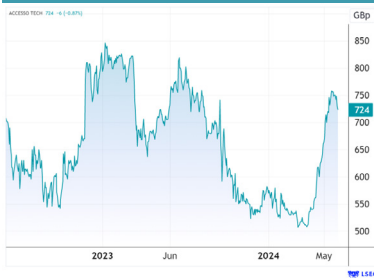




3 June 2024

Technology



Market data

EPIC/TKR	ACSO
Price (p)	730p
12m high (p)	822p
12m low (p)	500p
Shares (m)	41.695
Mkt cap (£m)	£304.4m
EV (£m)	£281.3m
Free float*	94.6%
Country of listing	UK
Currency	GBP
Market	AIM

*As defined by AIM Rule 26

Description

accesso Technology Group provides technology solutions to the global leisure & entertainment sector and it currently serves more than 1,200 venues worldwide.

Company information

CEO	Steve Brown
CFO	Fern MacDonald
Chairman	Bill Russell
	+44 (0) 118 934 7400
	www.accesso.com

Key shareholders (as at 23 May)

Directors & Group EBT	5.44%
Long Path Partners	15.09%
Canaccord Genuity Group	12.03%
BlackRock	6.64%
Amati	4.88%
Chelverton AM	4.79%

Diary

Sep'24	Interim results
--------	-----------------

Analyst

Richard Jeans	rj@hardmanandco.com
---------------	--

ACCESSO TECHNOLOGY GROUP

Unique solutions provider to global leisure industry

accesso provides technology solutions to the global leisure and attractions industry, servicing more than 1,200 venues across 34 countries. While the share price slumped from late 2018 and bottomed during the pandemic, the group is now on a new footing. Following a five-year break, the company has made four acquisitions to help drive fresh momentum. These acquisitions add functional breadth to the offering as well as increased geographical spread. The company has a unique business profile and a leading market position, supported by healthy cash generation and a strong balance sheet. Despite the recent rally, at 15x our FY26e earnings, the rating remains well below the heady days of 2014-18.

- **Strategy:** accesso's purpose is to partner with venue operators worldwide to deploy technology solutions that enhance guest experiences and optimise venue revenue. accesso is the clear leader and no competitor has the breadth of solutions, customer base or geographical reach that accesso can offer.
- **FY23 results:** Revenue grew by 6.3%, at constant currencies, to \$149.5m, and adjusted operating profit rose by 8.2%, to \$18.6m. Net cash position slipped by \$33.2m, to \$31.5m, after a net outflow of \$50.0m on acquisitions while operating cash generation was strong. accesso does not pay a dividend.
- **Valuation:** The stock trades on 20x our forecast earnings in FY24, falling to 17x in FY25 and 15x in FY26. In addition, accesso has a strong net cash position and healthy cash generation with a free cashflow yield of ca.5.4%. Further, the quality of revenues is improving, with 84% repeatable.
- **Risks:** The pandemic highlighted a risk associated with the global leisure industry. However, the downturn was less than feared and drove accelerated digital transformation. Customer concentration is declining as customer base expands and five flagship customers now generate less than half of revenues.
- **Investment summary:** accesso is a unique investment proposition in an ever-declining UK software universe, as peers have been snapped up by industry buyers and private equity. The stock rebased following the 2018 sell-off and pandemic and now trades at substantially more value-oriented levels, supported by improved cash generation. accesso sizes its total addressable market at \$2.3bn, giving it a ca.5.9% market share and with plenty of scope for growth.

Financial summary and valuation

Year-end Dec (\$000)	2021	2022	2023	2024E	2025E	2026E
Revenues	124,794	139,730	149,515	160,625	172,348	185,087
Cash EBITDA	28,138	25,805	23,626	27,646	31,327	35,437
Adjusted EBITDA	28,830	27,761	26,064	30,858	34,774	39,138
Adjusted operating profit	16,677	17,216	18,633	23,991	28,807	33,657
Underlying PBT	25,172	14,384	16,386	18,801	22,562	26,437
Statutory PBT	12,110	12,417	8,808	14,491	19,321	24,279
Adjusted basic EPS (c)	61.10	35.93	37.48	46.49	54.51	62.51
Adjusted diluted EPS (c)	58.88	34.51	36.46	45.32	53.14	60.94
Adjusted diluted EPS (p)	42.82	27.92	29.31	36.26	41.84	47.98
Net debt/(cash)	(64,050)	(64,663)	(31,465)	(35,019)	(58,578)	(83,634)
P/E (x)	17.0	26.1	24.9	20.5	17.4	15.2
FCF yield (%)	9.2	2.3	5.4	5.4	6.1	6.9

Source: Company accounts, Hardman & Co Research

Table of contents

Executive summary 3
 Clear industry leader 3

Investment case 5

Company description..... 6
 FY23 results15
 Business model18
 Acquisition strategy19
 Market environment.....22
 A short history24

Financials26
 Forecasts26
 Income statement28
 Financial position.....29
 Cashflow30

Sensitivities31

Valuation.....32

Company matters35

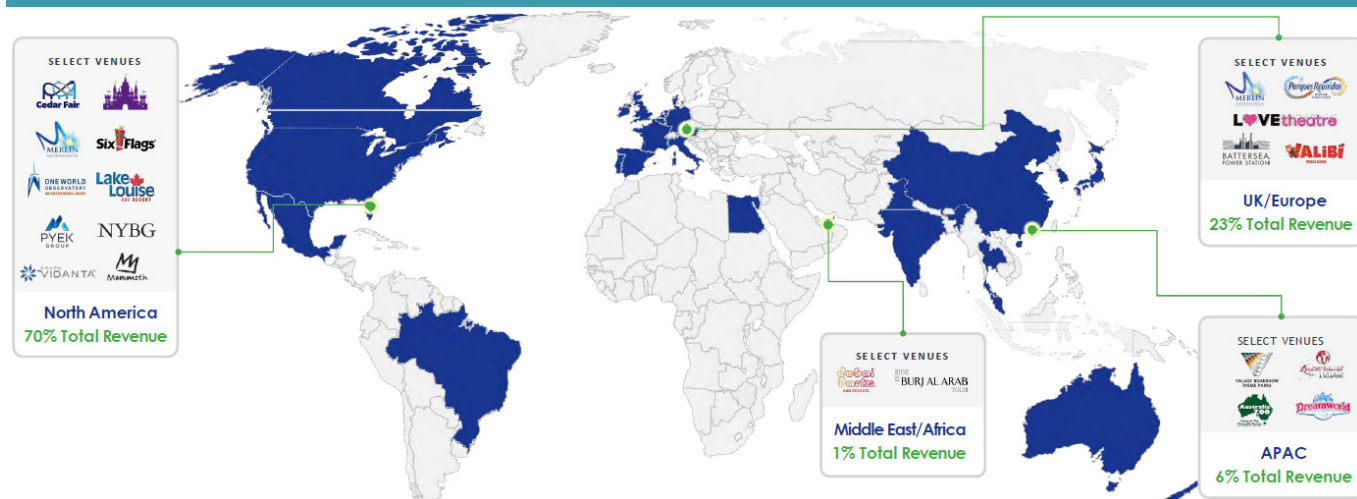
Disclaimer38
 Status of Hardman & Co's research under MiFID II.....38

Executive summary

Clear industry leader

accesso has established its position as the leading technology provider to the leisure and attractions industry, with an unrivalled customer base, as shown in the chart below. It has achieved this through assembling a portfolio of products, including industry-leading solutions in ticketing and point-of-sale (POS) and patented solutions in queue line management. We note that Disney, the industry goliath, invests billions of dollars in technology and this puts pressure on other operators, which have substantially smaller budgets and therefore need to outsource their IT. accesso is in an ideal position to provide solutions to these operators.

Expansive customer base – 1,200+ venues across 34 countries, including the world's largest theme park in Orlando



Source: accesso presentation

Highly experienced management team

Steve Brown, CEO, joined the business in 2012, when Lo-Q acquired accesso, where he was CEO. Lo-Q said, at the time, it was particularly attracted by the strong accesso management team and subsequently adopted the accesso name, with Mr Brown becoming COO and later CEO. The current accesso executive team, which has close to 190 years of combined experience in the leisure and attractions industry, is now very stable – most of the senior team have worked with the group for at least six years.

Margins and cash generation are heading upwards

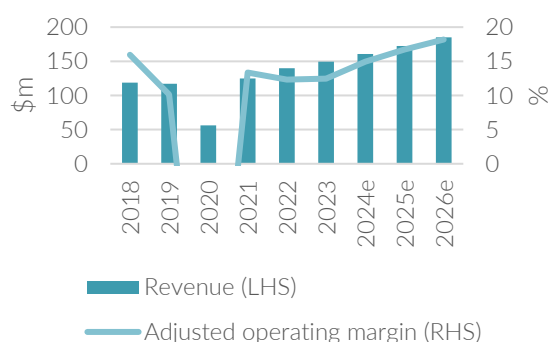
We forecast the cash EBITDA margin to rise to 19.1% in FY26. On our forecasts, this translates into a free cashflow yield of 6.9%, at the current share price. Adjusted for the net cash position, this FCF yield will reach 8.7% in FY26, on our forecasts.

Building a renewed momentum

Following the shakeout in 2018/19, the shares bottomed during the pandemic in 2020. However, accesso is now building fresh momentum on the back of the increased scale and strengthened market position, generated through four acquisitions. The largest of the deals – VGS – accelerates the internationalisation of the group, adding over 200 new venues to the customer base, including the world's largest theme park resort destination in Orlando, Florida, as well as leading theme park brands in Dubai, Singapore, Japan and China. Outside of theme parks, it adds one of the Seven Wonders of the Ancient World – the Pyramid of Giza in Egypt.

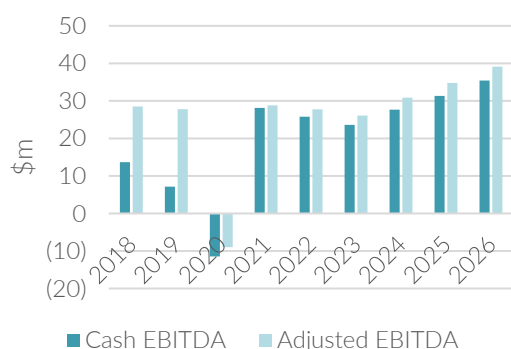
accesso Technology Group

Valuation 1



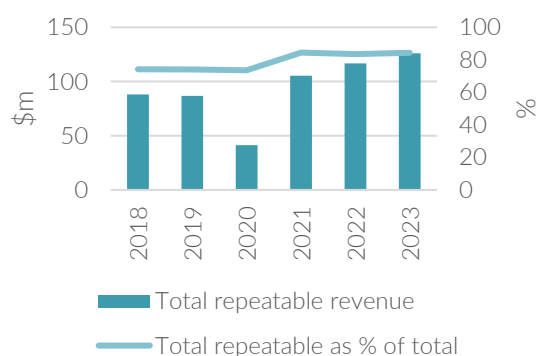
- ▶ Sustainable growth is returning to the business.
- ▶ accesso has a leading market position in its niche.
- ▶ Growth is supported by four recent acquisitions.
- ▶ We forecast rising operating margins.

