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OnTheMarket plc
13 October 2022

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ONTHEMARKET PLC
("OnTheMarket", "OTM", the "Group" or the "Company")

INTERIM RESULTS FOR THE SIX MONTHS ENDED 31 JULY 2022

FURTHER STRATEGIC PROGRESS DRIVING CONTINUED REVENUE GROWTH

OnTheMarket plc (AIM: OTMP), the majority agent-owned company which operates the OnTheMarket.com property portal, today announces its unaudited interim results for the six months ended 31 July 2022 ("H1 22/23").

Highlights

Period ended 31 July	**2022**	**2021**	**Change**
Group revenue	£17.0m	£14.9m	14%
Adjusted operating profit[1]	£1.3m	£2.1m	(38)%
Operating profit	£0.1m	£0.0m	n/a
Profit after tax	£0.4m	£0.5m	(20)%
Period-end net cash	£8.7m	£8.4[2]m	3.6%
ARPA[3]	£205	£188	9%
Average monthly advertisers[4] listed	13,118	12,972	1%
Period-end advertisers	12,876	13,732[5]	(6)%
Period-end agency branches	10,460	11,451[5]	(9)%
Period-end new homes developments	2,416	2,281[5]	6%
Traffic/visits[6]	138m	124[7]m	11%
Average monthly leads per advertiser	107	101[7]	6%

Good financial performance

- Continued strong growth in revenue and ARPA, up 14% and 9% respectively.
- Strong growth in New Homes revenues, up 73% and boosted by increases in both advertiser numbers and ARPA.
- After planned strategic investments in marketing and the team, the Group continues to be profitable with adjusted operating profit of £1.3m.
- Strong balance sheet, with H1 22/23 cash generated from operating activities of £3.1m. Period-end net cash increased to £8.7m, with no borrowings (31 January 2022: £8.4m).

Further strategic and operational progress

- Renewal of contracts with high-profile agency customers who committed to 5-year agreements on our admission to AIM in February 2018, demonstrating the value of our proposition and confidence in OnTheMarket. Further details are contained in a separate announcement released today.
- In July 2022 Foxtons, one of London's leading estate agencies with more than 50 interconnected branches, signed a listing agreement with OnTheMarket.
- After the period end, in August 2022, Lomond Group, the fast-growing network of sales and lettings businesses with over 60 branches, also signed a listing agreement with us.
- Glanty, relaunched as OnTheMarket Software, launched new products including TecCRM, the first majority agent owned CRM delivering an end-to-end customer relationship management solution.
- Our focus on serious property seekers continued, with valuation leads up 69% versus H1 21/22.
- Traffic and average monthly leads per advertiser increased relative to the preceding 6 months to 31 January 2022, up 11% and 6% respectively.
- 73% increase in agency spend on additional products reflecting increased value provided and demonstrating progress against the Group's growth strategy to add value through products, services and partnerships.
- Average monthly advertisers listed were up 1% period on period, with period end agency branches down 9% from 31 January 2022, reflecting fluctuations in agency branches under short-term free of charge trial periods.
- Period end new homes developments listed have increased 6% since 31 January 2022.

Outlook: well-positioned in the current market, confident in full year expectations

- The current macro-economic and geopolitical backdrop remains uncertain. Despite this, HMRC data shows that the UK housing market has seen normal transactional numbers in the past six months. In this context, our customers are looking for value-for-money advertising to generate valuable leads together with technology solutions that provide the most value and support them in winning new instructions and interacting with buyers, sellers, tenants and landlords.

- The Group's revenues are derived from contractual listing agreements and OnTheMarket offers a clear and valued proposition for agents and housebuilders, providing high quality leads and valuation instructions at sustainably competitive prices, in addition to a number of other value-adding products and services. Accordingly, the Board believes OnTheMarket is well positioned to support their business activities and help customers succeed throughout economic cycles.
- The Board remains confident in the Group meeting its full year expectations. The Group has continued to trade well and expects revenue growth, strategic progress and operational discipline to continue, with full year adjusted operating profit weighted towards H2 22/23 as revenue growth, including from existing and newly launched products, combined with a largely fixed cost base, contribute to increased operating margins.
- With a continuing commitment to "Listening, innovating, delivering", ever expanding engagement with our customers and a strong pipeline of additional products and services planned, the Group is confident it has a platform from which to drive long-term profitable growth.

Jason Tebb, Chief Executive Officer of OnTheMarket, commented:

"*We have a clear strategy in place to build a tech-enabled property business, a "one stop shop" for agents and we are delivering. Our continued operational and strategic progress is evidenced by our good set of results and the belief shown in us by agent customers who have committed their long-term futures to OnTheMarket.*

Our momentum is building. OnTheMarket is better placed today than ever to be the partner of choice for our agents to navigate all market conditions. We continue to offer exceptional value, as well as an increasing range of products and services, that help our customers win instructions, sell or let properties, make efficiency and cost savings and earn incremental revenues. The value and breadth of our products and services are key to retaining and growing our share of customer spend.

