credit of $4.1m. The weakening of the US dollar against the pound sterling over the six months has given rise to a gain of $0.1m on assets held and $5.2m on the external dollar loan. A net gain of $5.3m has been recognised in the foreign currency reserve.

Statement of financial position

Overall net assets at 31 March 2024 have increased by $15.3m to $661.8m since 30 September 2023. Total assets decreased by $14.1m, mainly driven by the amortisation of intangible assets of $19.1m and additions to internally developed software of $5.0m. There was also a $12.0m cash outflow related to the payment of deferred consideration of $10.0m and retention bonus of $2.0m for the ESN acquisition. At 31 March 2024, management undertook an impairment indicator test and determined a full impairment assessment should be performed. Based on the assessment it was concluded that no impairment was required at 31 March 2024, however, both the A&A and Auction Services cash generating units had limited headroom and were sensitive to a movement in any one of the key assumptions. Refer to note 9 for further details.

Total liabilities decreased by $29.4m to $209.7m, primarily due to a decrease in trade and other payables of $18.3m relating to the $12.0m payment of the ESN deferred consideration and retention bonuses, the timing of supplier payments and a decrease in deferred tax liabilities of $6.4m, largely driven by the movement on the unrealised foreign exchange differences and the unwind of the capitalised intangible assets.

Cash flow and adjusted net debt

The Group generated $27.6m cash from operations which was slightly lower than the prior period (HY23: $29.4m), due to the decrease in high margin revenue and a working capital outflow. $5.0m expenditure on additions to internally generated software (HY23: $4.7m) primarily relates to investment in new products such as atgPay and atgXL, spend on our search engine optimisation programme, as well as our programme to migrate to a single technology platform and is in line with our guidance provided in November 23. Excluding the impact from working capital from exceptional and other items, working capital was an outflow of $2.8m which relates to the timing and size of performance related payments in the half. In the period the Group paid $10.0m in deferred consideration and $2.0m in retention bonuses related to the ESN acquisition.

Adjusted net debt as at 31 March 2024 was $141.6m, a small increase from $141.2m as at 30 September 2023 although down from $163.7m as at 31 March 2023. In the half, operating cash flow generation was offset by additions to internally generated software, the timing of tax payments, in addition to the deferred consideration related to ESN. The Group had cash and cash equivalents excluding restricted cash of $5.6m and borrowings of $147.2m as at 31 March 2024 (31 March 2023: cash and cash equivalents excluding restricted cash $6.5m and borrowings of $170.2m). Restricted cash reduced by $3.0m due to the payment of restricted cash from the employee benefit trust as highlighted in the FY23 Annual Report and Accounts. The Group paid $9.3m of its Senior Term Facility during the period and there was a net $7.5m drawdown on the Revolving Credit Facility to fund the ESN payments. The adjusted net debt/adjusted EBITDA ratio was 1.9x as at 31 March 2024 versus 1.8x as at 30 September 2023, reflecting the timing of payments in the first half. We expect to de-lever our balance sheet over the remainder of FY24.

The Group's adjusted free cash flow was $27.7m (HY23: $26.0m) and had a conversion rate of 77% (HY23: 69%). The increase in the adjusted free cash flow conversion reflects a higher cash generated from operations when adjusted for the impact from the working capital movement in exceptional items, offset by a slightly higher spend on additions to internally generated software.

Reconciliation of cash generated from operations to adjusted free cash flow	**HY24** **$m**	**HY23** **$m**
Cash generated from operations	**27.6**	**29.4**
Adjustments for:		
Exceptional items	0.8	2.1
Working capital from exceptional and other items	4.4	(0.5)
Additions to internally generated software	(5.0)	(4.7)
Additions to property, plant & equipment	(0.2)	(0.3)
Adjusted free cash flow	**27.7**	**26.0**
Adjusted free cash flow conversion	**77%**	**69%**

Reconciliation of adjusted EBITDA to adjusted free cash flow

	HY24 **$m**	**HY23** **$m**
Adjusted EBITDA	**35.7**	**37.8**
Movement in working capital	(7.3)	(6.1)
Add back: working capital from exceptional and other times	4.4	(0.5)
Adjusted cash from operations	**32.8**	**31.2**
Additions to internally generated software	(5.0)	(4.7)
Additions to property, plant & equipment	(0.2)	(0.3)
Adjusted free cash flow	**27.7**	**26.0**
Adjusted free cash flow conversion	**77%**	**69%**

Risk and uncertainties

The Board retains ultimate responsibility for the Group's Risk Management Framework and continues to undertake ongoing monitoring to review the effectiveness of the Framework and ensure the principal risks of the Group are being appropriately mitigated in line with its risk appetite. The principal risks and uncertainties which could impact the Group for the remainder of the current financial year remain those detailed on pages 30 to 33 of the 2023 Annual Report available at www.auctiontechnologygroup.com.

A summary of the risks is included as follows:

1. IT infrastructure – stability and business continuity of auction platforms
2. IT infrastructure – inability to keep pace with innovation and changes
3. Data security/data loss
4. Competition
5. Failure to deliver expected benefits from acquisitions and/or integrate the business into the Group effectively
6. Attracting and retaining skills/capabilities and succession planning
7. Regulatory compliance
8. Governance and internal control
9. Economic and geo-political uncertainty

The Directors note that the global geopolitical outlook suggests continuing potential for short-term volatility and instability across markets. A number of these risks and uncertainties could have an impact on the Group's performance over the remaining six months of the financial year and could cause actual results to differ from expected and historical results.

Post balance sheet events

There were no post balance sheet events.

Related parties

Related party disclosures are detailed in note 14.

Going concern

In assessing the appropriateness of the going concern assumption, the Directors have considered the ability of the Group to meet the debt covenants and maintain adequate liquidity through the forecast period. The Group's forecasts and projections, taking account of reasonably possible changes in trading performance, show that the Group is able to operate comfortably within the level of its current facilities and meet its debt covenant obligations. For further details see note 1.

Sensitivities have been modelled to understand the impact of the various risks outlined above on the Group's performance and the Group's debt covenants/cash headroom, including consideration of a reasonable downside scenario. Given the current demand for services across the Group at the date of this report, the assumptions in these sensitivities, when taking into account the factors set out above, are considered to be unlikely to lead to a debt covenant breach or liquidity issues under both scenarios.

After making enquiries, the Directors have a reasonable expectation that the Group has adequate resources to continue in operational existence until at least 30 June 2025 and therefore it remains appropriate to continue to adopt the going concern basis in preparing the financial information.

Tom Hargreaves
Chief Financial Officer

Condensed Consolidated Statement of Profit or Loss and Other Comprehensive Income or Loss

for the six months ended 31 March 2024

	Note	**Unaudited six months ended 31 March 2024 $000**	Restated Unaudited six months ended 31 March 2023 $000	Restated Audited Year ended 30 September 2023 $000
Revenue	4,5	**86,022**	80,795	165,886
Cost of sales		**(28,128)**	(25,628)	(53,301)
Gross profit		**57,894**	55,167	112,585
Administrative expenses		**(47,382)**	(43,989)	(85,624)
Other operating income		**12**	612	666
Operating profit	4	**10,524**	11,790	27,627
Finance income	6	**148**	90	220
Finance cost	6	**(7,562)**	(11,299)	(19,183)
Net finance costs	6	**(7,414)**	(11,209)	(18,963)
Profit before tax	4	**3,110**	581	8,664
Income tax	7	**3,392**	13,445	11,879
Profit for the period attributable to the equity holders of the Company		**6,502**	14,026	20,543
Other comprehensive income/(loss) for the period attributable to the equity holders of the Company				
Items that may subsequently be transferred to profit and loss:				
Foreign exchange differences on translation of foreign operations		**115**	1,852	3,826
Fair value gain arising on hedging instruments during the period		**5,187**	16,019	14,478
Tax relating to these items		**(1,296)**	(3,525)	(3,186)
Other comprehensive income for the period, net of tax		**4,006**	14,346	15,118
Total comprehensive income for the period attributable to the equity holders of the Company		**10,508**	28,372	35,661
Earnings per share		**cents**	cents	cents
Basic	8	**5.3**	11.6	16.8
Diluted	8	**5.3**	11.4	16.7

The above results are derived from continuing operations.