Valuation 2



- ▶ Cash EBITDA – the group's primary alternative performance measure – is a conservative profitability metric that deducts capitalised internal development costs. Cash EBITDA margins are healthy and we forecast them to rise.
- ▶ We compare it with a traditional adjusted EBITDA measure, which includes the development cost impact.
- ▶ As development cost capitalisation has significantly fallen in recent years, cash EBITDA is only slightly less than adjusted EBITDA.

Valuation 3



- ▶ Group revenue quality has been improving.
- ▶ The repeatable revenue ratio stood at 84.2% in FY23, around 10% higher than pre-pandemic levels.
- ▶ This is due to a number of reasons, including the success of the partnership-based revenue share models, as well as moving away from providing hardware and the transferring of the managed theme park operations to the operator.
- ▶ Also, recurring licence revenue rose in FY23 due to the acquisitions of VGS and Paradox.

Valuation 4



- ▶ ROCE has been stabilising in the mid-teens.
- ▶ It is above pre-pandemic levels and we forecast it to move higher.
- ▶ However, calculation depends how you deal with intangibles in the denominator.
- ▶ We suggest it is better to focus on cash generation.

Source: Company data; Hardman & Co Research

Investment case

High-quality, increasingly diverse customer base

The group is continuing to broaden its customer base, both geographically and across verticals, and some of the top names in the global leisure industry are customers. The Paradox acquisition strengthens the group's position in ski resorts while VGS boosted the customer base globally, including through venues in North Africa, the Middle East and Italy. The increased presence enables further geographical expansion.

Revenue model that benefits from customers' success

Three-quarters of the group's revenues are transactional or revenue share, which means that the business shares in the success of its customers. Additional recurring revenues take the total repeatable revenues to 84% of the FY23 revenue total.

Highly experienced management team

The executive team members are not only experts in the technology field but also have broad experience of the leisure and attractions industry. The management team is very stable – the CEO joined the accesso ticketing business in 2008 while the CFO has been with accesso for six years, Chief Commercial Officer for a decade, SVP Operations for 12 years and SVP Engineering for more than nine years.

Broad range of growth opportunities

The group provides technology to the leisure and attractions industry, which is in itself a growth industry, expanding in the mid-single-digit range. As the group provides a range of offerings across ticketing and guest experience, there is potential to up-sell and cross-sell solutions as well as expand geographically. We note that the recently launched Freedom POS offering is targeting a market previously untapped by accesso in the food, beverage and merchandise space, which, typically, represents more than 40% of customers' revenues.

Strong competitive position

The ability to offer a broad range of solutions gives the group a significant advantage over competitors. In addition, the group's staff have significant hands-on experience in the leisure and attractions industry, which gives it a significant edge over generic competition. Finally, the group has a portfolio of patents that protect its intellectual property, including accesso Passport, Qband, Qsmart, Qview and The Experience Engine, both in the US and internationally.

Healthy financials

The group has an improving cash-generative position, with net cash inflow from operating activities rising 77%, to \$25.7m, in FY23. The group has a strong balance sheet with cash of \$51.8m and net cash of \$31.5m (excluding leases), as at 31 December 2023.

More favourable valuation metrics

While the stock was highly rated during the years leading up to the 2018 peak, and traded at over 50x FY17 earnings at the share price height in 2018, it now trades at significantly lower ratings of 20x our forecast for this year's earnings, falling to 17x in FY25e and 15x in FY26e. In addition, the group now has higher-quality revenues and consequently a more positive cash-generation profile.

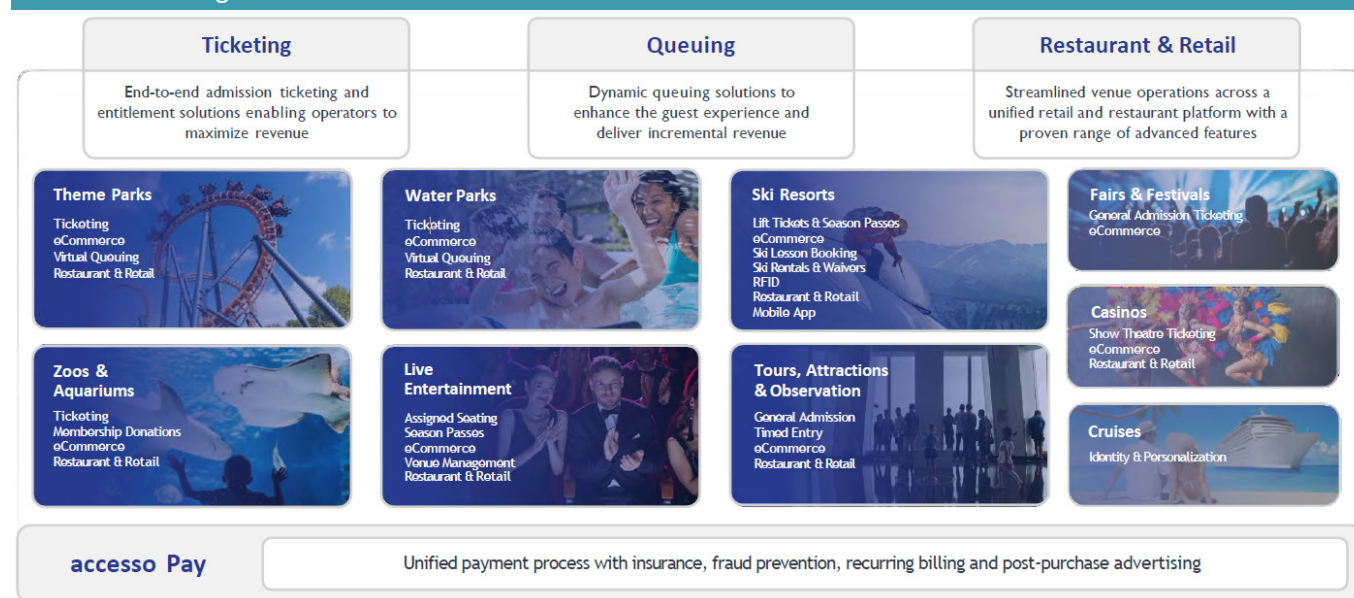
Company description

Unique position as the leading technology provider to the global leisure and attractions industry

accesso is the leading technology provider to the global leisure and attractions industry, providing solutions to more than 1,200 venues in 34 countries around the globe. accesso's solutions allow venues to increase the volume and range of on-site spending and to drive increased transaction-based revenue through ticketing, POS, virtual queuing, distribution and experience management software.

The group's corporate head office is in Twyford, Reading, United Kingdom, while the majority of the management team is based in Orlando, Florida. At the end of 2023, the group had 672 staff, operating across 12 geographies. accesso invests heavily in research and development, which encompasses around half of the group's employees, to ensure its clients have access to cutting-edge technology that will have a positive impact on guests' experiences of their venues. Many team members have direct, hands-on experience working in the venues the group serves, which gives the group a significant advantage over generic competition.

Solutions and target markets



Source: accesso FY23 results presentation

Target markets

Amusements

This segment includes amusement parks to tourist attractions and museums. The group offers wide-ranging solutions for these customers, including ticketing, distribution, queue line management, POS and personalised guest experience. accesso is strategically extending its presence from Tier 1 markets into lower tiers, with packaged offerings supported by professional services. Core market regions are North America, Europe, and Australia, with a strategic foothold in the rapidly growing Middle East market. The Middle East and Africa are projected to grow at a particularly fast rate, according to industry forecasts.

Reserved seating areas

The group's offering, ShoWare, targets reserved seating arenas for live entertainment, which includes theatres, concert venues, sports arenas, casinos, fairs and attractions. Historically, ShoWare has focused on the North and South American

markets, where it has around 600 installations. The company launched its offering into the UK market in 2024. While the UK market is well established, the UK's cultural heritage around theatre, live music and spectator sports is underpinned by robust market dynamics and healthy projected growth.

Ski industry

The recently acquired Paradox offering is a modern solution that is expected to ultimately replace the group's legacy Siriusware solution. The two solutions have been developed in collaboration with industry insiders, tailored for snow sports enthusiasts. They position the group as a dominant supplier in the US market. The focus remains on the US and Canadian markets. According to accesso, currently, there are 480 ski areas in the US, with some 65.4m annual skier visits, which is more than any other country.

Zoos and aquariums

Solutions range from selling tickets online to tracking and monitoring membership usage, with the enterprise POS ticketing system and the solutions integrated with a wide variety of CRM solutions. The recently acquired Horizon offering strengthens the group's position in this market.

Two divisions

The group has two divisions, based around ticketing-related products and guest experience:

- ▶ **Ticketing and distribution**, which encompasses the ticketing units targeting different operators, along with the Ingresso distribution business, which provides a route for operators to distribute their surplus tickets.
- ▶ **Guest experience**, which includes virtual queuing solutions, The Experience Engine, which enables personalised customer experiences, and the group's restaurant and retail solutions.

Ticketing and distribution

This division consists of six solutions.

accesso Horizon: ticketing and visitor management

The Horizon platform empowers venue operators to manage all benefits, services and entitlements available to guests with one unified platform. Acquired in 2023 as VGS, the rebranded Horizon platform has an expansive feature set, globalised functionality and robust scaling capabilities. Hosted either on-premises or in the cloud, the solution offers customers an open API to enable direct integration with other systems.

The Horizon platform promises to provide guests with a seamless, consistent experience across all entitlements and on any device. Real-time intelligence allows operators to optimise sales with dynamic pricing, availability management and sales channel management. Multi-venue support allows for seamless cross-promotion and cross-packaging of offers, improving visibility and enhancing the complete guest experience. The solution provides linguistic support for venues across the globe with multi-lingual user interface support.

Fully integrated off-the-shelf eCommerce (i.e. online ticketing) functionality is in the product roadmap. In the meantime, eCommerce functionality can be added through professional services.

accesso Paradox: snow sports solutions

Paradox is an all-in-one, hosted solution, designed specifically for the ski industry. With its innovative and open technology, the solution facilitates and unifies the management of ski resorts' mountain operations.

Ski technology is complicated, as it needs to deal with ski school as well as rentals, and provide a food/retail functionality as well. Paradox handles all these issues and accesso Freedom has been integrated into the offering to offer the latest food and retail solution. Additionally, the solution offers data analytics. The technology massively improves productivity over Excel or paper-based approaches.

Prior to COVID-19, 5%-15% of ticket sales were via eCommerce, with most guests choosing to pay at the gate, but the pandemic significantly accelerated the digital transformation, with 95%-100% of sales via eCommerce during the pandemic, and rates remain in the 40%-70% range.

The revenue model is all transactional.