Underpinning our confidence in the future is the continued support of our agent customers, evidenced by our contract renewals and our role as the 'agents' portal', our New Homes customers and our consumers, who have responded very positively to the changes we have made. We have a strong pipeline of customer and consumer-led new products and services which will also further differentiate our proposition."

Analyst and investor presentations

A presentation for analysts will be held at 9.00am today. Please contact OTM@tulchangroup.com for further information.

The Company will also be hosting a live presentation for all existing and potential shareholders via the Investor Meet Company platform at 5pm BST on 18 October 2022. Full details of this session will be included in a separate announcement to be released shortly after these interim results are published.

Footnotes

1) *Adjusted operating profit is defined as operating profit before share-based payments (including charges relating to shares issued for agent recruitment), specific professional fees and non-recurring items. This is an alternative performance measure and should not be considered an alternative to IFRS measures, such as revenue or operating profit. Please see the Financial Review and Key Performance Indicators section below for a reconciliation of operating profit to adjusted operating profit.*
2) *Period-end net cash in the 2021 column is net cash at 31 January 2022. Net cash at 31 July 2021 was £9.9m.*
3) *Average revenue per property advertiser, being revenues due from property advertisers before the deduction of non-cash share-based agent recruitment charges for a period divided by the number of property advertisers for that period. ARPA presented herein is the average of the monthly ARPAs for the period unless otherwise stated. A property advertiser is a listed agency branch or a new home development advertising on OnTheMarket.com.*
4) *Advertisers are either estate and lettings agent branches or new home developments listed at OnTheMarket.com.*
5) *Period-end figures in the 2021 column are at 31 January 2022. Advertisers, agency branches and new home developments as at 31 July 2021 were 13,362, 11,198 and 2,164 respectively.*
6) *Visits comprise individual sessions on OnTheMarket's web-based portal or mobile applications by users for the period indicated as measured by Google Analytics.*
7) *Figures in the 2021 column are for the 6 months to 31 January 2022. Visits and average monthly leads per advertiser in the 6 months to 31 July 2021 were 159m and 132 respectively.*
8) *Unless otherwise stated, all figures refer to the six months ended 31 July 2022 and comparative figures are for the six months ended 31 July 2021 ("H1 21/22").*

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Background on OnTheMarket:

OnTheMarket plc, the majority agent-owned company which operates the OnTheMarket.com property portal, is a leading UK residential property portal provider.

Its objective is to create value for shareholders and property advertiser customers by delivering an agent-backed, technology-enabled portal - offering a first-class service to agents and new homes developers at sustainably fair prices and becoming the go-to portal for serious property-seekers.

OnTheMarket provides a unique opportunity for agents to participate in the equity value of their own portal. Agent backing and support enable OnTheMarket to display "New & Exclusive" properties to serious property-seekers 24 hours or more before agents release these properties to other portals.

This announcement contains forward-looking statements that are based on current expectations or beliefs, as well as assumptions about future events. These forward-looking statements can be identified by the fact that they do not relate only to historical or current facts. Forward-looking statements often use words such as anticipate, target, expect, estimate, intend, plan, goal, believe, will, may, should, would, could, is confident, or other words of similar meaning. Undue reliance should not be placed on any such statements because they speak only as at the date of this document and, by their very nature, they are subject to known and unknown risks and uncertainties and can be affected by other factors that could cause actual results, plans and objectives to differ materially from those expressed or implied in the forward-looking statements. There are a number of factors which could cause actual results to differ materially from those expressed or implied in forward-looking statements. The Group undertakes no obligation to revise or update any forward-looking statement contained within this announcement, regardless of whether those statements are affected as a result of new information, future events or otherwise, save as required by law and regulations.

Chief Executive Officer's Report

Success of strategy delivering good financial performance

The period to 31 July 2022 saw us build on the encouraging results we released for FY22 and I'm delighted to report continued progress in our long-term aim to become a tech-enabled property business within the entire property ecosystem. Our strategy is working. As one the 100 most visited websites in the UK (source: similarweb), we are well positioned to offer increasing levels of value to our customers, providing them with products and services that they need in addition to our core property portal offering.

The first half of our year has seen a continuation of our growth and significant steps forward for our business with revenue and ARPA up 14% and 9% respectively.

We continued to adopt a more proactive marketing strategy which has delivered more valuation opportunities for agent customers. In addition, we are developing new and innovative ways to provide high quality, qualified and nurtured leads to our customers which are of increasing importance.

We are pleased to report that spend on products in addition to fees for property listing services by our agent customers has increased by 73% period-on-period. This reflects our strategy of sustainably fair pricing, with an increasing range of value-add products and services for our customers.

Further operational and strategic progress; Listening. Innovating. Delivering.

Our commitment to both our customers and property-seeking consumers is underpinned by our four pillars: portal, software, data and market intelligence, and communications and marketing. We remain committed to a roadmap that combines 'good old-fashioned' agency principles with modern technological solutions, partnering with our agent and homebuilder customers to understand their needs.