The Consolidated Financial Statements for the six months ended 31 March 2023 and the year ended 30 September 2023 have been restated throughout to be presented in US dollars, as detailed in note 1.

Condensed Consolidated Statement of Financial Position

as at 31 March 2024

	Note	**Unaudited 31 March 2024 $000**	Restated Unaudited 31 March 2023 $000	Restated Audited 30 September 2023 $000
Assets				
Non-current assets				
Goodwill	9	**582,713**	580,188	578,572
Other intangible assets	9	**256,745**	282,943	269,729
Property, plant and equipment		**883**	870	874
Right of use assets		**3,524**	2,629	3,941
Trade and other receivables		**696**	111	138
Total non-current assets		**844,561**	866,741	853,254
Current assets				
Trade and other receivables		**20,182**	22,899	21,821
Tax asset		**1,175**	889	124
Cash and cash equivalents	10	**5,606**	9,428	10,416
Total current assets		**26,963**	33,216	32,361
Total assets		**871,524**	899,957	885,615
Liabilities				
Non-current liabilities				
Loans and borrowings	11	**(123,231)**	(170,197)	(132,923)
Tax liabilities		**(1,037)**	(1,320)	(976)
Lease liabilities		**(2,908)**	(2,048)	(3,240)
Deferred tax liabilities	12	**(43,189)**	(58,917)	(49,629)
Total non-current liabilities		**(170,365)**	(232,482)	(186,768)
Current liabilities				
Trade and other payables		**(13,934)**	(30,738)	(32,194)
Loans and borrowings	11	**(23,944)**	–	(15,688)
Tax liabilities		**(736)**	(731)	(3,779)
Lease liabilities		**(767)**	(749)	(731)
Total current liabilities		**(39,381)**	(32,218)	(52,392)
Total liabilities		**(209,746)**	(264,700)	(239,160)
Net assets		**661,778**	635,257	646,455
Equity				
Share capital	13	**17**	17	17
Share premium	13	**334,458**	334,099	334,458
Other reserve	13	**330,310**	330,310	330,310
Capital redemption reserve		**7**	7	7
Share option reserve		**30,497**	49,772	32,683
Foreign currency translation reserve		**(37,523)**	(43,258)	(42,825)
Retained earnings/(losses)		**4,012**	(35,690)	(8,195)
Total equity		**661,778**	635,257	646,455

Condensed Consolidated Statement of Changes in Equity

for the six months ended 31 March 2024

	Share capital $000	**Share premium $000**	**Other reserve $000**	**Capital redemption reserve $000**	**Share option reserve $000**	**Foreign currency translation reserve $000**	**Retained earnings /(losses) $000**	**Total equity $000**
1 October 2022 (restated see note 1)	17	334,045	330,310	7	46,313	(61,129)	(47,162)	602,401
Profit for the year	–	–	–	–	–	–	20,543	20,543
Other comprehensive income/(loss)	–	–	–	–	–	18,304	(3,186)	15,118
Total comprehensive income for the year	–	–	–	–	–	18,304	17,357	35,661
Transactions with owners:								
Shares issued	–	413	–	–	–	–	–	413
Options exercised related to previous business combination	–	–	–	–	(19,297)	–	19,297	–
Share-based payments	–	–	–	–	5,667	–	2,313	7,980
30 September 2023 (restated see note 1)	**17**	**334,458**	**330,310**	**7**	**32,683**	**(42,825)**	**(8,195)**	**646,455**
Profit for the period	**–**	**–**	**–**	**–**	**–**	**–**	**6,502**	**6,502**
Other comprehensive income/(loss)	**–**	**–**	**–**	**–**	**–**	**5,302**	**(1,296)**	**4,006**
Total comprehensive income for the period	**–**	**–**	**–**	**–**	**–**	**5,302**	**5,206**	**10,508**
Transactions with owners:								
Share-based payments	**–**	**–**	**–**	**–**	**(2,186)**	**–**	**7,001**	**4,815**
31 March 2024	**17**	**334,458**	**330,310**	**7**	**30,497**	**(37,523)**	**4,012**	**661,778**

Restated (see note 1) for the six months ended 31 March 2023

	Share capital $000	Share premium $000	Other reserve $000	Capital redemption reserve $000	Share option reserve $000	Foreign currency translation reserve $000	Retained losses $000	Total equity $000
1 October 2022 (restated see note 1)	17	334,045	330,310	7	46,313	(61,129)	(47,162)	602,401
Profit for the period	–	–	–	–	–	–	14,026	14,026
Other comprehensive income/(loss)	–	–	–	–	–	17,871	(3,525)	14,346
Total comprehensive income for the period	–	–	–	–	–	17,871	10,501	28,372
Transactions with owners:								
Shares issued	–	54	–	–	–	–	–	54
Share-based payments	–	–	–	–	3,459	–	971	4,430
31 March 2023 (restated see note 1)	17	334,099	330,310	7	49,772	(43,258)	(35,690)	635,257

Condensed Consolidated Statement of Cash Flows

for the six months ended 31 March 2024

	Note	**Unaudited six months ended 31 March 2024 $000**	Restated Unaudited six months ended 31 March 2023 $000	Restated Audited Year ended 30 September 2023 $000
Cash flows from operating activities				
Profit before tax		**3,110**	581	8,664
Adjustments for:				
Amortisation of acquired intangible assets	9	**16,117**	16,507	32,625
Amortisation of internally generated software	9	**2,944**	1,946	4,725
Depreciation of property, plant and equipment		**203**	193	391
Depreciation of right of use assets		**487**	571	1,099
Share-based payment expense		**4,620**	4,716	8,616
Finance income	6	**(148)**	(90)	(220)
Finance costs	6	**7,562**	11,299	19,183
Operating cash flows before movements in working capital		**34,895**	35,723	75,083
Decrease/(increase) in trade and other receivables		**1,235**	(4,809)	(3,956)
Decrease in trade and other payables		**(8,491)**	(1,545)	(450)
Cash generated by operations		**27,639**	29,369	70,677
Income taxes paid		**(8,894)**	(5,191)	(10,120)
Net cash from operating activities		**18,745**	24,178	60,557
Cash flows from investing activities				
Acquisition of subsidiaries, net of cash acquired		**–**	(30,010)	(30,004)
Additions to internally generated software	9	**(4,970)**	(4,690)	(10,765)
Payment for property, plant and equipment		**(205)**	(298)	(503)
Payment for right of use assets		**–**	–	(230)
Finance income received		**148**	90	220
Net cash used in investing activities		**(5,027)**	(34,908)	(41,282)
Cash flows from financing activities				
Payment of deferred consideration		**(10,000)**	–	–
Repayment of loans and borrowings		**(11,300)**	(58,264)	(80,014)
Proceeds from loans and borrowings		**9,500**	26,300	26,300
Interest element of lease payments		**(146)**	(73)	(232)
Capital element of lease payments		**(361)**	(531)	(964)
Issue of new share capital, net of share issue costs		**–**	54	413
Interest paid		**(6,306)**	(6,044)	(13,097)
Net cash used in financing activities		**(18,613)**	(38,558)	(67,594)
Cash and cash equivalents at beginning of the period		**10,416**	57,876	57,876
Net decrease in cash and cash equivalents		**(4,895)**	(49,288)	(48,319)
Effect of foreign exchange rate changes		**85**	840	859
Cash and cash equivalents at the end of the period		**5,606**	9,428	10,416

Notes to the Condensed Consolidated Interim Financial Statements

1. Accounting policies

General information
Auction Technology Group plc (the "Company") is a company incorporated in the United Kingdom under the Companies Act. The Company is a public company limited by shares and is registered in England and Wales.

These Condensed Consolidated Interim Financial Statements have been approved on 15 May 2024.