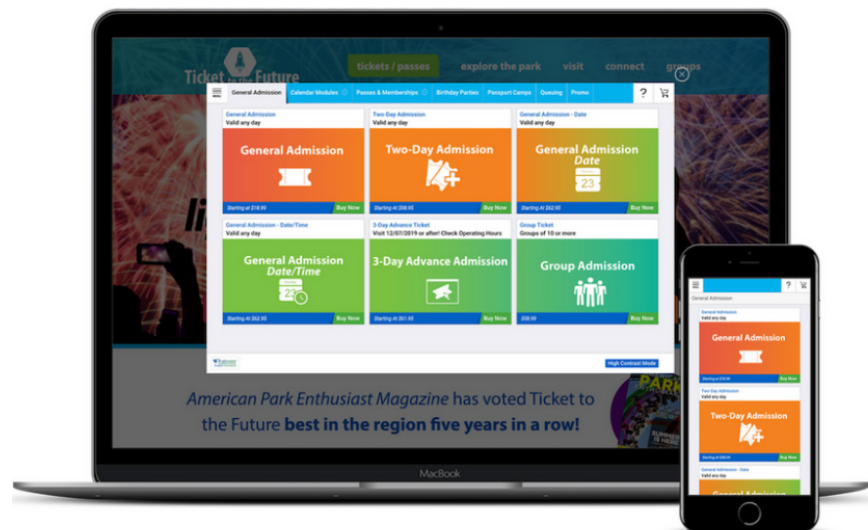
accesso Passport: online ticketing

accesso Passport offers a fully hosted end-to-end solution for ticketing, including POS, kiosk and eCommerce (i.e. online), which aims to provide a seamless shopping experience for guests on any device. Given the shift to eCommerce, many customers just take the eCommerce solution. From daily tickets to season passes, parking to meal deals, the accesso Passport eCommerce storefront allows customers to help their guests find everything they need to enjoy their visit.

Revenues are generated from the volumes of transactions and contracts, typically, are for at least three years.

Merlin Entertainment, one of the group's flagship customers, uses Passport across the globe, including in the US and Australia.

accesso Passport



Source: accesso website

accesso ShoWare: box office ticketing

ShoWare was acquired by accesso in 2014, and has more than 600 installations in theatres, concert venues, sports arenas, casinos, fairs and attractions, primarily in North and South America. It is currently being launched in the UK.

ShoWare is a reliable, scalable, and tailored solution to meet the needs of live music venues, sports arenas, fairs, and festivals. While some customers could select accesso Passport, ShoWare is a more price-effective solution. It promises operators functionality to seamlessly manage the end-to-end ticketing process, while offering operators flexibility and control around optimising ticket sales and maximising revenue.

Key features of the accesso ShoWare solution include:

- ▶ **Online and mobile ticket sales:** Market and sell tickets through online and mobile platforms, ensuring accessibility for guests anywhere and anytime.
- ▶ **Seamless group sales:** Facilitate group ticket sales smoothly, providing a hassle-free experience for both organisers and attendees.
- ▶ **White label capability:** Gives operators the ability to customise the solution and provides them with flexibility and control over the ticketing experience.
- ▶ **Marketing:** Builds loyalty and gains insights into the audience. Enables operators to create targeted email to give members early ticket access, exclusive discounts, and priority seating to enhance their experience.
- ▶ **Schedule and inventory management:** Easily adjust schedules and manage seat inventory to optimise ticket availability and sales.
- ▶ **Dynamic pricing:** Utilise native tools to automatically update prices based on inventory levels or date; integrated with Digonex for enhanced analysis and optimal revenue maximisation.
- ▶ **24/7 customer support:** Access professional customer support around the clock, whenever needed.

accesso ShoWare features



Interactive Seat Maps

Allow patrons to select their own seats in real time. When a seat is added to a patron's shopping cart, it will appear unavailable to any others viewing the same seat map, including the box office.



Flexible Packages and Bundles

Create multiple packages at compelling discounts for flex bundles, mini-series or season packages to up-sell and provide flexible offerings to patrons.



Simplified Sales Process

Enjoy a fast and simplified sales process with our intuitive layout and easy-to-use interface.



Promoter Access

Enable promoters to monitor their ticket sales in real time without relying on your box office staff.



24/7 Customer Support

Rest easy knowing that you have an extension of your team whenever you run into an issue. Your dedicated Client Services Manager is available to help, backed up by our Client Services team on call 24/7/365.

Source: accesso website

accesso Siriusware: point-of-sale ticketing (POS)

Acquired by accesso in 2013, Siriusware provides software and hardware solutions to the leisure industry, with a particular strength in the ski and snow sports sector. Siriusware POS ticketing system can provide customised solutions for every storefront and enables customers to gain insight into their guests and operations with an all-in-one, integrated system. Siriusware operates a traditional on-premise software model, which involves the deployment of POS terminals to customers.

Following the acquisition of accesso Paradox, Siriusware customers have an option to switch to the Paradox hosted solution. accesso will continue to support Siriusware as long as it makes commercial sense.

Ingresso: ticketing distribution system

Ingresso is a global distribution platform that connects distributors with entertainment content and enables venues to sell their tickets. It has been UK, West End-focused, but accesso has been seeking to broaden its customer base across the leisure industry. However, the plan was slowed when the business was shut down during the pandemic. Six Flags, Cedar Fair and Merlin Entertainment are now customers.

With a simple API (application programming interface) connection into a venue's ticketing system, Ingresso seamlessly connects real-time ticket inventory with a growing global list of eCommerce retailers, ticket agents, travel agents and tour operators, helping everyone to sell more tickets. It can connect to a network of over 60 global distributors, allowing venues access to billions of potential customers worldwide. Similarly, by integrating with Ingresso, a distributor will be connected to the majority of ticketing systems – giving it real-time access to millions of tickets all over the world.

Ingresso distribution



Source: Ingresso website

Guest experience

This division consists of three solutions.

accesso LoQueue

accesso's patented suite of online virtual queuing solutions helps millions of guests around the world avoid long lines and make the most of their day. When guests wait less, they can enjoy more, which also gives them time to spend more; for example, on food and beverages. The original product was a rented hardware device called a Q-bot, but this is now out of service and, in dry parks, the product offering has entirely switched to a mobile phone app. In water parks, the Prism wristband is used (explained below).

The solution can be tailored for individual parks; for example, a typical approach is to have silver, gold and platinum levels, with scaled wait times and the platinum level able to go straight to the front of the line at any time. accesso has park managers in many key parks who help tailor the levels (wait periods and pricing) according to demand, which can be affected by weather, seasonality or day of the week. During the pandemic, there was also some demand driven by the need for social distancing.

The Prism wristband is a hardware device that is primarily used in water parks where mobile phone use is impractical. accesso Prism has the following functions:

- ▶ **Virtual queuing:** Guests can reserve their place in line, change their ride selections and monitor their ride return time.
- ▶ **Payments:** Cashless payments via secure Near Field Communication (NFC) technology.

- ▶ **Messaging:** Push notifications for proximity-based marketing, operational updates, or status of pending virtual queue positions.
- ▶ **Photography:** Automated tagging of ride and park photographs for seamless collection throughout the day.
- ▶ **Access:** Hassle-free entry at park turnstiles, guest lockers, resort hotel room doors and more.
- ▶ **Intelligence:** Collects guest journey information in real time and provides valuable data to inform park operations and marketing.

accesso Prism

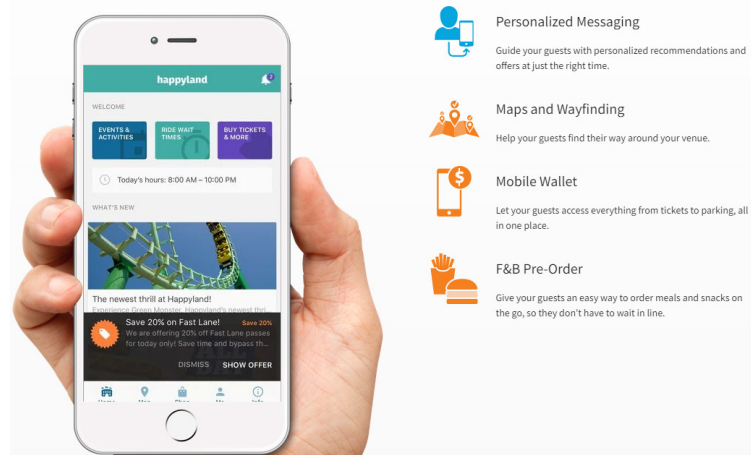


Source: accesso website

TE2 (The Experience Engine)

The Experience Engine (TE2) platform provides tools for creating personalised customer experiences across various touchpoints, such as mobile apps, websites, and physical locations. It enables its customers to tailor experiences for each individual guest, through the delivery of personalised messages, recommendations and offers, designed to help them maximise their day. The TE2 guest experience management platform enables the delivery of personalisation at scale and primarily operates a subscription-based revenue model.

The Experience Engine



Source: accesso website

accesso Freedom

accesso Freedom is a highly flexible and scalable, fully cloud-native restaurant and retail POS platform. It has been specifically designed for theme parks and attractions, ski areas, cultural venues, resorts and casinos. The multi-tenant software-as-a-service platform empowers venues to unify restaurant and retail transactions on a single platform and has the flexibility and power to scale seamlessly for venues of any size.

The accesso Freedom platform builds upon intellectual property acquired from solutions provider Omnicore Group, which went bankrupt and appointed liquidators in 2022. Omnicore had over 20,000 installations across many of the most prestigious and well-known venues around the world, supporting more than 200m guests per year, and served as the leading POS provider for leisure and entertainment industry operators. Leveraging that depth of experience and functionality, the accesso Freedom solution delivers a modern, fully hosted restaurant and retail platform optimised for speed, flexibility and ease-of-use.

With open architecture and full API access, accesso Freedom provides operators unlimited options for service delivery to improve both guest convenience and operational efficiency. The solution is designed to serve the rapidly evolving marketplace in shifting from traditional POS terminals to more forward-thinking options, helping operators to meet guests where they are with mobile ordering, kiosks, and other self-service and automated check-out options. Powerful integrations enable operators to leverage emerging technologies such as chatbot ordering and voice-based transactions.

In addition to its cloud hosting, scalability and cross-functionality to service both restaurant and retail in a single platform, accesso Freedom offers:

- ▶ unified sales across all touchpoints, including kiosks, mobile ordering and operator-driven transactions;
- ▶ full support across table service and quick service-style operations;
- ▶ comprehensive kitchen management for orders across all order entry points;
- ▶ support for a wide range of retail pricing structures and promotions;
- ▶ integrations to complementary solutions (including player management for casinos);
- ▶ user-friendly, intuitive system administration and reporting;
- ▶ loyalty programme support; and,
- ▶ cashless wallets and entitlements.

accesso Freedom product launch

Major New Product Launch | accesso Freedom

Proven enterprise level restaurant & retail platform re-introduced as SaaS solution



Robust Mobile Ordering

Established venue-centric capabilities unique to the leisure sector.
Meets immediate operator demand for fit-for-purpose solution.
Leverages **accesso** Pay features.



Self-Service Kiosk

Increases check average with ease of use and upsell capabilities.
Supports operators labor reduction initiatives.
Multi-lingual support improves guest service and ADA accessibility.