The period saw us continue our focus on generating valuation leads for advertisers, a key priority identified from our 'Listening tour' of Town Halls and engagement sessions. At the core of this was a new TV creative with a focus on calls to action amongst serious property seekers, encouraging site visitors to generate a valuation. Valuation leads generated increased 69% in the 6 months to 31 July 2022 versus the six months to 31 July 2021.

Throughout the period, work continued apace on the development of "OnTheMarket 2.1", a significant upgrade to our site with new features and functionality designed in partnership with our customers. Released after period end, the upgrades included but were not limited to "Express Appraisal" and "Video Appraisal", two new innovations designed to generate new valuation opportunities and give agents additional ways to engage with potential new clients. These upgrades will enhance the quality of our lead generation offering to agents. "2.1" also includes a whole host of new filters and search options such as "auction, pet-friendly, greener choice, accessible, reduced price and student homes''. An integration with WhatsApp was also included. Additionally, rewarding our full-rate tariff agents, we have released updated agent profile pages with a display featuring awards, testimonials, area information and office hours.

In July 2022 we launched an exclusive commercial partnership with Instant Offices, a world leading marketplace for flexible workspace, providing thousands more office space listings on our portal. The move to increase flexible office space listings forms the core part of a strategic push to expand our portal offering. Updated functionality will launch later this year to include a new 'Flexible Workspace' filter for site visitors.

Also in July 2022, we announced a new Management Fee product to protect lettings agents against lost management fees. Developed with tenant referencing platform Canopy and sold by insurance broker the Alan Boswell Group, the product provides up to 15 months of cover for the loss of management fees and up to £100,000 of legal expenses, including the cost of eviction process.

The launch of OnTheMarket Software, formerly known as Glanty Limited ("Glanty"), is a major step forward for our business. As the only majority agent owned CRM software, TecCRM will deliver an end-to-end customer relationship management solution. TecLet, TecHub and TecWeb will offer further software solutions to our customers and will in the future integrate seamlessly with the OnTheMarket portal.

In January we extended our partnership with data specialists Sprift, announcing exclusive access for our agents and housebuilder customers to Sprift's prospecting tool, Smartmail. A full-service canvassing and prospecting system that enables multi-trigger mailings to be sent to targeted properties, Smartmail is a key product designed to help agent customers in a low-stock market. In April we enhanced the product to include landlord prospecting, catering to a core priority for our letting agents in a low-stock market.

In March we entered a long-term agreement with Estate Agency Events to be the Principal Partner of the leading event and awards in our industry, the EA Masters and Best Estate Agent Guide and Awards. Our partnership will see us working together to build on the considerable reputation both EA Masters and Best Estate Agent Guide have earned. In line with us becoming the new Principal Partner, we are providing our full-rate paying member agents with special benefits, including preferential rates to attend the events, and supporting them in learning from some of the best business minds and leaders in the industry through a series of free masterclasses.

I am excited about the next steps planned for this year, with significant site upgrades including the recently launched "OnTheMarket 2.1" and work beginning on "2.2", both of which are tailored to both serious property seekers and our agents' and homebuilder customers' needs. We are now 'more than just a portal', with a suite of products, services and functionality designed to help our customers run their businesses more easily, quickly and cost effectively, as well as helping property seekers get an advantage in their property search.

The agents' portal

We are delivering on our strategy of creating a tech-enabled property business. As part of this I have always stated that I wanted to build the portal and the software that I always wanted when I was an estate agent, but didn't have. This fundamental understanding of our customers, combined with feedback taken on board from across our agent community since joining the business, powers our strategy, and we will continue to evolve our products and services based on offering incredible value for money and sustainably fair pricing. But we are only just getting started, there is much more to come.

I cannot overstate the importance of the growing positive sentiment towards the business from its core customer base. In a survey of long-term full rate paying customers, 81% reported that OnTheMarket has made progress over the last 2 years. This sentiment is further supported by the ongoing engagement initiatives, where our customers have had their voice heard and have had the opportunity to shape the future of the agents' portal. We have spoken with thousands of agents over the course of the last year through our Town Halls, beta sessions, developer forums and 1-1 clinics. I would like to thank all those with whom we've spoken for giving up their time to provide feedback and help to shape the future of the business.

Reflecting our position as the agents' portal, we are delighted that many leading agency brands have committed to new contracts, demonstrating the value of our proposition and confidence in

OnTheMarket. We are also delighted to welcome Lomond Group, a fast-growing business of over 60 branches, who has signed a listing agreement with OnTheMarket. Further details on these developments are contained in a separate announcement released today.

None of this would be possible without the hard work and enthusiasm of my colleagues. I thank all of them and look forward to working with them on these exciting plans for the rest of 2022.

Continuing commitment to ESG

OnTheMarket is committed to being a responsible corporate citizen, delivering long-term, sustainable results for our stakeholders whilst reducing our impact on the environment. Working with external climate consultants, we have benchmarked our carbon footprint. This data is informing our immediate and future decisions and we are committed to understanding our impact in terms of carbon emissions. An ESG strategy and framework will underpin this with clear goals and structures. We will provide more details in due course.