These Condensed Consolidated Interim Financial Statements for the period do not constitute statutory financial statements within the meaning of s434 of the Companies Act 2006. Statutory accounts for the year ended 30 September 2023 have been delivered to the Registrar of Companies. They are also available on the Group's website (www.auctiontechnologygroup.com). The audit report for those accounts was unqualified, did not draw attention to any matters by way of emphasis without qualifying the report and did not contain a statement under 498(2) or (3) of the Companies Act 2006. These Condensed Consolidated Interim Financial Statements have been reviewed and not audited.

Basis of preparation
These Condensed Consolidated Interim Financial Statements have been prepared in accordance with United Kingdom adopted International Accounting Standard 34, "Interim Financial Reporting". The Condensed Consolidated Interim Financial Statements do not include all the information required for full annual financial statements and should be read in conjunction with the Group's Annual Report and Accounts for the year ended 30 September 2023 which have been prepared in accordance with the requirements of the Companies Act 2006.

In determining the information to be disclosed in the notes to the Condensed Consolidated Interim Financial statements in accordance with IAS 34, the Group has taken into account its materiality in relation to these Condensed Consolidated Interim Financial Statements.

The Condensed Consolidated Interim Financial Statements have been prepared under the historical cost convention. There are no financial instruments measured at fair value on a recurring basis.

The accounting policies applied in these Condensed Consolidated Interim Financial Statements are the same as those applied in the most recent annual financial statements except for the change in presentation currency and taxes on income. Tax on income in the interim period is recognised by applying the effective tax rate that would be applicable to the expected full year profit or loss to the period's result.

Change in presentation currency
On 17 May 2023, the Group announced that from the beginning of the current financial year, 1 October 2023, it would be changing the currency in which it presents its financial results from pound sterling to US dollars. The Group's US dollar denominated earnings account for over 80% of the Group's revenues and profits. This change will reduce the impact of currency movements on reported results. In accordance with IAS 8, Accounting Policies, Changes in Accounting Estimates and Errors, this change in presentation currency will be applied retrospectively.

In accordance with the provisions of IAS 21, "The Effects of Changes in Foreign Exchange Rates", the historic consolidated financial information has been re-presented from pound sterling to US dollars as follows:

- Items of income and expenditure, other than single material identifiable transactions, denominated in non-US dollar currencies were translated into US dollars at the average exchange rate (per month) of the reporting period. Single material identifiable transactions, have been translated at the exchange rate at the time of the transaction;
- assets and liabilities denominated in non-US dollar currencies were translated into US dollars at the exchange rates at the relevant balance sheet dates;
- share capital, share premium and other equity items have been translated into US dollars at historical exchange rates on the date of each relevant transaction;
- all resulting exchange differences have been recognised in other comprehensive income and in the foreign currency translation reserve in accordance with the Group's existing accounting policy; and
- there is no impact to the Condensed Consolidated Statement of Profit or Loss as a result of the restatement.

The principal rates used for the translation of results, cash flows and balance sheets in US Dollar were:

	Average rate			Closing rate		
	HY24	**HY23**	**FY23**	**HY24**	**HY23**	**FY23**
Sterling	1.25	1.20	1.23	1.26	1.24	1.22
Euro	1.08	1.06	1.07	1.08	1.09	1.06

New and amended accounting standards adopted by the Group
There were no new standards adopted by the Group in the period but the following amendments became applicable during the current reporting period:

- Amendment to IFRS 17: Insurance contracts
- Amendments to IAS 8: Definition of accounting estimates
- Amendments to IAS 1 and IFRS Practice Statement 2: Disclosure of accounting policies
- Amendments to IAS 12: Deferred Tax related to assets and liabilities arising from a single transaction

These amendments did not have a material impact on the Group's accounting policies and have therefore not resulted in any changes in these Condensed Consolidated Interim Financial Statements.

Going concern
The Directors are required to assess going concern at each reporting period. The Directors have undertaken the going concern assessment for the Group for the period to 30 June 2025. The Directors have assessed the Group's prospects and after considering the current financial projections, the bank facilities available and then applying severe but plausible sensitivities. The Directors of the Company are satisfied that the Group has sufficient resources for its operational needs and will remain in compliance with the financial covenants in its bank facilities until at least 30 June 2025. For this reason, the Directors continue to adopt the going concern basis in preparing these Condensed Consolidated Interim Financial Statements for the Group. The process and key judgements in coming to this conclusion are set out below:

Liquidity: The Group entered into the Senior Facilities Agreement on 17 June 2021 which included the Senior Term Facility for $204.0m for the acquisition of LiveAuctioneers. The Senior Term Facility was drawn down in full on 30 September 2021 prior to completion of the acquisition of LiveAuctioneers on 1 October 2021. During the period ended 31 March 2024, a payment of $9.3m was paid on the Senior Term Facility. In the absence of any prepayments, the next scheduled repayment would be $6.9m on 30 June 2024. The loan will be due for repayment on 17 June 2026. At 31 March 2024 the loan was subject to interest at a margin of 3.00% over US SOFR.

In addition, the Group has a multi-currency revolving credit working capital facility (the "RCF") for $49.0m. Any sums outstanding under the RCF will be due for repayment on 17 June 2026. On 6 February 2023, $9.5m was drawn down to partly fund the deferred consideration and retention bonuses for the acquisition of ESN in FY23, of which $2.0m has been repaid as at 31 March 2024 and a further $4.5m as at 30 April 2024. As at 31 March 2024 the Group has adjusted net debt of $141.6m.

Covenants: The Group is subject to covenant tests on the Senior Term Facility, with the most sensitive covenant being the net leverage ratio covenant adjusted net debt: trailing 12-month adjusted EBITDA. The net leverage ratio covenant was a maximum of 4.0x, which reduced to 3.5x in Q2 FY23, was 3.0x at 30 September 2023 and will reduce to 2.75x in Q4 FY24. Under the base case forecasts and each of the downside scenarios, including the combined downside scenario, the Group is forecast to be in compliance with the covenants and have cash headroom, without applying mitigating actions which could be implemented such as reducing capital expenditure spend. At 31 March 2024, the net leverage ratio was 1.9x compared to the limit of 3.0x and therefore the Group was comfortably within the covenant.

Scenario planning: The Directors have undertaken the going concern assessment for the Group, taking into consideration the Group's business model, strategy, and principal and emerging risks. As part of the going concern review the Directors have reviewed the Group's forecasts and projections, assessed the headroom on the Group's facilities and the banking covenants. This has been considered under a base case and several severe but plausible downside scenarios, taking into consideration the Group's principal risks and uncertainties. These scenarios include significant reduction in commission revenue due to THV reduction, significant reduction in commission revenue due to conversion rate decline and lower revenue growth from value-added services across the Group. None of these scenarios individually or collectively threaten the Group's ability to continue as a going concern. Even in the combined downside scenario modelled (the combination of all downside scenarios occurring at once) the Group would be able to operate within the level of its current available debt facilities and covenants.

2. Significant judgements and key sources of estimation uncertainty

The preparation of the Group's Condensed Consolidated Interim Financial Statements requires the use of certain judgements, estimates and assumptions that affect the reported amounts of assets, liabilities, income and expenses.

In preparing these Condensed Consolidated Interim Financial Statements, the significant judgements made by management in applying the Group's accounting policies and the key sources of estimation uncertainty were the same as those that applied to the most recent annual financial statements for the year ended 30 September 2023, except for the following estimate:

Impairment of goodwill
At least on an annual basis, or if there is an impairment indicator, management performs a review of the carrying values of goodwill and intangible assets. This requires an estimate of the value in use of the cash-generating unit ("CGU") to which the goodwill and intangible assets are allocated. To estimate the value in use, management estimates the expected future cash flows from the CGU and discounts them to their present value at a determined discount rate, which is appropriate for the country where the goodwill and intangible assets are allocated to. Forecasting expected cash flows and selecting an appropriate discount rate inherently requires estimation. Sensitivity analysis has been performed over the estimates (see note 9). The resulting calculation is sensitive to the assumptions in respect of future cash flows, the discount rate and long-term growth rate applied. Management considers that the assumptions made represent their best estimate of the future cash flows generated by the CGUs, and that the discount rate and long-term growth rate used are appropriate given the risks associated with the specific cash flows.