Integration with Ticketing

Seamless support for season pass & membership entitlements.
Provides key differentiation and increases cross-sell opportunity.
Simplifies technology footprint for operators.



SaaS Platform with Open API

Scalable for global deployment across languages and currencies.
Open API offers customers ultimate flexibility.
Readily extensible to new end points as consumer tech evolves.

5 Wins

post-period end.
Sales pipeline
gaining traction.

Source: accesso FY23 results presentation

Segmental analysis

In the table below, Ticketing includes the five ticketing solutions. Historically, it comprised accesso Passport, accesso ShoWare and accesso Siriusware and now includes the recently acquired accesso Horizon and accesso Paradox. Distribution is done entirely via Ingresso, which will exclude its small B2C business, going forward, as it is being discontinued.

Queuing includes the accesso LoQueue virtual queuing solutions while other guest experience includes TE2 and the recently launched Freedom food and retail solutions.

The table also shows how the company was affected by the pandemic in 2020 – the Ingresso distribution business was hit particularly severely.

Revenue on a segmental basis						
Year-end 31 Dec (\$000)	2019	2020	2021	2022	2023	% rev
Ticketing	58,237	36,603	65,877	77,175	86,455	57.8
Change (%)	3.2	(37.1)	80.0	17.2	12.0	
Distribution	21,097	1,363	10,053	18,081	17,569	11.8
Change (%)	(4.6)	(93.5)	637.6	79.9	(2.8)	
Ticketing and distribution	79,334	37,966	75,930	95,256	104,024	69.6
Change (%)	1.0	(52.1)	100.0	25.5	9.2	
Queuing	25,208	8,348	32,888	28,179	29,098	19.5
Change (%)	6.9	(66.9)	294.0	(14.3)	3.3	
Other guest experience	12,640	9,780	15,976	16,295	16,393	11.0
Change (%)	(23.9)	(22.6)	63.4	2.0	0.6	
Guest experience	37,848	18,128	48,864	44,474	45,491	30.4
Change (%)	(5.8)	(52.1)	169.5	(9.0)	2.3	
Total revenue	117,182	56,094	124,794	139,730	149,515	100.0
Change (%)	(1.3)	(52.1)	122.5	12.0	7.0	

Source: Company accounts

FY23 results

Revenue grew by 6.3%, at constant currencies

accesso announced revenue and profitability ahead of targets. Revenue increased by 7.0%, or 6.3% at constant currencies, to \$149.5m. Revenue quality improved, with repeatable revenue representing 84.2% of the total, up from 83.5% in the prior year. The group's top five customers represented ca.48% of FY23 revenue, down from ca.50% in FY22.

Adjusted operating profit rose by 8.2% to \$18.6m (Hardman & Co basis), while the cash EBITDA (accesso's key alternative performance measure) was 8.4% lower at \$23.6m, which was primarily due to an increase in staff costs. We note that the group struggled to hire in 2021, when it had ca.80 open positions. These positions were mostly filled during 2022 and had a full-year impact in FY23.

The cash EBITDA metric, which includes an add-back of capitalised development spend, was introduced pre-pandemic. Meanwhile, our adjusted EBITDA metric (which does not deduct development cost capitalisation) fell by 6.1% to \$26.1m (see table immediately below).

The group ended the year with net cash of \$31.5m (excluding a modest amount of leases and acquisition liabilities). This was down by \$33.2m over the year but was after paying a net \$50.0m in cash for acquisitions, reflecting the strong cash generation of the business. The healthy \$51.8m gross cash position was boosted by the \$20.2m net inflow from debt during the year.

The group made three acquisitions during the year – VGS (now accesso Horizon), Paradoxs Mountain Software (now accesso Paradox), and DigiSoft, which together enhance geographical coverage, technological breadth, and end-market diversification. accesso also introduced innovative solutions, such as accesso Freedom, for restaurant and retail operations and Qview for queue management, which is an advanced, patent-pending line-counting system prepared to modernise wait time estimation for theme parks and attractions.

The company continued to attract new customers across various sectors, with 28 new venues signed during the period. When combined with three acquisitions, which added 273 new venues, this expanded the group's deployments to covering more than 1,200 leisure venues worldwide, from 1,000+ in the prior year.

Organic staff attrition fell to 7%, which is a significant improvement on the prior year's 15%, and impressive for an industry that has, typically, high attrition. Following the pandemic, the bulk of employees continue to work remotely and the office in Lake Mary, Florida, is now entirely sublet.

EBITDA development

Year-end 31 December (\$'000)	2018	2019	2020	2021	2022	2023	2024E	2025E	2026E
Operating profit	5,312	(56,278)	(30,354)	13,521	12,751	9,939	15,768	20,350	24,944
Add: Aborted sale/acquisition expenses	1,703	305	461	0	137	2,690	0	0	0
Add: Deferred equity-settled acquisition consideration	4,131	1,416	150	0	0	0	0	0	0
Add: Amortisation related to acquired intangibles	11,740	11,286	2,573	2,371	1,667	2,811	5,000	5,000	5,000
Add: Share-based payments	2,245	1,845	1,398	2,490	2,629	3,187	3,222	3,457	3,713
Add: Impairment of intangibles	0	53,617	2,627	0	32	6	0	0	0
Deduct: Reversal of impairment	0	0	0	(1,707)	0	0	0	0	0
Add: Amortisation and depreciation (excluding acquired intangibles)	9,624	16,014	14,664	12,183	10,744	7,832	6,868	5,966	5,482
Deduct: Capitalised internal development costs	(21,100)	(21,064)	(2,969)	(720)	(2,155)	(2,839)	(3,213)	(3,447)	(3,702)
Cash EBITDA	13,655	7,141	(11,450)	28,138	25,805	23,626	27,646	31,327	35,437
Cash EBITDA margin (%)	11.5	6.1	(20.4)	22.5	18.5	15.8	17.2	18.2	19.1
Capitalisation of development costs	21,100	21,064	2,969	720	2,155	2,839	3,213	3,447	3,702
Amortisation on patent and IPR costs	0	(97)	(21)	(28)	(199)	(401)	0	0	0
Add: Aborted sale/acquisition expenses	(1,703)	(305)	(461)	0	0	0	0	0	0
Miscellaneous	(4,480)	0	1	0	0	0	0	0	0
Adjusted EBITDA	28,572	27,803	(8,962)	28,830	27,761	26,064	30,858	34,774	39,138
Adjusted EBITDA margin (%)	24.1	23.7	(16.0)	23.1	19.9	17.4	19.2	20.2	21.1

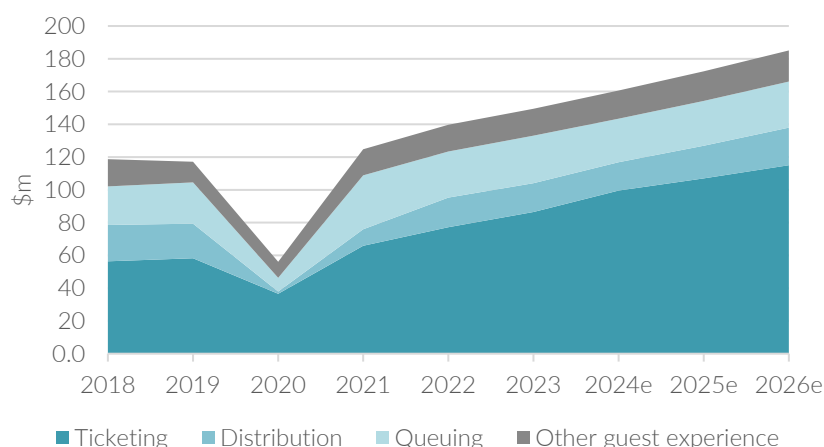
Source: Company account, Hardman & Co Research

Ticketing led the growth, rising by 12% to \$86.5m, representing 58% of group revenue in 2023; and, on our forecasts, this will rise to 61% in 2026, helped by the acquisitions of Horizon and Paradox. Distribution eased by 3% to \$17.6m, and we expect the exit of Ingresso's low-margin B2C business to take out \$2.5m of revenue in the current financial year. However, the loss of the B2C business will be balanced by growth as the Ingresso service is rolled out to more of the group's customers.

Queuing rose by a more modest 3% to \$29.1m but remains well ahead of pre-pandemic levels following the very strong 2021. Other guest experience was modestly higher, but we expect it to benefit in 2024 from the new launch of accesso Freedom restaurant and retail POS platform.

In all, the Ticketing and Distribution segment represented 70% of group revenue in 2023 while Guest experience was 30% of revenue.

Revenue on a segmental basis



Source: Company accounts, Hardman & Co Research

On 26 May 2023, the group secured a \$40.0m revolving credit facility with a four-year term, to May 2027, accompanied by a \$20.0m accordion option (i.e. the facility is increasable by that amount). This facility replaces the group's undrawn £18.0m arrangement with Investec from 19 March 2021, which was due to expire in March 2024, and has now been cancelled.

The group drew \$35.0m from the new facility to help finance the acquisitions and had already repaid \$13.75m by the period-end. Hence, as at 31 December 2023, the group had drawn \$21.2m (\$20.4m net of finance costs) and, in conjunction with the \$51.8m gross cash position, ended the period with net cash at \$31.5m (excluding leases). After ca.\$2m of leases and acquisition liabilities, the overall net cash position was \$29.4m. A further \$1.5m of debt has been repaid following the period-end.

Financial position						
@ 31 December (\$'000)	2018	2019	2020	2021	2022	2023
Cash	(20,704)	(16,205)	(56,355)	(64,050)	(64,663)	(51,814)
Short-term debt	0	0	0	0	0	0
Long-term debt	20,224	15,851	26,699	0	0	20,349
Net bank debt/(cash)	(480)	(354)	(29,656)	(64,050)	(64,663)	(31,465)
Short-term leases	0	1,307	1,163	1,003	451	627
Long-term leases	0	4,976	3,790	2,733	769	1,177
Earnouts & deferred cons ST	0	0	0	0	0	0
Earnouts & deferred cons LT	0	0	0	0	0	221
Total net debt/(cash)	(480)	5,929	(24,703)	(60,314)	(63,443)	(29,440)
Net assets	181,114	133,219	157,617	183,193	185,387	193,495
Capital employed	180,634	139,148	132,914	122,879	121,944	164,055
Net debt/equity (%)	(0)	4	(16)	(33)	(34)	(15)

Source: Company accounts

Strategy

accesso's purpose is to partner with leisure attraction operators worldwide to deploy technology solutions that enhance guest experiences throughout their journey, from anticipation and planning to repeat visits. The company emphasises its commitment to providing comprehensive solutions and investing in research and development to ensure innovation and relevance.

accesso prioritises long-term partnerships with clients, aiming to expand its software stack to increase value delivery and establish a vital role in service delivery. The strategy focuses on driving efficiencies, augmenting coverage of the guest journey through innovation, and responding to the increasing demand for mobilisation and self-service. accesso aims to grow existing, and develop new, revenue streams for clients, aligning its success with theirs through a clear strategy and stakeholder alignment.