Board

On 1 August 2022 the Group announced the resignation of Clive Beattie, Chief Financial Officer ("CFO"). The Board has appointed Korn Ferry, an organisational consulting firm, to conduct a formal recruitment process for a permanent replacement. A list of potential candidates has been drawn up and interviews have commenced. Clive will remain with OnTheMarket as CFO and a board director until Friday 27 January 2023 to ensure an orderly handover. Further updates will be given when appropriate.

Well positioned in the current market

The current macro-economic and geopolitical backdrop remains uncertain. According to our data, there are more properties available than at any time over the past 18 months, meaning a continuation of the inevitable levelling off of house price growth. Despite this, HMRC data shows that the UK housing market has seen normal transactional numbers in the past six months. With substantial pipelines built up over H1, agents will be keen to convert these to completed transactions as well as build for the future. Anecdotally, agents and house builders are reporting fewer buyers than in the first 6 months of the year, but activity is still high with 53% of properties selling (subject to contract) within 30 days according to our own Property Sentiment Index. Continued softening of house price growth and more supply coming to the market may lead to a re-balancing of the market in the next six months. In this context, our customers are looking for value-for-money advertising to generate valuable leads, together with technology solutions that provide the most value and support them in winning new instructions and interacting with buyers, sellers, tenants and landlords.

Our focus therefore remains firmly on providing our customers with increasing value for money across the services we provide to support their business activities in all market conditions, and providing consumers a first-class, market leading experience in their property search. Our revenues, derived from contractual listing agreements, in addition to a number of other value-adding products and services, are not directly linked to property market transaction activity. We believe that the value and competitive advantage OnTheMarket brings to agent and New Homes customers is becoming increasingly clear, and OnTheMarket's proposition is well positioned to support agents throughout economic cycles.

Serious property seekers are part of our DNA. The latest OnTheMarket property sentiment index shows that 75% of active buyers who visit OnTheMarket.com are confident that they would purchase a property within the next 3 months and that 80% of sellers were confident that they would sell in the next 3 months.

Positive outlook remains

Our transformation to a tech-enabled property business across the broader property ecosystem is accelerating and our momentum is building.

The Board remains confident in the Group meeting its full year expectations. The Group has continued to trade well and expects revenue growth, strategic progress and operational discipline to continue, with full year adjusted operating profit weighted towards H2 22/23 as revenue growth, including from existing and newly launched products, combined with a largely fixed cost base, contribute to increased operating margins.

With a company culture committed to "Listening, innovating, delivering", ever expanding engagement with our customers and a strong pipeline of product delivery planned for the second half of the year, we are confident that we have a platform from which to drive long-term profitable growth. I am grateful to my colleagues for their enthusiasm and energy in achieving these results and look forward to our continued progress.

Finally, I would like to thank our agent and homebuilder customers for their ongoing engagement and continued support, without which none of the above would have been possible.

Jason Tebb
Chief Executive Officer

Financial Review and Key Performance Indicators

Financial review

Revenue for the period was up 14% to £17.0m (H1 21/22: £14.9m), including Glanty revenues of £0.5m (H1 21/22: £0.1m representing a one-month contribution as the acquisition date was 28 May 2021).

The reported operating profit of the Group was £0.1m (H1 21/22: £0.0m). This includes an operating loss of £0.6m (H1 21/22: loss of £0.1m) attributable to Glanty and is further analysed as follows:

	H1 22/23 £'000	H1 21/22 £'000
Reconciliation of operating profit to adjusted operating profit:		
Operating profit	54	13
Adjustments for:		
Share-based employee incentives	205	174
Professional fees	15	164
Share-based agent recruitment charges	790	1,214
Government grant repaid	-	449
Staff related costs	29	95
Acquisition related costs	97	-
Operating profit before specific professional fees, share-based payments and non-recurring items	1,190	2,109
Non-cash agent recruitment charges within revenues	108	-
Adjusted operating profit	**1,298**	**2,109**

The basic and diluted profit per share in the period were 0.49p and 0.44p respectively (H1 21/22: basic and diluted profit per share 0.66p and 0.60p respectively).

The Group ended the period with cash of £8.7m and no borrowings (31 January 2022: £8.4m).

Revenue and ARPA by source

Following the acquisition of Glanty in May 2021 the Group reports revenues attributable to products and services offered to:

- estate and letting agents;
- new home developers;
- Glanty customers; and
- other, non-property advertiser customers.

Period ended 31 July	2022	2021	Change
Group revenue			
- Agency	£14.4m	£13.5m	7%
- New Homes	£1.9m	£1.1m	73%
- Other advertisers	£0.2m	£0.2m	N/a
- Glanty	£0.5m	£0.1m	400%
Total	£17.0m	£14.9m	14%
ARPA			
- Group	£205	£188	9%
- Agency	£222	£207	7%
- New Homes	£129	£92	40%

Operational KPIs

Group operational KPIs were as follows:

	31 July 2022	31 January 2022	Change
Average advertisers			
- Group	13,118	12,972	1%
- Agency	10,720	10,900	(2)%
- New Homes	2,398	2,072	16%
Total advertisers	12,876	13,732	(6)%
- Agency branches	10,460	11,451	(9)%
- New homes developments	2,416	2,281	6%

- Average monthly advertisers listed were up 1% period on period. Period end agency branches fell 9% from 31 January 2022, reflecting fluctuations in agency branches under short-term free of charge trial periods. Since 31 January 2022, new homes developments listed have increased further, up 6%.
- Traffic and average monthly leads per advertiser fell versus H1 21/22, reflecting significant activity in the UK residential property market in late 2020 and 2021. However, our focus on serious property seekers continued, with valuation leads up 69% versus H1 21/22 and 18% versus H2 21/22.