3. Alternative performance measures

The Group uses a number of alternative performance measures ("APMs") in addition to those measures reported in accordance with United Kingdom adopted International Accounting Standards ("UK-adopted IAS"). Such APMs are not defined terms under UK-adopted IAS and are not intended to be a substitute for any UK-adopted IAS measure. The Directors believe that the APMs are important when assessing the ongoing financial and operating performance of the Group and do not consider them to be more important than, or superior to, their equivalent IAS measure. The APMs improve the comparability of information between reporting periods by adjusting for factors such as one-off items and the timing of acquisitions.

The APMs are used internally in the management of the Group's business performance, budgeting and forecasting, and for determining Executive Directors' remuneration and that of other management throughout the business. The APMs are also presented externally to meet investors' requirements for further clarity and transparency of the Group's financial performance. Where items of income or expense are being excluded in an APM, these are included elsewhere in our reported financial information as they represent actual income or costs of the Group.

Adjusted EBITDA
Adjusted EBITDA is the measure used by the Directors to assess the trading performance of the Group's businesses and is the measure of segment profit.

Adjusted EBITDA represents profit/(loss) before taxation, finance costs, depreciation and amortisation, share-based payment expense and exceptional operating items. Adjusted EBITDA at segment level is consistently defined but excludes central administration costs including Directors' salaries.

The following table provides a reconciliation from profit before tax to adjusted EBITDA:

	Unaudited six months ended 31 March 2024 $000	Restated Unaudited six months ended 31 March 2023 $000	Restated Audited Year ended 30 September 2023 $000
Profit before tax	**3,110**	581	8,664
Adjustments for:			
Net finance costs (note 6)	**7,414**	11,209	18,963
Amortisation of acquired intangible assets (note 9)	**16,117**	16,507	32,625
Amortisation of internally generated software (note 9)	**2,944**	1,946	4,725
Depreciation of property, plant and equipment	**203**	193	391
Depreciation of right of use assets	**487**	571	1,099
Share-based payment expense	**4,620**	4,716	8,616
Exceptional operating items	**828**	2,101	3,311
Adjusted EBITDA	**35,723**	37,824	78,394

The following table provides the calculation of adjusted EBITDA margin which represents adjusted EBITDA divided by revenue:

	Unaudited six months ended 31 March 2024 $000	Restated Unaudited six months ended 31 March 2023 $000	Restated Audited Year ended 30 September 2023 $000
Reported revenue (note 4,5)	**86,022**	80,795	165,886
Adjusted EBITDA	**35,723**	37,824	78,394
Adjusted EBITDA margin	**42%**	47%	47%

The basis for treating these items as adjusting is as follows:

Share-based payment expense
The Group has issued share awards to employees and Directors: at the time of IPO; for the acquisition of LiveAuctioneers; and operates several employee share schemes. The share-based payment expense is a significant non-cash charge driven by a valuation model which references the Group's share price. As the Group is still early in its life cycle as a newly listed business the expense is distortive in the short term and is not representative of the cash performance of the business. In addition, as the share-based payment expense includes significant charges related to the IPO and LiveAuctioneers acquisition, it is not representative of the Group's steady state operational performance.

Exceptional operating items
The Group applies judgement in identifying significant items of income and expenditure that are disclosed separately from other administrative expenses as exceptional where, in the judgement of the Directors, they need to be disclosed separately by virtue of their nature or size in order to obtain a clear and consistent presentation of the Group's ongoing business performance. Such items could include, but may not be limited to, costs associated with business combinations, gains and losses on the disposal of businesses, significant reorganisation or restructuring costs and impairment of goodwill and acquired intangible assets. Any item classified as an exceptional item will be significant and not attributable to ongoing operations and will be subject to specific quantitative and qualitative thresholds set by and approved by the Directors prior to being classified as exceptional.

The exceptional operating items are detailed below:

	Unaudited six months ended 31 March 2024 $000	Restated Unaudited six months ended 31 March 2023 $000	Restated Audited Year ended 30 September 2023 $000
Acquisition costs	**(828)**	(2,101)	(3,311)
Exceptional operating items	**(828)**	(2,101)	(3,311)

The Group's exceptional costs were in respect of the costs relating to the acquisition of ESN on 6 February 2023.

The business has undertaken focused acquisitive activity which has been strategically implemented to increase income, service range and critical mass of the Group. Acquisition costs for ESN comprised of legal, professional, other consultancy fees and retention bonuses for ESN employees payable one year after the acquisition date. The retention bonus was subject to service conditions and was accrued over the 12-month period, and paid in full in February 2024. The net cash outflow related to exceptional operating items in the period was $2.0m (HY23: $1.6m, FY23: $2.0m).

Adjusted earnings and adjusted diluted earnings per share

Adjusted earnings excludes share-based payment expense, exceptional items (operating and finance), amortisation of acquired intangible assets, and any related tax effects.

The following table provides a reconciliation from profit after tax to adjusted earnings:

	Unaudited six months ended 31 March 2024 $000	Restated Unaudited six months ended 31 March 2023 $000	Restated Audited Year ended 30 September 2023 $000
Profit attributable to equity shareholders of the Company	**6,502**	14,026	20,543
Adjustments for:			
Amortisation of acquired intangible assets	**16,117**	16,507	32,625
Exceptional finance items	**685**	4,823	5,258
Share-based payment expense	**4,620**	4,716	8,616
Exceptional operating items	**828**	2,101	3,311
Deferred tax on unrealised foreign exchange differences	**(2,942)**	(9,137)	(8,810)
Tax on adjusted items	**(5,264)**	(9,459)	(12,607)
Adjusted earnings	**20,546**	23,577	48,936

	Unaudited six months ended 31 March 2024 $000	Restated Unaudited six months ended 31 March 2023 $000	Restated Audited Year ended 30 September 2023 $000
	Number	Number	Number
Weighted average number of shares in issue (note 8)	**121,625,963**	120,824,823	121,050,307
Diluted weighted average number of shares (note 8)	**123,582,309**	122,686,044	123,088,377
	cents	cents	cents
Adjusted diluted earnings per share (in cents)	**16.6**	19.2	39.8

The basis for treating these items not already defined above as adjusting is as follows:

Amortisation of acquired intangible assets acquired through business combinations

The amortisation of acquired intangibles arises from the purchase consideration of a number of separate acquisitions. These acquisitions are portfolio investment decisions that took place at different times and are items in the Consolidated Statement of Financial Position that relate to M&A activity rather than the trading performance of the business.

Exceptional finance items

Exceptional finance items include foreign exchange differences arising on the revaluation of the foreign currency loans, intercompany and restricted cash, movements in contingent and deferred consideration and costs incurred on the early repayment of loan costs. These exceptional finance items are excluded from adjusted earnings to provide readers with helpful additional information on the performance of the business across periods because it is consistent with how the business performance is reported and assessed by the Board.

Deferred tax on unrealised foreign exchange differences

In calculating the adjusted tax rate, the Group excludes the potential future impact of the deferred tax effects on unrealised foreign exchange differences arising on intra-group balances. The unrealised foreign exchange differences were not recognised in the Group’s profit for the year due to differences in the functional currency basis under tax and accounting rules for the US holding entities.

Tax on adjusted items

Tax on adjusted items includes the tax effect of acquired intangible amortisation, exceptional (operating and finance items) and share-based payment expense. In calculating the adjusted tax rate, the Group excludes the potential future impact of the deferred tax effects on deductible goodwill and intangible amortisation (other than internally generated software), as management provides users of its Group accounts a view of the tax charge based on the current status of such items. Deferred tax would only crystallise on a sale of the relevant businesses, which is not anticipated at the current time, and such a sale, being an exceptional item, would result in an exceptional tax impact.