Following the latest acquisitions, the company is significantly larger and the company has realigned its sales team for the group's increased scale. There is a senior commercial leader in each of the group's four geographies to ensure the group takes advantage of the new opportunities in all the areas. Cross-selling is at the core of the strategy, given the increased breadth of solutions across ticketing, food and beverage, mobile apps and queuing, which provide a diverse toolbox to meet a customer's specific needs.

Outlook

After the period of increased pent-up demand that followed the pandemic, the market has normalised. The goal is to leverage the group's enhanced solutions to serve operators focusing on technology to help them to boost their revenue. Following the recent spate of acquisitions, the focus now is on integrating these businesses and driving organic growth.

In 2024, the group will continue to prioritise higher-value revenue streams, and expects another profitable year, with revenue of at least \$160.0m, gross margin of 80%, and cash EBITDA margins of at least 17%.

The outlook is support by the group's strong sales pipeline, which stood at \$87m at the end of the March 2024, up from \$54m a year earlier.

Business model

Transactional revenue represents 75% of the total while total repeatable revenue represents 84%

Key to the business model is the partnership-based percentage of revenue approach. The group works in close co-operation with venues, utilising its expertise, to increase its customers' revenues. This includes pricing guidance as well improving guest conversion rates.

Ticketing and eCommerce, primarily, involve a transaction-based revenue model, supported by long-term contracts. Virtual queuing is also a transaction-based revenue model with long-term contracts, typically, involving a revenue-share arrangement with operators. There are also hardware sales of the Prism wristband.

The seasonal staffing cost reimbursement revenue will disappear entirely in FY24, as a result of the amendment to the contract with the major customer that was announced with the interim results. Essentially, this is pass-through revenue and has no impact on the bottom line.

Siriusware involves a traditional software model with licence sales, providing implementation and support. There are also sales of POS terminals, but this low-margin hardware line is being de-emphasised.

Horizon operates a licence, maintenance and support model. Paradox is transactional for new business but with a legacy business that was a licence, maintenance and support model. ShoWare and Freedom operate transactional models.

The group will continue to have POS hardware sales for Siriusware, Paradox and Freedom. However, where possible, the group is moving to referral rather than reseller agreements with its hardware suppliers.

TE2 involves recurring platform fees and professional services.

Ingresso is included within ticketing and is transactional revenue with a gross margin below 20%, which has an impact on the overall group margin. Professional services also include virtual queuing installation work in water parks, as well as Siriusware implementation, customisation work and mobile apps work.

Included in "other" revenue are ancillary revenues, which the group generates through guest payment gateway partners. This includes ticket insurance, commercial agreements with payment processors, including PayPal commissions, and post-purchase advertising.

Revenue quality						
Year-end 31 December (\$000)	2018	2019	2020	2021	2022	2023
Virtual queuing - transactional					22,727	25,754
Virtual queuing - staffing cost reimbursement					5,452	3,344
Virtual queuing	21,637	24,687	7,407	32,888	28,179	29,098
Ticketing and eCommerce	58,080	60,909	23,157	58,537	77,788	82,776
Reservation revenue	0	0	726	4,073	18	0
Transactional revenue	79,717	85,596	31,290	95,498	105,985	111,874
Maintenance and support	8,393	8,742	7,711	7,281	7,122	9,338
Platform fees	0	1,149	2,263	2,592	3,007	3,352
Recurring licence revenue	0	0	0	0	604	1,505
Total repeatable	88,110	86,745	41,264	105,371	116,718	126,069
Licence revenue	9,586	3,496	2,322	2,162		
One-time licence revenue					2,145	2,881
Professional services	16,686	14,787	9,954	13,469	15,988	15,536
Non-repeatable revenue	26,272	18,283	12,276	15,631	18,133	18,417
Hardware	3,210	2,499	1,493	2,704	1,434	1,533
Other	1,155	913	1,061	1,088	3,445	3,496
Other revenue	4,365	3,412	2,554	3,792	4,879	5,029
Total revenue	118,747	117,182	56,094	124,794	139,730	149,515
Total repeatable as % of total	74.2	74.0	73.6	84.4	83.5	84.3

Source: Company accounts

Acquisition strategy

Focus is on integrating the recent acquisitions and growing organically

The group made four acquisitions post the pandemic – one being the purchase of intellectual property in 2022 and three businesses in 2023. These deals followed a five-year break from acquisitions. While further acquisitions are possible, the medium-term focus is on integrating the recent acquisitions. One important feature of the recent acquisitions is that accesso knew these businesses extremely well before acquiring them. For example, Steve Brown, CEO of accesso, worked with Paolo Moro, the VGS CEO, when Mr Brown was at Disney, and accesso had been Digisoft's primary customer for many years.

While additional bolt-on acquisitions remain possible, a transformational deal is unlikely. The company has set out clear acquisition criteria that form the central part of the target selection process. It has said that no target will be taken forward without meeting all of them. These criteria are:

- ▶ Enhance the product offering.
- ▶ Increase geographical and end-market diversification.
- ▶ Broaden growth opportunities.
- ▶ Boost earnings within the first year.

Three strategic acquisitions in 2023 increase the global opportunity

Paradocs Mountain Software	VGS	Digisoft
 Provider of cutting-edge software solutions specifically for ski. Delivers a hosted, contemporary platform as an evolutionary path for existing customers. Further strengthens our position in the sector and extends market leadership to a total of 150 ski venues across North America. Presents strong cross-sell opportunity for accesso Freedom™. Quebec City based team further enhances our ski expertise. 10 Resorts Added for 2024 First accesso Siriusware™ migration Updated eCommerce experience	 Leading ticketing and entitlement management solution. Significantly strengthens global position and extends market leadership. Blue chip customer base with further growth opportunity across those enterprises. Capability to operate around the globe with full language and currency adaptability. Offices in Milan, Dubai, and Singapore extends serviceable market reach. Major customer win in Saudi Arabia Osaka-based theme park implemented Gaining strength in sales pipeline	 Professional services firm with mobile development expertise. Long term augmentation partner. Increases flexibility and ability to execute more rapidly. Improves our ability to offer mobile app capabilities as a key supplier differentiator. Cork, Ireland-based team offers time zone friendly augmentation support for North America, UK and European teams. Mobile app development moved to Cork Advancing core capabilities for ski Supporting accesso Horizon™ PS needs

Source: accesso FY23 results presentation

Acquisition of VGS (now accesso Horizon)

VGS, a leading ticketing and entitlement management platform, was acquired in June 2023 and rebranded to accesso Horizon. Founded by a team with decades of combined experience, VGS has supported renowned visitor attractions in all aspects of the selling, distribution and redemption of tickets and entitlements since its establishment in 2011. VGS has a global team of 33 people with offices in Milan, Dubai and Singapore. This acquisition significantly strengthened the group's global position, further extended its market leadership and provides a truly innovative platform from which accesso can continue to scale.

The net purchase price for VGS was \$38.5m and VGS generated revenue (unaudited) of \$8.2m in the year ending December 2022, along with adjusted PBT of \$4.0m. Consequently, it has very strong operating margins.

The VGS technology is utilised by high-profile leisure, entertainment and cultural businesses around the globe, and has supported renowned visitor attractions in all aspects of selling, distributing, and redeeming tickets since 2011. Its client roster of more than 200 venues includes the world's largest theme park resort destination in Orlando, Florida, as well as leading theme park brands in Dubai, Singapore, Japan and China. Beyond theme parks, the ticketing and visitor management platform supports zoos, observation towers and other diverse attractions in a total of 11 countries around the globe, including one of the Seven Wonders of the Ancient World – the Pyramid of Giza in Egypt.

With its top-tier client base, VGS's expansive feature set and robust scaling capabilities provide a foundational platform for growth. With the addition of eCommerce functionality in the medium term, accesso Horizon will continue to stand at the forefront of the market and the future of venue ticketing and entitlement management.

The breadth of VGS's international business and its offices in Milan, Dubai and Singapore have already given the group access to new markets where a physical presence is important to winning opportunities, notably in the Middle East and in

Asia Pacific. A significant post-period win of a major Middle East customer will see accesso Horizon provisioned across 22 new venues in 14 cities for Saudi Entertainment Ventures. In the Asia Pacific region, the Singapore office and expanded commercial presence is presenting a range of new untapped opportunities.

Looking ahead, in addition to the continued global growth for accesso Horizon, the group is now presented with new cross-selling targets across its initial client base. Importantly, there is significant potential in the medium term and beyond as we realise the transactional revenue opportunity provided by extending the solution to include eCommerce functionality. The VGS platform fits squarely into accesso's technology roadmap, adds a powerful industry-leading solution to the business and unlocks a range of global opportunity.

Acquisition of Paradocs Mountain Software (now accesso Paradox)

Paradox, acquired in April 2023, significantly improves the group's position within the ski market. Paradox was a leading Canadian-based provider of cutting-edge software solutions, specifically for the ski industry, and was established in 2001. The flexible, integrated solution empowers ski resorts to take full control of their unique business needs across ticketing and passes, snow school, equipment rental, and online sales. Adding this contemporary and powerful solution to the group's offering supports accesso's long-standing commitment to serving as the industry's premier ski solutions provider.

The group is already seeing the quality of accesso Paradox flow through to results – 10 new resorts will be running accesso Paradox for the 2023/24 ski season. accesso saw its first transition from Siriusware to Paradox, as its customers recognise the value of the hosted all-in-one mountain management solution.

Following the acquisition, combined with the strong position the group already had through the accesso Siriusware and accesso Passport products, accesso has solidified its position as by far the largest ski software provider in North America, now serving more than 150 venues across the region. Management argues that it is well positioned to resolve the complexity of the projects that these dynamic resorts require in a way that its competitors could not match.

Acquisition of Digisoft (Boxer Consulting)

Digisoft, headquartered in Cork, Ireland, was acquired in May 2023. It has been a key partner for augmenting accesso's mobile development initiatives, with accesso generating around 70% of its revenue. Mobile apps, although not transactional themselves, are a key delivery mechanism for a range of the group's transactional revenue solutions, including tickets, season passes, virtual queueing and mobile food ordering. Bringing this team in-house gives the group increased flexibility and efficiency, allowing it to execute at-pace on client requests, and solidifies another key differentiation point for the business such that it can offer a full range of solutions needed by venue operators. Additionally, the team is an extra resource that can provide professional services across the solutions.

Acquisition of Omnico (now accesso Freedom)

accesso acquired intellectual property from the administrators of solutions provider Omnico Group, which went into liquidation after the pandemic, for £0.75m. The IP has been developed into the group's brand-new restaurant and retail POS platform.

Omnico went bust before the application was completed and accesso completed the project with its own resources, as well as hiring some former Omnico employees. Consequently, it saved millions of dollars from having to build the software solution

from scratch. accesso spent ca.\$2m on R&D developing the software in 2022, \$4m in 2023 and \$10m in total (including the acquisition outlay) by the end of 2024.