The Group's financial performance is presented in the Condensed Consolidated Income Statement below. The profit for the period attributable to the owners of the Group was £0.4m (H1 21/22: £0.5m).

Administrative expenses have increased by £3.0m to £15.8m in the period to 31 July 2022 (H1 21/22: £12.8m). This was driven by an increase in staff costs of £1.1m to £5.8m (H1 21/22: £4.7m) and marketing expenditure of £0.8m to £5.3m (H1 21/22: £4.5m). The increase in staff costs was in part driven by the inclusion of a full period of staff costs in relation to Glanty. There was also an increase in other Glanty costs of £0.4m to £0.5m (H1 21/22: £0.1m) because of Glanty costs being included for the full period in H1 22/ 23 compared to only two months in H1 21/22.

A charge of £0.2m (H1 21/22: £0.2m) was incurred in relation to share-based employee incentives and the movement in the expected future employer's national insurance charge based on the period-end share price.

A share-based agent recruitment charge of £0.8m (H1 21/22: £1.2m) was incurred in relation to the issue, or expected issue, of shares to agents alongside signing new long-term listing agreements, in line with the Group's strategy to grow the agent shareholder base.

Intangible assets increased to £8.3m (31 January 2022: £7.5m). This was driven by additional capitalisation of staff and consultant costs incurred in ongoing product development, partially offset by the amortisation charge arising on those costs and on costs previously capitalised.

Goodwill remained at £1.5m within the Group as a result of the acquisition of Glanty in the prior year. Goodwill represents the excess of the fair value of Glanty's purchase consideration over Glanty's net fair value of identifiable assets and liabilities acquired and no impairment has been recognised.

The deferred tax asset increased from £2.6m (at 31 January 2022) to £2.9m, due to an increase in the level of future taxable profits expected to arise and against which available tax losses could be utilised.

Receivables fell to £4.5m as at 31 July 2022 (31 January 2022: £5.1m), mainly as a result of the release in the period of prepayments previously recognised for agent shares issued.

Trade and other payables has remained at £5.6m as at 31 July 2022 (31 January 2022: £5.6m).

At 31 July 2022, the Statement of Financial Position showed total assets of £26.9m, up from £26.4m as at 31 January 2022, primarily due to an increase in capitalisation of intangible assets. Total equity was £19.5m at 31 July 2022, up from £18.7m as at 31 January 2022, which reflects the profit in the period and the issue of shares.

Following approval from shareholders and the courts, on 23 July 2022 the cancellation of the

Company's share premium account became effective. The share premium account was therefore nil at 31 July 2022 (31 January 2022: £43.8m), and retained earnings were increased by £43.8m. See note 12 for further information.

Condensed Consolidated Income Statement

For the period ended 31 July 2022

	Notes	Unaudited 6 months to 31 July 2022 £'000	Unaudited 6 months to 31 July 2021 £'000
Revenue	**6**	16,982	14,947
Administrative expenses		(15,792)	(12,838)
Operating profit before specific professional fees, share-based payments and non-recurring items		1,190	2,109
Specific professional fees, share-based payments and non-recurring items:	**8**	(1,136)	(2,096)
Operating profit		54	13
Finance income		29	12
Finance expense		(8)	(2)
Share of loss of associate		-	(104)
Fair value gain on step acquisition		-	126
Profit before income tax		75	45
Income tax		291	440
Profit and total comprehensive income for the period attributable to owners of the parent		366	485
Profit per share from continuing operations		**Pence**	**Pence**
Basic	**9**	0.49	0.66
Diluted	**9**	0.44	0.60

The operating profit arises from the Group's continuing operations.

There is no recognised income or expense for the period other than the profit shown above and therefore no separate statement of other comprehensive income has been presented.