Organic revenue

The Group has made certain acquisitions that have affected the comparability of the Group's results. Organic revenue shows the current period results excluding the acquisition of ESN on 6 February 2023. Organic revenue is shown on a constant currency basis using average exchange rates for the current financial period applied to the comparative period and is used to eliminate the effects of fluctuations in assessing performance. Refer to the Glossary for the full definition.

The following table provides a reconciliation of organic revenue from reported results:

	Unaudited six months ended 31 March 2024 $000	Restated Unaudited six months ended 31 March 2023 $000
Reported revenue	**86,022**	80,795
Acquisition related adjustment	**(5,602)**	(1,506)
Constant currency adjustment	**–**	585
Organic revenue	**80,420**	79,874
Increase in organic revenue %	**1%**	

Adjusted net debt

Adjusted net debt comprises external borrowings net of arrangement fees, cash and cash equivalents and allows management to monitor the indebtedness of the Group. Adjusted net debt excludes lease liabilities and restricted cash (see note 10).

	Unaudited six months ended 31 March 2024 $000	Restated Unaudited six months ended 31 March 2023 $000	Restated Audited Year ended 30 September 2023 $000
Cash at bank (note 10)	**5,604**	6,454	7,437
Current loans and borrowings (note 11)	**(23,944)**	–	(15,688)
Non-current loans and borrowings (note 11)	**(123,231)**	(170,197)	(132,923)
Total loans and borrowings	**(147,175)**	(170,197)	(148,611)
Adjusted net debt	**(141,571)**	(163,743)	(141,174)

Adjusted free cash flow and adjusted free cash flow conversion

Adjusted free cash flow represents cash flow from operations less additions to internally generated software and property, plant and equipment. Internally generated software includes development costs in relation to software that are capitalised when the related projects meet the recognition criteria under UK-adopted IAS for an internally generated intangible asset. Movement in working capital is adjusted for balances relating to exceptional items. The Group monitors its operational efficiency with reference to operational cash conversion, defined as free cash flow as a percentage of adjusted EBITDA.

The Group uses adjusted cash flow measures for the same purpose as adjusted profit measures, in order to assist readers of the accounts in understanding the operational performance of the Group. The two measures used are free cash flow and free cash flow conversion. A reported free cash flow and cash conversion rate has not been provided as it would not give a fair indication of the Group's free cash flow and conversion performance given the high value of working capital from exceptional items.

	Unaudited six months ended 31 March 2024 $000	Restated Unaudited six months ended 31 March 2023 $000	Restated Audited Year ended 30 September 2023 $000
Adjusted EBITDA	**35,723**	37,824	78,394
Cash generated from operations	**27,639**	29,369	70,677
Adjustments for:			
Exceptional operating items	**828**	2,101	3,311
Working capital from exceptional and other items	**4,381**	(459)	(1,348)
Additions to internally generated software (note 9)	**(4,970)**	(4,690)	(10,765)
Additions to property, plant and equipment	**(205)**	(298)	(503)
Payments for right of use assets	**–**	–	(230)
Adjusted free cash flow	**27,673**	26,023	61,142
Adjusted free cash flow conversion (%)	**77%**	69%	78%

4. Operating segments

The operating segments reflect the Group's management and internal reporting structure, which is used to assess both the performance of the business and to allocate resources within the Group. The assessment of performance and allocation of resources is focused on the category of customer for each type of activity.

The Board has determined an operating management structure aligned around the four core operations of the Group.

The four operating segments are as follows:

- Art & Antiques ("A&A") marketplaces: focused on offering auction houses that specialise in the sale of arts and antiques access to the platforms thesaleroom.com, liveauctioneers.com, lot-tissimo.com and EstateSales.NET. A significant part of the Group's services is provision of a platform as a marketplace for the A&A auction houses to sell their goods. The segment also generates earnings through additional services such as listing subscriptions, marketing income, atgPay and atgShip. The Group contracts with customers predominantly under service agreements, where the number of auctions to be held and the service offering differs from client to client.
- Industrial & Commercial ("I&C") marketplaces: focused on offering auction houses that specialise in the sale of industrial and commercial goods and machinery access to the platforms BidSpotter.com, BidSpotter.co.uk and proxibid.com, as well as i-bidder.com for consumer surplus and retail returns. A significant part of the Group's services is provision of the platform as a marketplace for the I&C auction houses to sell their goods. The segment also generates earnings through additional services such as marketing income and atgPay. The Group contracts with customers predominantly under service agreements, where the number of auctions to be held and the service offering differs from client to client.
- Auction Services: includes revenues from the Group's auction house back-office products with Auction Mobility and other white label products including Wavebid.com.
- Content: focused on the Antiques Trade Gazette paper and online magazine. The business focuses on two streams of income: selling subscriptions of the Gazette and selling advertising space within the paper and online. The Directors have disclosed information required by IFRS 8 for the Content segment despite the segment not meeting the reporting threshold.
- There are no undisclosed or other operating segments.

An analysis of the results for the period by reportable segment is as follows:

	Unaudited six months ended 31 March 2024					
	A&A $000	**I&C $000**	**Auction Services $000**	**Content $000**	**Centrally allocated costs $000**	**Total $000**
Revenue	**44,575**	**35,235**	**4,364**	**1,848**	**–**	**86,022**
Adjusted EBITDA (see note 3 for definition and reconciliation)	**36,034**	**29,604**	**2,473**	**690**	**(33,078)**	**35,723**
Amortisation of intangible assets (note 9)	**(12,674)**	**(5,496)**	**(891)**	**–**	**–**	**(19,061)**
Depreciation of property, plant and equipment	**(79)**	**(110)**	**(6)**	**(8)**	**–**	**(203)**
Depreciation of right of use assets	**(338)**	**(116)**	**(4)**	**(29)**		**(487)**
Share-based payment expense	**(658)**	**(889)**	**(40)**	**–**	**(3,033)**	**(4,620)**
Exceptional operating items (note 3)	**(828)**	**–**	**–**	**–**	**–**	**(828)**
Operating profit/(loss)	**21,457**	**22,993**	**1,532**	**653**	**(36,111)**	**10,524**
Net finance costs (note 6)	**–**	**–**	**–**	**–**	**(7,414)**	**(7,414)**
Profit/(loss) before tax	**21,457**	**22,993**	**1,532**	**653**	**(43,525)**	**3,110**

	Unaudited six months ended 31 March 2023 (restated)					
	A&A $000	I&C $000	Auction Services $000	Content $000	Centrally allocated costs $000	Total $000
Revenue	**38,218**	**35,709**	**5,032**	**1,836**	**–**	**80,795**
Adjusted EBITDA (see note 3 for definition and reconciliation)	**31,404**	**30,603**	**3,324**	**644**	**(28,151)**	**37,824**
Amortisation of intangible assets (note 9)	(11,746)	(5,874)	(833)	–	–	(18,453)
Depreciation of property, plant and equipment	(66)	(117)	(4)	(6)	–	(193)
Depreciation of right of use assets	(338)	(189)	(6)	(38)		(571)
Share-based payment expense	(1,410)	(475)	(46)	–	(2,785)	(4,716)
Exceptional operating items (note 3)	(2,101)	–	–	–	–	(2,101)
Operating profit/(loss)	**15,743**	**23,948**	**2,435**	**600**	**(30,936)**	**11,790**
Net finance costs (note 6)	–	–	–	–	(11,209)	(11,209)
Profit/(loss) before tax	**15,743**	**23,948**	**2,435**	**600**	**(42,145)**	**581**

	Audited year ended 30 September 2023 (restated)					
	A&A $000	I&C $000	Auction Services $000	Content $000	Centrally allocated costs $000	Total $000
Revenue	**80,551**	**71,378**	**10,190**	**3,767**	**–**	**165,886**
Adjusted EBITDA (see note 3 for definition and reconciliation)	**66,211**	**61,171**	**6,403**	**1,366**	**(56,757)**	**78,394**
Amortisation of intangible assets (note 9)	(24,383)	(11,235)	(1,732)	–	–	(37,350)
Depreciation of property, plant and equipment	(129)	(236)	(10)	(16)		(391)
Depreciation of right of use assets	(678)	(342)	(10)	(69)		(1,099)
Share-based payment expense	(1,828)	(2,163)	(103)		(4,522)	(8,616)
Exceptional operating items (note 3)	(3,311)					(3,311)
Operating profit/(loss)	**35,882**	**47,195**	**4,548**	**1,281**	**(61,279)**	**27,627**
Net finance costs (note 6)	–	–	–	–	(18,963)	(18,963)
Profit/(loss) before tax	**35,882**	**47,195**	**4,548**	**1,281**	**(80,242)**	**8,664**

Segment assets are measured in the same way as in the financial statements. These assets are allocated based on the operations of the segment and the physical location of the asset.