Acquisition history over past decade						
Business	Announced	Consideration	Turnover	Profit	Venues	Notes
VGS (accesso Horizon)	June 2023	\$53.6m cash (\$38.5m net of cash)	\$8.2m	ca.\$4.0m PBT	>200	Expands the group's product proposition, significantly increases international presence, enhances revenue diversity, and provides extensive new opportunities for global growth.
Paradocs Mountain Software (accesso Paradox)	April 2023	\$10m (incl. \$1m shares)	CA\$2.34m	CA\$0.4m PAT	50	Deepens the group's presence in the important ski market by acquiring a cutting-edge software solution specifically tailored to the unique needs of the industry.
Digisoft (Boxer Consulting)	May 2023	€1.82m	n/a	n/a	n/a	Enables the group to gain efficiency, flexibility, and reduce costs by bringing an existing supplier of mobile development services in-house.
Omnico (accesso Freedom)	July 2022	£0.75m	zero	n/a	zero	Intellectual property used for accesso Freedom that was launched in May 2023.
The Experience Engine (TE2)	July 2017	\$80m (£62.3m) enterprise value incl. \$14.4m in accesso shares	\$12.7m	\$3.2m loss before tax	n/a	Provides accesso with capabilities to offer a heightened level of personalisation and real-time marketing to customers across a range of venues, including theme parks, ski resorts, hotels, quick service food and other hospitality-focused operations
Ingresso	March 2017	Up to £28m, with initial cash consideration of £17.5m and earnout capped at £10.5m	£43.1m	£0.6m PBT	n/a	Provides existing customers with a significantly larger, more flexible and better co-ordinated global distribution channel through which they can reach event and attraction ticket buyers.
VisionOne (accesso ShoWare)	November 2014	\$33.0m (£20.7m) incl. \$19.8m (£12.4m) cash and the balance in shares	\$7.7m (£4.8m)	\$2.7m (£1.7m) EBITDA	>475	Enhances and increases the ticketing sales opportunity and further extends the group's sales reach into new, adjacent verticals within the leisure sector.

Source: Regulatory news

Market environment

accesso services venue operators in the global leisure and attractions industry, which is a large and growing global market that, historically, has outpaced GDP growth. It is important to note that in excess of 50% of the industry's revenues are generated from admissions (ticketing), while more than 40% are from the sales of food, beverages and merchandise.

accesso commissioned a report that breaks the market down into five areas:

Amusement parks: This is where the group origins are. Amusement parks feature a range of attractions, including rides and games, as well as other events. A theme park is a type of amusement park that based around a central theme, often featuring multiple areas with different themes.

Destination attractions: These are wide ranging, from tourist attractions to museums. However, many will be too small to be a viable customer.

Ski resorts: The group remains focused on the North American market. According to accesso, there are currently 480 ski areas in the US, with some 65.4m annual skier visits, which is more than any other country in the world. Notably, the US market operates a different model than Europe. US resorts have a single operator

while in Europe, different functions are handled by different enterprises. This means it is not currently an objective to target the European market.

Performing arts: This sector requires a reserved seat ticketing system, specifically designed for performing arts venues.

Zoos and aquariums: accesso says that zoos and aquariums across the globe have ca.700m visitors annually.

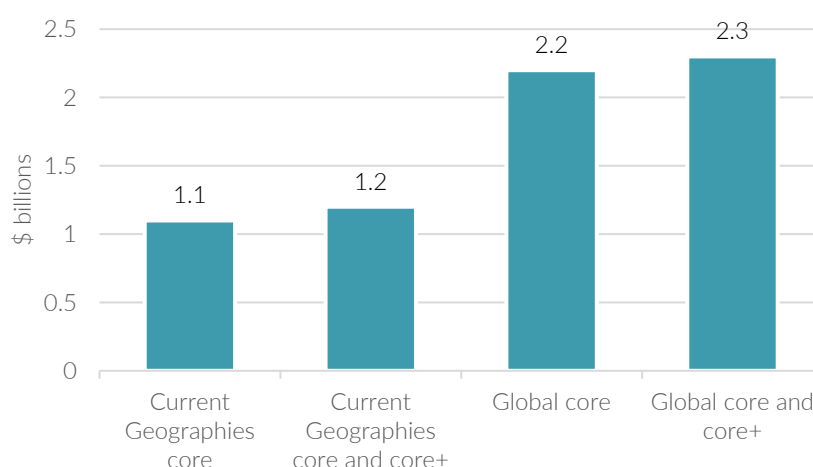
Addressable market

accesso has undergone a project to estimate its total addressable market. It sizes its core market at \$1.1bn, based on data from a report commissioned by accesso. When including areas that are more peripheral to the business, such as casinos, fairs and festivals, where the group has some customers but the opportunity is limited, this rises slightly to \$1.2bn.

When including regions outside the US and the UK (i.e. where the group lacks a meaningful presence and excluding China and Russia), the number increases to \$2.0bn. It increases by a further \$0.3bn to \$2.3bn when adding additional verticals of casinos, fairs and festivals in the expanded regions.

Based on the group's total software and support revenue in FY23, of \$129m, this suggests, according to our estimates, a market share of 10.8% in the current geographies and 5.6% globally.

Addressable market



Source: accesso FY23 results presentation

Core: Amusement Parks, Destination Attractions, Ski Resorts, Performing Arts, Zoos & Aquariums

Core+: Adds Casinos, Fairs and Festivals

Global excludes China and Russia as serviceable markets

accesso's strongest position is in amusement parks, where it has an 18% market share. However, this falls to 13% on a global basis, which gives the group significant room for growth. As with the above data, these numbers exclude China and Russia. The group has a lower share across the other four sectors, all of which are below 10% on a global basis, and hence gives accesso excellent scope for growth.

Sectoral breakdown

End market	Amusement parks	Destination attractions	Ski resorts	Performing arts	Zoos & aquariums
Current geographies core					
accesso share	18%	12%	10%	6%	2%
Estimated size	\$267m	\$136m	\$145m	\$345m	\$194m
Global core					
accesso share	13%	9%	7%	4%	1%
Estimated size	\$494m	\$252m	\$267m	\$638m	\$359m

Source: accesso Investor Showcase presentation

Note: Total addressable market sizing based on estimated take rates applied to total Ticketing, Food & Beverage, Retail, Membership Fees, and Donation spend

Competition

The competitive landscape is on a product-by-product basis and most of the group's competitors are privately owned.

A short history

The original business, Lo-Q, was founded by a team of theme park hobbyists in March 2000, with the goal of commercialising a patented virtual queuing hardware device. The idea was driven by the unpleasant experience of having to spend a very long time in queues in theme parks waiting for the next ride. Lo-Q floated on OFEX in late 2000, at 106p, and transferred to AIM in April 2002. The hardware device was trialled in theme parks in the US and UK, including in a Six Flags theme park in Georgia, US. However, the business was early-stage, with trials ongoing, and loss-making. Consequently, the share price drifted down in the aftermath of the tech bubble and bottomed below 5p in June 2005.

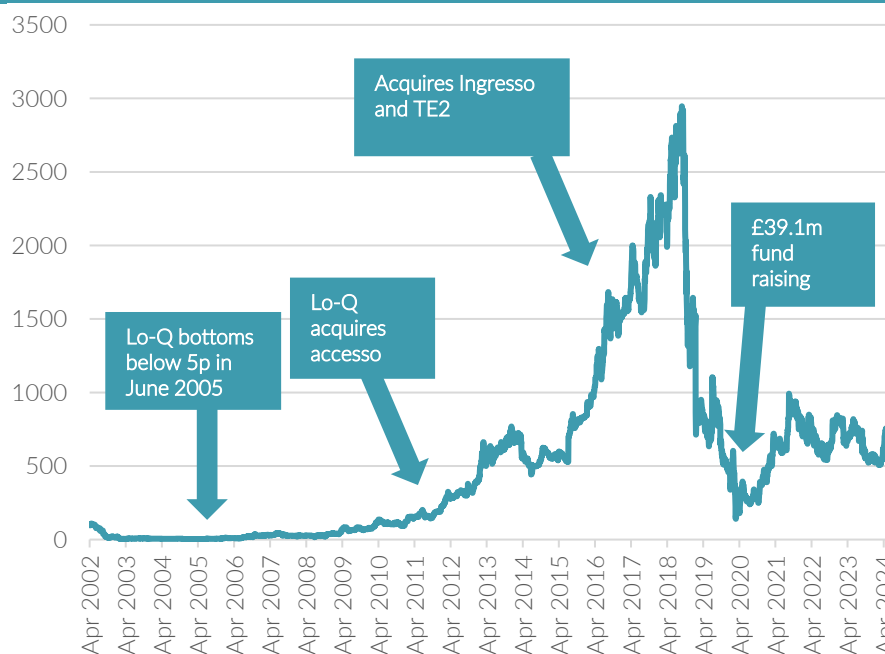
The business swung to profitability in the following year and the long upward trajectory began. The company acquired accesso from its CEO, and the group's

current CEO, Steve Brown, in December 2012. One key point highlighted by Lo-Q management at the time was that accesso was run by theme park experts, who had the industry in their DNA, and operated from the heart of the theme park world in Orlando Florida. Hence, they believed the accesso acquisition was a major coup for the business and shareholders. Lo-Q changed its name to accesso in the following year. Steve Brown became COO and CEO under executive chairman Tom Burnet, but Mr Brown left the business in early 2018.

Further acquisitions continued, including Siriusware in December 2013, VisionOne (ShoWare) in December 2014 and Ingresso and TE2 in 2017. The stock continued to run higher, peaking at approximately £29.75 in September 2018, giving the company a market capitalisation of £806m, and it was recorded as one of the top-performing assets across a global database of securities over the decade. However, the run came to an end as investors questioned the earnings quality (due to high levels of development cost capitalisation) and had concerns about the ongoing management changes. The company underwent a formal sales process in July 2019, but that was terminated in early 2020.

Steve Brown returned to the group in January 2020 as CEO, just in time to see the group through the torment of COVID-19, and Fern MacDonald was appointed CFO in April that year. The company raised £39m in a fundraising, at 290p, to shore up the balance sheet during the COVID-19 pandemic, as the outlook for the leisure and entertainment industry was extremely uncertain. However, the pandemic turned out not to be anywhere near as bad as expected and there was significant pent-up demand and digital transformation tailwinds when venues began to reopen.

Share price history



Source: LSEG, regulatory news

Financials

Group revenue grew by 7.0% (6.3% at constant currencies, reflecting the slightly weaker US dollar) to \$149.5m. Gross margin increased by 200bp to 76.4%. Management expects the rising margin trend to continue, as it has a full year of accesso-run park operations (essentially pass-through revenue) excluded from the numbers as well as the exit from the Ingresso B2C business. Administration expenses rose, due to hiring, while 82 new employees joined the group from the acquisitions. The cash EBITDA of \$23.6m, down, was ahead of management's expectations.

Transactional revenue, which is the core of the business, rose by 5.6% to \$111.9m and represented 75% of FY23 group revenue.