Condensed Consolidated Statement of Financial Position

	Notes	Unaudited at 31 July 2022 £'000	Audited at 31 January 2022 £'000
ASSETS			
Non-current assets			
Goodwill	**10**	1,518	1,518
Intangible assets	**11**	8,276	7,520
Property, plant and equipment		115	96
Right-of-use assets		417	703
Investments		405	405
Deferred tax asset		2,878	2,599
		13,609	12,841
Current assets			
Trade and other receivables		4,464	5,085
Cash and cash equivalents		8,685	8,412
		13,149	13,497
TOTAL ASSETS		26,758	26,338
LIABILITIES			
Current liabilities			
Trade and other payables		(5,587)	(5,580)

Lease liabilities		(219)	(421)
Provisions		(914)	(732)
Current tax		(12)	(12)
		(6,732)	(6,745)
Non-current liabilities			
Lease liabilities		(162)	(237)
Provisions		-	(203)
Deferred consideration		(75)	(75)
Deferred tax liability		(401)	(401)
		(638)	(916)
TOTAL LIABILITIES		(7,370)	(7,661)
NET ASSETS		19,388	18,677
EQUITY ATTRIBUTABLE TO OWNERS OF THE PARENT			
Share capital		150	149
Share premium	**12**	-	43,756
Merger reserve		1,228	1,228
Other reserve		4,592	4,473
Retained earnings		13,418	(30,929)
TOTAL EQUITY ATTRIBUTABLE TO OWNERS OF THE PARENT		19,388	18,677

Condensed Consolidated Statement of Changes in Equity

For the period ended 31 July 2022

	Share capital £'000	**Share premium £'000**	**Other reserve £'000**	**Merger reserve £'000**	**Retained earnings £'000**	**Total equity £'000**
Balance as at 1 February 2021	145	47,453	782	(71)	(31,409)	16,900
Profit for the financial period	-	-	-	-	485	485
Total comprehensive income for the period	-	-	-	-	485	485
Transactions with owners:						
Share consideration for Glanty Limited	4	1,227	-	-	-	1,231
Costs incurred in issue of shares relating to Glanty		(70)				(70)
Shares issued for agent recruitment shares	-	185	9	-	-	194
Transfer to retained earnings of share-based payment charge on employee options	-	-	-	-	167	167
Balance as at 31 July 2021	149	48,795	791	(71)	(30,757)	18,907
Balance as at 1 February 2022	149	43,756	4,473	1,228	(30,929)	18,677
Profit for the financial period	-	-	-	-	366	366
Total comprehensive income for the period	-	-	-	-	366	366

Transactions with owners:						
Shares issued for agent recruitment shares	1	-	119	-	-	120
Transfer to retained earnings of share-based payment charge on employee options	-	-	-	-	225	225
Share premium cancellation	-	(43,756)	-	-	43,756	-
Balance as at 31 July 2022	150	-	4,592	1,228	13,418	19,388

Condensed Consolidated Statement of Cash Flows
For the period ended 31 July 2022

	Unaudited 6 months to 31 July 2022 £'000	Unaudited 6 months to 31 July 2021 £'000
Cash flows from operating activities		
Profit for the period after income tax	366	485
Adjustments for:		
Income tax	(291)	(440)
Finance income	(29)	(12)
Finance expense	8	2
Agent recruitment expense	898	1,214
Share-based payment	205	174
Amortisation	1,476	1,154
Depreciation	317	282
Acquisition related costs	97	-
Other professional fees	44	-
Fair value gain on step acquisition	-	(126)
Share of loss of associate	-	104
Operating cash flows before movements in working capital	3,091	2,837
(Increase)/ Decrease in trade and other receivables	(94)	37
Increase/ (Decrease) in trade and other payables	(101)	(250)
(Decrease) in provisions	(3)	(11)
Tax received	12	-
Net cash generated from operating activities	2,905	2,613
Cash flows from investing activities		
Finance income received	29	12
Acquisition of intangible assets	(2,232)	(1,509)
Acquisition of property, plant and equipment	(51)	(20)
Acquisition of associate	-	-
Acquisition of subsidiary net of cash acquired	-	(1,562)
Net cash used in investing activities	(2,254)	(3,079)
Cash flows from financing activities		
Finance expense paid	-	(2)
Professional fees incurred	(99)	-
Loan repayments	-	(50)
Repayment of lease liabilities	(279)	(289)
Net cash used in financing activities	(378)	(341)

Net movement in cash and cash equivalents	273	(807)
Cash and cash equivalents at the beginning of the period	8,412	10,719
Cash and cash equivalents at the end of the period	8,685	9,912

Cash and cash equivalents
For the purposes of the statement of cash flows, cash and cash equivalents comprise cash at bank and in hand. This is consistent with the presentation in the Statement of Financial Position.

Notes to the Condensed Consolidated Financial Statements
For the period ended 31 July 2022

1. General information

The principal activity of the Company is that of a holding company. The principal activities of the Group in the period under review were the provision of online property portal services to businesses in the estate and lettings agency industry under the trading name of OnTheMarket.com, and the provision of software services to UK estate and lettings agents by Glanty under the trading name teclet.

The Company is a public company limited by shares and it is incorporated and domiciled in the UK. The address of its registered office is PO Box 450, 155-157 High Street, Aldershot, GU11 9FZ. Its shares are listed on AIM.

2. Significant changes in the current reporting period

No significant changes were noted in the current reporting period.

3. Basis of preparation of half-year report

The interim results for the six months ended 31 July 2022 should be read in conjunction with the Group's last annual consolidated financial statements as at and for the year ended 31 January 2022. These condensed interim financial statements have been prepared in accordance with the recognition and measurement requirements of UK-adopted International Accounting Standards (UK-IAS) and adopting the accounting policies that will be applied in the 31 January 2023 financial statements, but do not contain all the disclosures required for full compliance with UK-IAS. However, selected explanatory notes are included to explain events and transactions that are significant to an understanding of the changes in the Group's financial position and performance since the last annual financial statements.