	Unaudited 31 March 2024		Restated Unaudited 31 March 2023		Restated Audited 30 September 2023	
	Total non-current assets $000	**Additions to non-current assets $000**	Total non-current assets $000	Additions to non-current assets $000	Total non-current assets $000	Additions to non-current assets $000
A&A	**580,554**	**2,209**	599,947	42,541	589,956	46,142
I&C	**230,304**	**2,896**	231,705	3,213	228,752	7,374
Auction Services	**33,390**	**64**	35,024	327	34,212	423
Content	**313**	**6**	65	7	334	314
	844,561	**5,175**	866,741	46,088	853,254	54,253

	Unaudited six months ended 31 March 2024 $000	Restated Unaudited six months ended 31 March 2023 $000	Restated Audited Year ended 30 September 2023 $000
By geographical location			
United Kingdom	**153,632**	158,283	153,003
USA	**690,427**	707,858	699,715
Germany	**502**	600	536
	844,561	866,741	853,254

The Group has taken advantage of paragraph 23 of IFRS 8 “Operating Segments” and does not provide segmental analysis of net assets as this information is not used by the Directors in operational decision making or monitoring of business performance.

5. Revenue

	Unaudited six months ended 31 March 2024 $000	Restated Unaudited six months ended 31 March 2023 $000	Restated Audited Year ended 30 September 2023 $000
Product and customer types			
A&A	**44,575**	38,218	80,551
I&C	**35,235**	35,709	71,378
Auction Services	**4,364**	5,032	10,190
Content	**1,848**	1,836	3,767
	86,022	80,795	165,886
Primary geographical markets by location of operations			
United Kingdom	**12,732**	11,655	24,096
USA	**70,444**	66,630	136,964
Germany	**2,846**	2,510	4,826
	86,022	80,795	165,886
By location of customer			
United Kingdom	**13,096**	11,886	24,557
USA	**65,088**	60,907	125,308
Europe	**4,566**	4,471	8,645
Rest of world	**3,272**	3,531	7,376
	86,022	80,795	165,886
Timing of transfer of goods and services			
Point in time	**76,594**	73,960	150,274
Over time	**9,428**	6,835	15,612
	86,022	80,795	165,886

Due to the nature of the Group's business, it is not materially affected by seasonal or cyclical trading.

6. Net finance costs

	Unaudited six months ended 31 March 2024 $000	Restated Unaudited six months ended 31 March 2023 $000	Restated Audited Year ended 30 September 2023 $000
Interest income	**148**	90	220
Finance income	**148**	90	220
Interest on loans and borrowings	**(6,399)**	(6,110)	(12,985)
Amortisation of finance costs	**(332)**	(293)	(612)
Movements in deferred consideration	**(131)**	(66)	(263)
Foreign exchange loss	**(554)**	(4,757)	(4,995)
Interest on lease liabilities	**(146)**	(73)	(232)
Interest on tax	**–**	–	(96)
Finance cost	**(7,562)**	(11,299)	(19,183)
Net finance costs	**(7,414)**	(11,209)	(18,963)

7. Taxation

	Unaudited six months ended 31 March 2024 $000	Restated Unaudited six months ended 31 March 2023 $000	Restated Audited Year ended 30 September 2023 $000
Current tax			
Current tax on profit for the period	**3,529**	2,740	11,660
Adjustments in respect of prior years	**–**	–	(205)
Total current tax	**3,529**	2,740	11,455
Deferred tax			
Current year	**(6,921)**	(14,990)	(22,368)
Adjustments from change in tax rates	**–**	(1,258)	(629)
Adjustments in respect of prior years	**–**	63	(337)
Deferred tax	**(6,921)**	(16,185)	(23,334)
Tax credit	**(3,392)**	(13,445)	(11,879)

The tax on the Group's profit before tax differs from the theoretical amount that would arise using the standard tax rate applicable to the profits of the Group as follows:

	Unaudited six months ended 31 March 2024 $000	Restated Unaudited six months ended 31 March 2023 $000	Restated Audited Year ended 30 September 2023 $000
Profit before tax	**3,110**	581	8,664
Tax at United Kingdom tax rate of 25% (2023: 22%)	**777**	128	1,907
Tax effect of:			
Expenses not deductible for tax purposes	**66**	127	(729)
Differences in overseas tax rates	**(89)**	476	1
Deferred tax on unrealised foreign exchange differences	**(2,942)**	(9,137)	(8,810)
Foreign exchange differences not taxable for tax purposes	**(1,204)**	(3,844)	(3,077)
Adjustments from change in tax rates	**–**	(1,258)	(629)
Adjustments in respect of prior years	**–**	63	(542)
Tax credit	**(3,392)**	(13,445)	(11,879)

The total tax expense recognised based on management's best estimate of the effective tax rate for the full year, excluding changes to US blended tax rate, foreign exchange differences and exceptional operating items, is 25% (HY23: 21%) applied to the profit before tax of the six-month period.

The deferred tax credit on unrealised foreign exchange differences of $2.9m (HY23: $9.1m, FY23: $8.8m) arises from US holding companies with pound sterling as their functional currency for the Condensed Consolidated Financial Statements but US dollar functional currency under US tax rules. Per the US tax basis these holding companies included an unrealised foreign exchange loss of $10.6m on intra-group loans denominated in pound sterling totalling £246.2m (HY23: $36.2m, FY23: $34.6m on intra-group loans of £295.6m). Unrealised foreign exchange differences are not taxable until they are realised, giving rise to deferred tax.

The Group's profit before tax includes foreign exchange gain of $4.8m from US holding companies on their US dollar denominated intra-group balances (HY23: $15.6m, FY23: $12.3m) which are not taxable for US tax purposes giving rise to a permanent difference of $1.2m (HY23: $3.8m, FY23: $3.1m).

The Group's tax affairs are governed by local tax regulations in the UK, US and Germany. Given the uncertainties that could arise in the application of these regulations, judgements are often required in determining the tax that is due. Where management is aware of potential uncertainties in local jurisdictions, that are judged more likely than not to result in a liability for additional tax, a provision is made for management's best estimate of the liability, determined with reference to similar transactions and third-party advice. This provision at 31 March 2024 amounted to $1.0m (HY23: $1.3m, FY23: $1.0m).

Tax recognised in other comprehensive income:

	Unaudited six months ended 31 March 2024 $000	Restated Unaudited six months ended 31 March 2023 $000	Restated Audited Year ended 30 September 2023 $000
Current tax	**(1,296)**	(3,525)	(3,186)

Tax recognised in other comprehensive income includes income tax on the Group's net investment hedge.

8. Earnings per share

Basic earnings per share per share is calculated by dividing the profit for the period attributable to ordinary shareholders by the weighted average number of ordinary shares outstanding during the period, after excluding the weighted average number of non-vested ordinary shares.

Diluted earnings per share is calculated by dividing the profit for the period attributable to ordinary shareholders by the weighted average number of ordinary shares including non-vested/non-exercised ordinary shares. During the period and prior period, the Group awarded conditional share awards to Directors and certain employees through an LTIP.