Research and development

The group spent \$48.5m on R&D during the year, up 12.4%, and representing 32.5% of revenue compared with 30.9% in the prior year. Just \$2.8m, or 5.9%, of this amount was capitalised, up from \$2.2m, or 5.0%, in 2022.

The spend includes the additional headcount from the Horizon and Paradox acquisitions as well as \$3.3m of cost incurred in relation to the development of the accesso Freedom product, launched in November 2023. Also included are the final stages of a major refresh across all modules of accesso Passport and investment in Qview, a machine-learning-driven queue time measurement system, which was recognised as a best new product by the International Association of Amusement Parks and Attractions.

Forecasts

In broad terms, growth is a function of customers' price increases, attendee growth (in the venues the group supports), cross-selling/up-selling and the net addition of new venues. However, it is difficult to model the business on this basis, so we have modelled it on a divisional/product-focused basis.

We forecast organic growth of 7.5% in ticketing over the next three years, which reflects strong demand for Passport, Horizon, Paradox and the expansion of ShoWare in the UK. The 15.2% rise in FY24 includes the first full-year contributions from Horizon and Paradox.

We forecast annualised organic growth of 15% for FY24-26 in distribution, which reflects the rollout of the Ingresso service to customers across the group. The 1.4% decline in FY24 includes the loss of ca.£2.5m from the closure of the Ingresso B2C business.

We forecast organic growth of 3% in queuing going forward, reflecting the maturity of the product, with the 8.8% decline in FY24 taking account of the closure of the managed park operations. We forecast organic growth of 5% in other guest experience, reflecting the rollout of the Freedom food & retail solution.

In all, we forecast group revenue to rise by 7.4%, to \$160.6m, in FY24, which includes full-year contributions from the three acquisitions made in FY23 and initial contributions from accesso Freedom and Qview. We forecast revenue to rise by 7.3% to \$172.3m in FY25 and by 7.4% to \$185.1m in FY26.

Ticketing represented 58% of group revenue in 2023, and on our forecasts, this will rise to 62% in 2026. The Ticketing and distribution segment represented nearly 70% of group revenue in 2023 while Guest experience was 30% of revenue. We forecast

Ticketing and distribution to rise to 74.5% of group revenue in FY26, with Guest experience at 25.5%.

Revenue on a segmental basis						
Year-end 31 Dec (\$000)	2023	% rev	2024e	2025e	2026e	% rev
Ticketing	86,455	57.8	99,556	107,023	115,050	62.2
Change (%)	12.0		15.2	7.5	7.5	
Distribution	17,569	11.8	17,329	19,929	22,918	12.4
Change (%)	(2.8)		(1.4)	15.0	15.0	
Ticketing and distribution	104,024	69.6	116,886	126,952	137,968	74.5
Change (%)	9.2		12.4	8.6	8.7	
Queuing	29,098	19.5	26,527	27,322	28,142	15.2
Change (%)	3.3		(8.8)	3.0	3.0	
Other guest experience	16,393	11.0	17,213	18,073	18,977	10.3
Change (%)	0.6		5.0	5.0	5.0	
Guest experience	45,491	30.4	43,739	45,396	47,119	25.5
Change (%)	2.3		(3.9)	3.8	3.8	
Total revenue	149,515	100.0	160,625	172,348	185,087	100.0
Change (%)	7.0		7.4	7.3	7.4	

Source: Company accounts, Hardman & Co Research

Gross margins

We forecast gross margins of 94% for Ticketing, reflecting the high-margin profile of this ticketing business. We forecast Distribution gross margins to rise above 20% as Ingresso exits its low-margin B2C business, and scales out across more accesso customers. We forecast queuing margins of 78% in FY24, rising slightly going forward. The margins include the cost of park managers. We forecast other guest experience margins of 62% in FY24, rising slightly going forward, reflecting the growth of higher-margin Freedom transactional revenue.

In all, we forecast group gross margins of 80% in FY24, rising to 80.2% in FY25 and 80.4% in FY26 as revenue quality continues to improve.

Gross profit and margins			
Year-end 31 December (\$000)	2024e	2025e	2026e
Ticketing	93,583	100,602	108,147
Gross margin (%)	94.0	94.0	94.0
Distribution	3,553	4,384	5,386
Gross margin (%)	20.5	22.0	23.5
Ticketing and distribution	97,136	104,986	113,533
Gross margin (%)	83.1	82.7	82.3
Queuing	20,691	21,858	23,077
Gross margin (%)	78.0	80.0	82.0
Other guest experience	10,672	11,386	12,145
Gross margin (%)	62.0	63.0	64.0
Guest experience	31,363	33,244	35,222
Gross margin (%)	71.7	73.2	74.8
Total gross profit	128,498	138,230	148,754
Gross margin (%)	80.0	80.2	80.4

Source: Company accounts

Income statement

We forecast core administrative expenses to increase by 11% in FY24, reflecting the full-period contributions from the three acquisitions, and to rise by 6% in FY25 and FY26. Our adjusted operating profit rises by 29% to \$24.0, then by 20% to \$28.8m in FY25 and by 17% to \$33.7m in FY26. We forecast operating margins to rise from 12.5% in FY23 to 14.9% in FY24, 16.7% in FY25 and to 18.2% in FY26. These numbers translate into cash EBITDA margins of 17.2% in FY24, rising to 18.2% in FY25 and 19.1% in FY26. On our forecasts, cash EBITDA and adjusted EBITDA fall into line in FY26 as capitalisation and amortisation fall into line.

We assume a 27% tax charge going forward, which is predominantly influenced by the US corporate tax rate.

Consolidated statement of comprehensive income					
Year-end 31 December (\$'000)	2022	2023	2024e	2025e	2026e
Revenue	139,730	149,515	160,625	172,348	185,087
Cost of sales	(35,770)	(35,268)	(32,127)	(34,117)	(36,333)
Gross profit	103,960	114,247	128,498	138,230	148,754
Gross margin	74.4	76.4	80.0	80.2	80.4
Core administrative expenses	(78,354)	(91,022)	(100,852)	(106,904)	(113,318)
Capitalisation of development costs	2,155	2,839	3,213	3,447	3,702
Adjusted EBITDA	27,761	26,064	30,858	34,774	39,138
Depreciation (including leased assets)	(2,000)	(1,442)	(1,647)	(1,657)	(1,780)
Amortisation of development costs	(8,545)	(5,989)	(5,220)	(4,309)	(3,702)
Adjusted operating profit	17,216	18,633	23,991	28,807	33,657
Adjusted operating margin	12.3	12.5	14.9	16.7	18.2
Amortisation on acquired intangibles	(1,667)	(2,811)	(5,000)	(5,000)	(5,000)
Reversal of impairment/(Impairment) of intangible assets	(32)	(6)	0	0	0
Share-based payment charge	(2,629)	(3,187)	(3,222)	(3,457)	(3,713)
Acquisition and integration related expenditure	(137)	(2,690)	0	0	0
Operating profit	12,751	9,939	15,768	20,350	24,944
Finance expense	(566)	(2,084)	(2,070)	(2,014)	(2,014)
Finance income	232	953	793	985	1,349
Profit before tax	12,417	8,808	14,491	19,321	24,279
Income tax (expense)/benefit	(2,361)	(1,116)	(3,913)	(5,217)	(6,555)
Profit for the period	10,056	7,692	10,579	14,104	17,724
Other comprehensive (loss)/income	10,056	7,692	10,579	14,104	17,724
Exchange differences on translating foreign operations	(5,283)	3,138	0	0	0
Income tax credit on items recorded in other comprehensive income	0	0	0	0	0
Items that will be reclassified to income statement	(5,283)	3,138	0	0	0
Total comprehensive income	4,773	10,830	10,579	14,104	17,724
Adjusted earnings per share (cents per share)					
Basic	35.93	37.48	46.49	54.51	62.51
Diluted	34.51	36.46	45.32	53.14	60.94
Average exchange rate (USD/GBP)	1.24	1.24	1.27	1.27	1.27
Adjusted earnings per share (pence per share)					
Basic	29.07	30.13	36.61	42.92	49.22
Diluted	27.92	29.31	35.69	41.84	47.98

Source: Company accounts, Hardman & Co Research

Financial position

We assume the outstanding debt is repaid in the current financial year and forecast the cash pile to continue to build up. We are not forecasting dividends; however, on our forecasts, retained earnings is expected to grow.

Consolidated statement of financial position					
@ 31 December (\$000)	2022	2023	2024e	2025e	2026e
Intangible assets	110,420	165,188	158,180	152,318	147,318
Property, plant and equipment	1,603	1,346	1,434	1,585	1,748
Right of use assets	980	1,609	1,729	1,855	1,992
Contract assets	314	784	842	904	971
Deferred tax assets	15,279	16,703	17,944	19,254	20,677
Non-current assets	128,596	185,630	180,130	175,916	172,705
Inventories	499	1,115	1,198	1,285	1,380
Finance lease receivables	0	165	0	0	0
Contract assets	3,694	3,345	3,594	3,856	4,141
Trade and other receivables	28,785	29,700	33,915	37,105	39,636
Income tax receivable	1,864	2,199	2,362	2,535	2,722
Cash and cash equivalents	64,663	51,814	53,868	77,427	102,483
Current assets	99,505	88,338	94,937	122,208	150,362
Total assets	228,101	273,968	275,066	298,124	323,068
Trade and other payables	32,090	34,939	28,087	35,066	40,140
Derivative financial liabilities	0	0	0	0	0
Lease liabilities	451	792	851	913	980
Contract liabilities	4,920	7,353	7,899	8,476	9,102
Income tax payable	574	6,115	6,569	7,049	7,570
Current liabilities	38,035	49,199	43,407	51,504	57,793
Net current assets	61,470	39,139	51,530	70,704	92,570
Deferred tax liabilities	3,294	8,821	9,476	10,168	10,920
Contract liabilities	616	927	996	1,069	1,148
Other non-current liabilities	0	0	0	0	0
Lease liabilities	769	1,177	1,264	1,357	1,457
Borrowings	0	20,349	18,849	18,849	18,849
Non-current liabilities	4,679	31,274	30,586	31,442	32,373
Total liabilities	42,714	80,473	73,993	82,946	90,166
Net assets	185,387	193,495	201,074	215,178	232,902
Called up share capital	597	603	603	603	603
Share premium	153,621	153,948	153,948	153,948	153,948
Retained earnings	22,887	31,196	38,775	52,879	70,603
Merger relief reserve	19,641	19,641	19,641	19,641	19,641
Translation reserve	(5,584)	(2,446)	(2,446)	(2,446)	(2,446)
Own shares held in trust	(5,775)	(9,451)	(9,451)	(9,451)	(9,451)
Capital redemption reserve	0	4	4	4	4
Total shareholders' equity	185,387	193,495	201,074	215,178	232,902

Source: Company accounts, Hardman & Co Research

Cashflow

We forecast working capital outflows equating to 0.5% of sales going forward, which is conservative for a software business but also takes into account hardware sales and professional services, which are more cash draining in nature. We assume tax paid equates to 90% of the prior-year tax charge, and development cost capitalisation runs at 2% of sales going forward. We include \$3.0m of share buybacks along with \$1.5m of debt repayments in FY24.