The 31 January 2022 full year accounts have been reported on by the Group's auditors and delivered to the Registrar of Companies. The auditors' report was unqualified and did not contain any statements under section 498 (2) or (3) of the Companies Act 2006 or any matter to which the auditors drew attention by way of emphasis.

The interim financial statements were approved by the board of directors on 12 October 2022. The interim results do not constitute statutory financial statements within the meaning of section 434 of the Companies Act 2006. The half year results for the current period are unaudited.

4. Accounting policies

The same accounting policies, presentation and methods of computation are followed in these interim condensed set of financial statements as have been applied in the Group's latest annual audited financial statements.

5. Going concern

The Group made a profit after tax for the period ended 31 July 2022 of £0.4m (6 months to 31 July 2021: £0.5m). The Group had a period end net cash balance of £8.7m and no borrowings (31 January 2022: £8.4m). At 30 September 2022 the Group had a net cash balance of £7.9m and no borrowings.

The Directors have prepared and reviewed cash forecasts and projections for the Group for the next 12 months. They have also conducted sensitivity analyses and considered scenarios where there is an adverse impact on future revenues, together with the mitigating actions they may take in such circumstances, such as a reduction in budgeted discretionary expenditure, a significant proportion of which relates to advertising and marketing cost that can be reduced materially at short notice.

The Directors are confident that the Group will remain cash positive and will have sufficient funds to continue to meet its liabilities as they fall due for a period of at least a period of 12 months from the date of the half year announcement and have therefore prepared the half year announcement on a going concern basis.

5. Judgement and Estimates

There are no new judgements estimates in respect of the six months to 31 July 2022 apart from the removal of Business Combinations as a key source of estimation which only related to the Glanty acquisition in FY22.

6. Revenue by source

The Group has determined that the Chief Executive Officer ("CEO") is the chief operating decision maker. Monthly management numbers are reported and issued to the CEO, which are used to assess the performance of the business.

Following the acquisition of Glanty Limited in May 2021, the Group reports revenues attributable to products and services offered to:

- estate and letting agents;
- new home developers;
- other, non-property advertiser customers; and
- Glanty customers.

Period ended 31 July	**2022 £m**	**2021 £m**	**Change**
Group revenue			
- Agency	14.4	13.5	7%
- New Homes	1.9	1.1	73%
- Other advertisers	0.2	0.2	N/A
- Glanty	0.5	0.1	400%
Total	17.0	14.9	14%

Agency Sales are predominantly billed monthly in advance, and these are recognised as deferred income. The Group has contract liabilities as follows in respect of deferred income:

Deferred income as at	**31 July 2022**	**31 January 2021**	**Change**
	£m	**£m**	
Group revenue			
- Agency	**1.8**	1.7	6%
- New homes	**-**	-	N/a
- Glanty	**-**	-	N/a
- Other	**-**	-	N/a
- Total	**1.8**	1.7	6%

Contract liabilities of £1.7m at 31 January 2022 were recognised as revenue in the half year ended 31 July 2022 (2021: £1.8m).

A proportion of sales in the period are billed monthly in arrears and are recognised as accrued income. Accrued income amounted to £0.2m for the year ended 31 July 2022 (2021: £0.1m).

All revenue is generated in the UK for the Group's services.

During the period there was a charge of £0.1m to revenue in relation to shares that are issued after the completion of contract commitments. These are amounts that are initially accrued during the life of the contract and the accrual released and other reserves credited upon issue of the shares. Amounts are accrued and deducted against revenue over the period in which the fees are earned.

7. Operating Segments

The Group determines and presents operating segments based on internal information that is provided to the Chief Executive Officer, who is the Group's chief operating decision maker.

The Group's reportable segments are as follows:

- Glanty
- Rest of the Group

Management monitors the business segments at a revenue and operating profit level separately for the purpose of making decisions about resources to be allocated and of assessing performance. There was no inter-segment revenue during the period.

Costs, assets and liabilities are not attributed to the different revenue sources other than for Glanty and so segmental reporting under IFRS 8 is not appropriate for the remainder of the Group.

No customer made up more than 10% of Group revenues in the current or prior years.

Operating profit in relation to the Rest of the Group segment is managed together and as there are no internal measures of individual segment profitability, relevant disclosures have been shown under the heading Rest of the Group in the table below.

6 months ended 31 July 2022	**Glanty**	**Rest of the Group**	**Group**
	£m	**£m**	**£m**

Revenue	0.5	16.5	17.0
Operating loss[1]	(0.6)	0.7	0.1
Depreciation & amortisation	0.2	1.6	1.8

6 months ended 31 July 2021	**Glanty**	**Rest of the Group**	**Group**
	£m	**£m**	**£m**
Revenue	0.1	14.8	14.9
Operating loss[1]	(0.1)	0.1	0.0
Depreciation & amortisation	0.0	1.4	1.4

[1] Operating loss is stated after the charge for depreciation and amortisation.