	Unaudited six months ended 31 March 2024 $000	Restated Unaudited six months ended 31 March 2023 $000	Restated Audited Year ended 30 September 2023 $000
Profit attributable to equity shareholders of the Company	**6,502**	14,026	20,543

	Number	Number	Number
Weighted average number of shares in issue	**121,625,963**	120,824,823	121,050,307
Weighted number of options vested not exercised	**1,083,615**	–	1,338,182
Weighted average number of shares held by the Employee Benefit Trust	**(108,509)**	(135,521)	(162,934)
Weighted average number of shares	**122,601,069**	120,689,302	122,225,555
Dilutive share options	**981,240**	1,996,742	862,822
Diluted weighted average number of shares	**123,582,309**	122,686,044	123,088,377
	cents	cents	cents
Basic earnings per share	**5.3**	11.6	16.8
Diluted earnings per share	**5.3**	11.4	16.7

9. Goodwill and other intangible assets

	Software $000	Customer relationships $000	Brand $000	Non-compete agreement $000	Total acquired intangible assets $000	Internally generated software $000	Goodwill $000	Total $000
1 October 2022 (restated as detailed in note 1)	33,463	195,926	37,170	887	267,446	7,886	546,167	821,499
Acquisition of business	2,605	11,521	3,174	–	17,300	–	22,422	39,722
Additions	–	–	–	–	–	10,765	–	10,765
Amortisation	(5,626)	(22,992)	(3,589)	(418)	(32,625)	(4,725)	–	(37,350)
Exchange differences	68	2,806	458	–	3,332	350	9,983	13,665
30 September 2023 (restated as detailed in note 1)	**30,510**	**187,261**	**37,213**	**469**	**255,453**	**14,276**	**578,572**	**848,301**
Additions	**–**	**–**	**–**	**–**	**–**	**4,970**	**–**	**4,970**
Amortisation	**(2,185)**	**(11,885)**	**(1,838)**	**(209)**	**(16,117)**	**(2,944)**	**–**	**(19,061)**
Exchange differences	**–**	**852**	**158**	**–**	**1,010**	**97**	**4,141**	**5,248**
31 March 2024	**28,325**	**176,228**	**35,533**	**260**	**240,346**	**16,399**	**582,713**	**839,458**

	Software $000	Customer relationships $000	Brand $000	Non-compete agreement $000	Total acquired intangible assets $000	Internally generated software $000	Goodwill $000	Total $000
1 October 2022 (restated as detailed in note 1)	33,463	195,926	37,170	887	267,446	7,886	546,167	821,499
Acquisition of business	2,605	11,521	3,174	–	17,300	–	22,382	39,682
Additions	–	–	–	–	–	4,690	–	4,690
Amortisation	(3,444)	(11,103)	(1,751)	(209)	(16,507)	(1,946)	–	(18,453)
Exchange differences	68	3,105	521	–	3,694	380	11,639	15,713
31 March 2023 (restated as detailed in note 1)	32,692	199,449	39,114	678	271,933	11,010	580,188	863,131

At 31 March 2024, management have considered if any impairment indicators exist and undertook an impairment assessment which concluded no impairment was required. However, both the A&A marketplaces and Auction Services CGUs are sensitive to a movement in any one of the key assumptions. Management have therefore performed sensitivity analysis based on reasonably possible scenarios including increasing the discount rates and reducing the CAGR on the future forecast cash flows, both of which are feasible given the current future uncertainty of macroeconomics. For the I&C marketplaces CGU, there is no realistic change of assumption that would cause the CGU's carrying amount to exceed its recoverable amount.

For the A&A marketplaces CGU, under the base case there is headroom of $185.6m at 31 March 2024 (FY23: $302.6m). The year-on-year decrease in headroom is driven by the reduction in five-year CAGR by five ppt following the performance in the first six months of FY24 and the current market trends which are being seen. This headroom reduction is net of the impact from the reduction in the pre-tax discount rate from 12.7% to 11.9%. For the recoverable amount to fall to the carrying value, the discount rate would need to be increased to 14.7% from 11.9% (FY23: 17.4% from 12.7%), the long-term growth rate reduced to a negative 0.9% from 3.0% (FY23: negative 4.5% from 3.0%), or the CAGR from FY24 on the latest five-year future forecast cash flows reduced by six ppt (FY23: nine ppt). With an uncertain macroeconomic outlook, it is difficult to model the precise impact on business performance at this time. Should there be an economic downturn the A&A segment is likely to be impacted in the short term due to reduced sales and margins, but it would then be expected to return to higher growth in later years.

For Auction Services with a headroom of $4.0m (FY23: $7.4m) for the recoverable amount to fall to the carrying value, the discount rate would need to be increased to 11.4% from 10.5% (FY23: 13.4% from 11.4%), the long-term growth rate reduced to 1.8% from 3.0% (FY23: 0.2% from 3.0%), or the CAGR on the five-year future forecast cash flows reduced by three ppt (FY23: two ppt). Auction Services is particularly sensitive to the long-term growth rate and discount rate applied.

10. Cash and cash equivalents

Cash and cash equivalents comprise cash at bank and in hand and restricted cash. The carrying amount of these assets approximates to their fair value.

	Unaudited six months ended 31 March 2024 $000	Restated Unaudited six months ended 31 March 2023 $000	Restated Audited Year ended 30 September 2023 $000
Cash at bank	**5,604**	6,454	7,437
Restricted cash	**2**	2,974	2,979
	5,606	9,428	10,416

Restricted cash consists of cash held by the Trustee of the Group's Employee Benefit Trust relating to share awards for employees. Prior to the IPO, the EBT facilitated the making of pre-IPO equity awards to beneficiaries of the sub-fund out of sweet equity that had been allocated to management by the private equity investors. However, not all of the assets in the sub-fund were allocated to beneficiaries on IPO. Given February 2024 was three years since the Company's IPO it has been agreed that the legacy sub-fund should be wound up by the trustee in February 2024 and the assets of the sub-fund be distributed to its beneficiaries.

11. Loans and borrowings

The carrying amount of loan and borrowings classified as financial liabilities at amortised cost approximates to their fair value.

	Unaudited six months ended 31 March 2024 $000	Restated Unaudited six months ended 31 March 2023 $000	Restated Audited Year ended 30 September 2023 $000
Current			
Senior Term Facility	**23,944**	–	15,688
	23,944	–	15,688
Non-current			
Senior Term Facility	**115,731**	148,438	132,923
Revolving Credit Facility	**7,500**	21,759	–
	123,231	170,197	132,923
	147,175	170,197	148,611

The Group entered into a Senior Facilities Agreement on 17 June 2021 which included:

- A senior term loan facility (the "Senior Term Facility") for $204.0m for the acquisition of LiveAuctioneers. The Senior Term Facility was drawn down in full on 30 September 2021 prior to completion of the acquisition of LiveAuctioneers on 1 October 2021. In HY24 a payment of $9.3m (HY23 and FY23: $53.7m), was paid on the Senior Term Facility. In the absence of any prepayments, the next scheduled repayment would be $6.9m on 30 June 2024. The loan will be due for repayment on 17 June 2026.

- A multi-currency revolving credit working capital facility (the "Revolving Credit Facility") for $49.0m. Any sums outstanding under the Revolving Credit Facility will be due for repayment on 17 June 2025, subject to the optionality of a further 12-month extension. On 6 February 2024, $9.5m (HY23 and FY23: $26.3m) was drawn down to partly fund the payment of deferred consideration and retention bonuses relating to the acquisition of ESN in FY23, of which $2.0m has been repaid during the six months ended 31 March 2024 (HY23: $4.6m, FY23: $26.3m).

- The Senior Facilities Agreement contains an adjusted net leverage covenant which tests the ratio of adjusted net debt against adjusted EBITDA and an interest cover ratio which tests the ratio of adjusted EBITDA against net finance charges, in each case as at the last date of each financial quarter, commencing with the financial quarter ending 30 September 2021. The Group has complied with the financial covenants of its borrowing facilities during the six months ended 31 March 2024.