[2] Assets and liabilities are not separately monitored by the Chief Operating Decision Maker and therefore not identified above.

8. Specific professional fees, share-based payments and non-recurring items

Profit for the half-year includes the following costs in relation to specific professional fees, share-based payments and one-off events that are not expected to be recurring:

	Unaudited 6 months to 31 July 2022 £'000	**Unaudited 6 months to 31 July 2021 £'000**
Share-based employee incentives	205	174
Professional fees	15	164
Share-based agent recruitment charges	790	1,214
Government grant repaid	-	449
Staff related costs	29	95
Prepayment for employee services	97	-
	1,136	2,096

Share-based employee incentive charges include the movement in the expected future employers national insurance charge based on the period-end share price.

Professional fees relate predominantly to fees and expenses in relation to the acquisition of the remaining 80% of Glanty Limited.

Agent recruitment charges relate to share-based charges arising on the issue of shares to agents committing to long-term service agreements, in line with the Group's strategy to grow the agent shareholder base.

The government grant costs in the prior period reflect the repayment of amounts received under the Coronavirus Job Retention Scheme.

Staff related costs relate to costs associated with termination of employment of employees and costs associated with employee share-based plans.

Prepayment for employee services relates to the amortisation of a payment to Glanty on acquisition deemed to be in respect of ongoing employee services, repayable to the Company should employment end, save for certain circumstances, before the third anniversary of the acquisition of Glanty, which is being amortised over the three-year period from acquisition.

9. Earnings per share

	Unaudited 6 months to 31 July 2022 £'000	**Unaudited 6 months to 31 July 2021 £'000**
Numerators: Earnings attributable to equity		
Profit for the period from continuing operations attributable to owners of the company	366	485
Total basic earnings and diluted earnings	366	485
	No.	**No.**
Denominators: Weighted average number of equity shares		
Basic	74,769,071	73,143,265
Diluted	82,836,970	80,377,685
Earnings per share	**Pence**	**Pence**
Basic	0.49	0.66
Diluted	0.44	0.60

10. Goodwill

	Group £'000
At 1 February 2022	1,518
	-
At 31 July 2022	**1,518**

Impairment testing for cash generating units containing goodwill

The Group tests the carrying value of assets at the cash-generating unit Glanty for impairment annually, or more frequently if there are indicators that assets might be impaired. The review is undertaken by assessing whether the carrying value of assets is supported by their value-in-use, which is calculated as the net present value of future cash flows derived from those assets, using cash flow projections. If an impairment charge is required, this is allocated first to reduce the carrying amount of any goodwill allocated to the cash-generating unit (£1.5m) and then to the other assets of the cash generating unit, but subject to not reducing any asset below its recoverable amount.

As Glanty was loss making for H1 22/23 management performed an impairment review in respect and concluded that no impairment charge was required. Management noted there were no material changes to the sensitivities and assumptions disclosed as per the 31 January 2022 financial statements.

11. Intangible assets

Group	Development Costs	Technology related intangibles	Customer related intangibles	Total
	£'000	£'000	£'000	£'000
Cost:				
At 1 February 2022	16,370	2,028	444	18,842
Additions, internally developed	1,824	408	-	2,232
At 31 July 2022	18,194	2,436	444	21,074
Amortisation:				
At 1 February 2022	11,120	165	37	11,322
Charge for the period	1,266	182	28	1,476
At 31 July 2022	12,386	347	65	12,798
Net book value: **At 31 July 2022**	5,808	2,089	379	8,276

Amortisation is included within administrative expenses in the income statement.

The development costs relate to those costs incurred in relation to the development of the Group's online property portal, OnTheMarket.com. The development costs capitalised above are amortised over a period of 4 years which represents the period over which the Directors expect the Group to consume the assets' future economic benefits. The development costs are amortised from the point at which the asset is ready for use within the business.

The technology and customer related intangible assets acquired through business combination relate to the development of software by Glanty for teclet lettings and teclet CRM products and represent the fair value of those assets acquired as part of the Group's acquisition of Glanty. The fair value costs at acquisition are amortised over a period of 8 years from the acquisition date, which represents the period over which the Directors expect the Group to consume the assets' future economic benefits. Development costs incurred in relation to the technology related intangibles after acquisition are amortised over 4 years from the point at which the asset is ready for use within the business.

No material amount was recognised as an expense in the period in relation to research and development expenditure.

12. Share premium cancellation

Following approval from shareholders and the courts, on 23 July 2022 the cancellation of the Company's share premium account became effective.

The cancellation has the effect of creating distributable reserves and, subject to the financial performance of the Company and the CA 2006, provides the Company with greater flexibility to make distributions of profits by way of dividend or through the purchase of its own shares, as permitted by the CA 2006. No distributions have currently been made or proposed.

13. Related party relationships and transactions

There were no related party transactions during the period ended 31 July 2022.

14. Post balance sheet events

There were no significant post balance sheet events.

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