12. Deferred taxation

The movement in net deferred tax liabilities is as follows:

	Unaudited 31 March 2024 $000	Restated Unaudited 31 March 2023 $000	Restated Audited 30 September 2023 $000
1 October (restated as detailed in note 1)	**(49,629)**	(72,175)	(72,175)
Amount credited to Condensed Consolidated Statement of Profit or Loss	**6,921**	16,185	23,334
Exchange differences	**(481)**	(2,927)	(788)
	(43,189)	(58,917)	(49,629)

The net deferred tax liabilities include deferred tax asset of £nil at 31 March 2024 (HY23: £nil; FY23: £nil).

13. Share capital

	Unaudited 31 March 2024 $000	Restated Unaudited 31 March 2023 $000	Restated Audited 30 September 2023 $000
Authorised, called up and fully paid			
121,736,968 ordinary shares at 0.01p each (HY23: 121,133,406, FY23: 121,491,412)	**17**	17	17
	17	17	17

The movements in share capital, share premium and other reserve are set out below:

	Number of shares	**Share capital $000**	**Share premium $000**	**Other reserve $000**
1 October 2023 (restated as detailed in note 1)	121,491,412	17	334,458	330,310
Share options exercised	245,556	–	–	–
31 March 2024	**121,736,968**	**17**	**334,458**	**330,310**

During the period, 245,556 ordinary shares of 0.01p each with an aggregate nominal value of £25 ($31) were issued for options that vested for a cash consideration of £nil. These included Long-term Incentive Plan Awards ("LTIP Awards") and shares issued to the Trust for LTIP Awards that have vested in the period.

14. Related party transactions

During the six months ended 31 March 2024, the Group paid rent of $60,600 (HY23: $20,000, FY23: $80,000) to McQuade Enterprises LLC, a company owned by the previous owners of ESN. There were other no related party transactions. The Group's related party transactions for FY23 are disclosed in the Group's 2023 Annual Report. There have been no material changes in the related party transactions described in the last annual report except as detailed above.

15. Events after the balance sheet date

There were no events after the balance sheet date.

Responsibility Statement

The Directors confirm that to the best of our knowledge:

- these Condensed Consolidated Interim Financial Statements have been prepared in accordance with United Kingdom adopted International Accounting Standard 34 “Interim Financial Reporting”,
- the interim management report includes a fair review of the information required by DTR 4.2.7R (indication of important events and their impact during the first six months and description of principal risks and uncertainties for the remaining six months of the year); and
- the interim management report includes a fair review of the information required by DTR 4.2.8R (disclosure of related parties’ transactions and changes therein).

By order of the Board,

John-Paul Savant Chief Executive Officer	Tom Hargreaves Chief Financial Officer
15 May 2024	15 May 2024

Glossary

A&A	Art & Antiques
atgAMP	the Group's auctioneer marketing programme
atgPay	the Group's integrated payment solution
atgShip	the Group's integrated shipping solution
atgXL	the Group's cross-listing solution enabling auctioneers to simultaneously run auctions across ATG marketplaces and ATG white label
Auction Mobility	Auction Mobility LLC
Bidder sessions	web sessions on the Group's marketplaces online within a given timeframe
BidSpotter	the Group's marketplace operated via the www.BidSpotter.co.uk and www.BidSpotter.com domain
EBITDA	earnings before interest, taxes, depreciation and amortisation
ESN	the Group's marketplace operated via the www.EstateSales.NET domain
GMV	gross merchandise value, representing the total final sale value of all lots sold via winning bids placed on the marketplaces or the platform, excluding additional fees (such as online fees and auctioneers' commissions) and sales of retail jewellery (being new, or nearly new, jewellery)
i-bidder	the Group's marketplace operated by the www.i-bidder.com domain
I&C	Industrial & Commercial
LiveAuctioneers	the Group's marketplace operated via the www.liveauctioneers.com domain
Lot-tissimo	the Group's marketplace operated via the www.lot-tissimo.com domain
LTIP Awards	the Company's Long-term Incentive Plan
Marketplaces	the online auction marketplaces operated by the Group
Conversion rate	represents GMV as a percentage of THV; previously called 'online share'
Organic revenue	Organic revenue shows the current period results excluding the acquisition of ESN on 6 February 2023. Organic revenue is shown on a constant currency basis using average exchange rates for the current financial period applied to the comparative period and is used to eliminate the effects of fluctuations in assessing performance.
Proxibid	the Group's marketplace operated via the www.proxibid.com domain
The Saleroom	the Group's marketplace operated via the www.the-saleroom.com domain
Take rate	represents the Group's marketplace revenue, excluding EstateSales.NET, as a percentage of GMV. Marketplace revenue is the Group's reported revenue excluding Content and Auction Services revenue
THV	total hammer value, representing the total final sale value of all lots listed on the marketplaces or the platform, excluding additional fees (such as online fees and auctioneers' commissions) and sales of retail jewellery (being new, or nearly new, jewellery)
Timed auctions	auctions which are held entirely online (with no in-room or telephone bidders) and where lots are only made available to online bidders for a specific, pre-determined timeframe

Independent Review Report to Auction Technology Group plc

Conclusion
We have been engaged by the Company to review the condensed set of financial statements in the half-yearly financial report for the six months ended 31 March 2024 which comprises the Condensed Consolidated Statement of Profit or Loss, Condensed Consolidated Other Comprehensive Income or Loss, the Condensed Consolidated Statement of Financial Position, the Condensed Consolidated Statement of Changes in Equity, the Condensed Consolidated Statement of Cash Flow and related notes 1 to 15. We have read the other information contained in the half yearly financial report and considered whether it contains any apparent misstatements or material inconsistencies with the information in the condensed set of financial statements.

Based on our review, nothing has come to our attention that causes us to believe that the condensed set of financial statements in the half-yearly financial report for the six months ended 31 March 2024 is not prepared, in all material respects, in accordance with United Kingdom adopted International Accounting Standard 34 and the Disclosure Guidance and Transparency Rules of the United Kingdom's Financial Conduct Authority.

Basis for conclusion
We conducted our review in accordance with International Standard on Review Engagements 2410 (UK) "Review of Interim Financial Information Performed by the Independent Auditor of the Entity" (ISRE) issued by the Financial Reporting Council. A review of interim financial information consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing (UK) and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

As disclosed in note 1, the annual financial statements of the Group are prepared in accordance with UK adopted international accounting standards. The condensed set of financial statements included in this half-yearly financial report has been prepared in accordance with UK adopted International Accounting Standard 34, "Interim Financial Reporting".

Conclusions Relating to Going Concern
Based on our review procedures, which are less extensive than those performed in an audit as described in the Basis for Conclusion section of this report, nothing has come to our attention to suggest that management have inappropriately adopted the going concern basis of accounting or that management have identified material uncertainties relating to going concern that are not appropriately disclosed.

This conclusion is based on the review procedures performed in accordance with this ISRE, however future events or conditions may cause the entity to cease to continue as a going concern.

Responsibilities of the Directors
The Directors are responsible for preparing the half-yearly financial report in accordance with the Disclosure Guidance and Transparency Rules of the United Kingdom's Financial Conduct Authority.

In preparing the half-yearly financial report, the Directors are responsible for assessing the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Directors either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

Auditor's Responsibilities for the review of the financial information
In reviewing the half-yearly report, we are responsible for expressing to the Company a conclusion on the condensed set of financial statements in the half-yearly financial report. Our conclusion, including our Conclusions Relating to Going Concern, are based on procedures that are less extensive than audit procedures, as described in the Basis for Conclusion paragraph of this report.

Use of our report
This report is made solely to the company in accordance with guidance contained in International Standard on Review Engagements 2410 (UK) "Review of Interim Financial Information Performed by the Independent Auditor of the Entity" issued by the Financial Reporting Council. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Company, for our work, for this report, or for the conclusions we have formed.

Ernst & Young LLP
Reading
15 May 2024