Consolidated statement of cashflow					
Year-end 31 December (\$'000)	2022	2023	2024e	2025e	2026e
Adjusted operating profit	17,216	18,633	23,991	28,807	33,657
Adjustments for:					
Depreciation (excluding leased assets)	1,227	975	995	1,012	1,086
Depreciation on leased assets	773	467	652	646	694
Amortisation on development costs and other intangibles	8,545	5,989	5,220	4,309	3,702
Amortisation on patent and IPR costs	199	401	0	0	0
Loss on disposal of property, plant and equipment	135	207	0	0	0
Exceptional costs relating to acquisitions	0	(2,690)	0	0	0
Movement on bad debt provision	15	41	0	0	0
Foreign exchange (gain)/loss	(31)	(187)	0	0	0
RDEC tax credits	(141)	0	0	0	0
Cash flows from operations	27,938	23,836	30,858	34,774	39,138
Movement in working capital	(11,075)	3,860	(803)	(862)	(925)
As % sales	(7.93)	2.58	(0.50)	(0.50)	(0.50)
Cash generated from operations	16,863	27,696	30,055	33,912	38,213
Tax paid	(2,259)	(2,003)	(3,521)	(4,695)	(5,900)
Net cash inflow from operating activities	14,467	25,693	26,534	29,217	32,313
Acquisitions) net of cash acquired)	0	(49,960)	0	0	0
Deferred consideration settlement	0	0	0	0	0
Capitalised internal development costs	(2,155)	(2,839)	(3,213)	(3,447)	(3,702)
Purchase of intangible assets	(1,140)	(14)	0	0	0
Proceeds from sale of intangible assets	25	8	0	0	0
Purchase of property, plant and equipment	(725)	(638)	(1,083)	(1,163)	(1,248)
Interest received	210	805	674	837	1,147
Net cash (used in) investing activities	(3,785)	(52,638)	(3,622)	(3,772)	(3,803)
Share issue	118	129	0	0	0
Share issue costs	0	0	0	0	0
Purchase of shares held in trust	(5,775)	(3,676)	0	0	0
Purchase of own shares for cancellation	0	(2,186)	(3,000)	0	0
Interest paid	(330)	(1,387)	(1,242)	(1,208)	(1,208)
Payments on property lease liabilities	(1,430)	(635)	(682)	(732)	(786)
Cash paid to refinance	0	(1,040)	0	0	0
Proceeds from borrowings	0	35,000	0	0	0
Repayments of borrowings	0	(13,750)	(1,500)	0	0
Net forward FX contract settlement used to hedge share issue proceeds	0	0	0	0	0
Payment made to cancel equity settled option awards	(129)	0	0	0	0
Net cash (utilised in) financing activities	(7,546)	12,455	(6,424)	(1,940)	(1,994)
Increase in cash and cash equivalents	3,136	(14,490)	16,487	23,504	26,516
Cash and cash equivalents at beginning of year	64,050	64,663	51,814	68,301	91,806
Exchange (loss)/gain on cash and cash equivalents	(2,523)	1,641	0	0	0
Cash and cash equivalents at end of year	64,663	51,814	68,301	91,806	118,321

Source: Company accounts, Hardman & Co Research

Sensitivities

Historically, much of the group's revenues were generated in several months over the summer, and the majority of revenues are still in the northern hemisphere. However, the group has been broadening its coverage both geographically and through reduced seasonality with increased penetration of winter activities and all-year-round activities.

We highlight the following sensitivities:

- ▶ **Economic environment:** The group's leisure and attractions industry end-market is exposed to economic slowdown. Virtual queuing is potentially sensitive to a slowdown, as weak economic backdrop might shorten the lengths of queues and reduce the requirement for priority systems.
- ▶ **Disruptive events:** The group is exposed to seasonality, weather and pandemics. Theme and water parks have short seasons in certain geographies. Bad weather or environmental interruptions could significantly affect the year's profits and cashflow. COVID-19 highlighted the pandemic risk associated with the global leisure industry. However, the downturn was less than feared and it resulted in the acceleration of digital transformation in the industry.
- ▶ **Technological change:** There is a risk that competitors could develop improved technologies in the areas of operation, including virtual queuing personalised customer experiences. However, accesso has patent protection for its products, most notably in virtual queuing and also in TE2.
- ▶ **Customer concentration:** accesso's five flagship customers generate almost half of group revenues. However, this concentration is declining as the group is constantly expanding its customer base. Two of these customers – Six Flags and Cedar Fair – are currently merging and that brings risk, but accesso has strong relationships with both customers. The group has high exposure to the US, which generated 64% of FY23 revenues. However, this is declining as the group continues to expand internationally and the acquisition of VGS accelerates that process.

Valuation

The stock trades on 20.5x our forecasted earnings in the current financial year, falling to 17.4x next year and 15.2x the year after. In addition, the group has a strong net cash position, healthy cash generation and a free cashflow yield comfortably above 5%. Further, the quality of business is improving, with 84% repeatable revenues along with improving operating margins, on our forecasts.

Peer comparison

The stock trades at a significant discount to its AIM enterprise software peers, in spite of the company's attractive growth profile along with improving cash generation and rising operating margins.

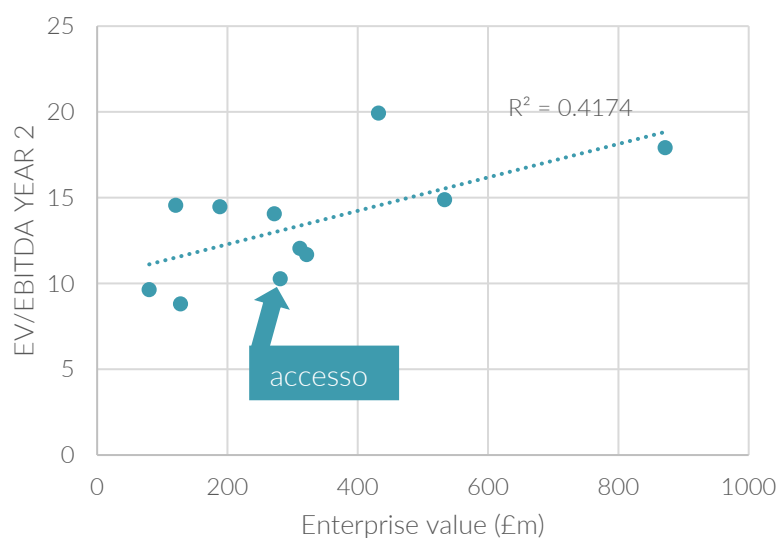
Comparison with a selection of AIM enterprise software peers

	Share price (p)	Market Cap (£m)	Est. EV (£m)	EV/sales		EV/EBITDA	
				Curr yr	Next yr	Curr yr	Next yr
accesso	730	304	281	2.2	2.1	11.6	10.3
Vs peer averages				(32%)	(32%)	(18%)	(21%)
Craneware	2460	869	872	6.0	5.6	19.3	17.9
Alfa Fin'l S/w	185.4	547	533	4.9	4.6	15.8	14.9
Cerillion	1540	454	432	9.7	8.7	22.5	19.9
IDOX	66.8	307	322	3.6	3.4	12.3	11.7
Fintel	300	311	311	4.2	3.9	13.5	12.0
Tracsis	945	286	272	3.2	3.0	15.6	14.1
Aptitude S/w	370	211	189	2.7	2.5	16.2	14.5
Tribal	56	119	128	1.5	1.5	8.9	8.8
Netcall	85.5	141	121	3.1	2.8	14.9	14.6
Eleco	107.5	89	80	2.5	2.2	11.3	9.6
Peer averages				3.3	3.0	14.1	13.0

Source: LSEG, Hardman & Co Research. Priced at the close on 31 May 2024.

The chart, below, which was generated from the data in the table above, highlights a typical positive relationship between size and valuation. The stock trades comfortably in "value" territory; i.e., under the regression line. Applying the regression formula (that excludes accesso) to accesso generates a price of 934p – in other words the share price would need to rise by 28% to fall on the regression line.

Peer group EV/EBITDA analysis

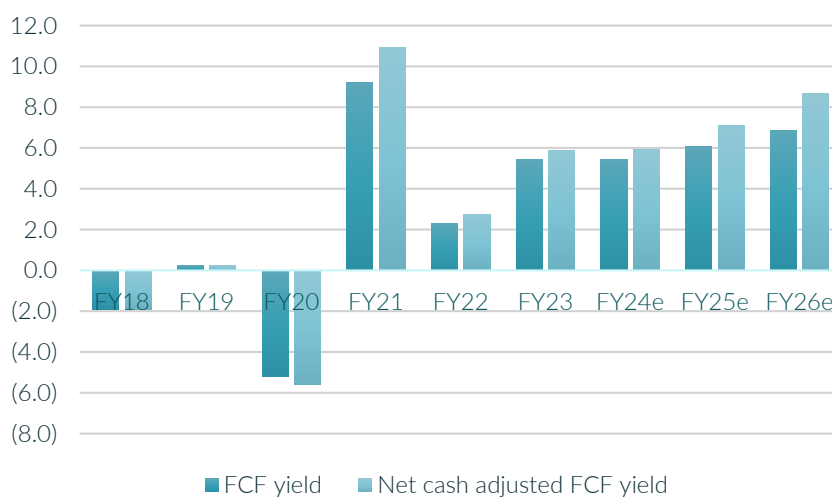


Source: LSEG, Hardman & Co Research

Free cashflow

Based on our forecasts, the stock trades on a FCF yield of 5.4% in the current year, rising to 6.1% in FY25 and 6.9% in FY26. After adjusting for the net cash position, the FCF yield shifts up to 5.9% in FY24, 7.1% in FY25 and to 8.7% in FY26.

Free cashflow analysis



Source: Company accounts, Hardman & Co Research

Cashflow and ROCE analysis

Cash conversion was strong in FY23, although this was boosted by favourable working capital movements. We forecast much reduced volatility in working capital going forward due to the improving revenue quality and strong cash conversion typical of a software company.

We forecast a return on capital employed in the mid-teens. However, this number depends on how you treat intangibles in the denominator. Our focus is on cash generation, but we will monitor the ROCE trend.

Investment ratios									
Year-end 31 Mar (\$'000)	FY18	FY19	FY20	FY21	FY22	FY23	FY24e	FY25e	FY26e
Revenue (A)	118,747	117,182	56,094	124,794	139,730	149,515	160,625	172,348	185,087
Net cash generated from op activities (B)	17,373	26,164	(14,514)	39,114	14,467	25,693	26,534	29,217	32,313
Employment-linked acquisition payments (C)	0	0	0	0	0	0	0	0	0
Acquisition costs (D)	0	0	0	0	137	2,690	0	0	0
Adj. cash generated from op. activities (E=B-C-D)	17,373	26,164	(14,514)	39,114	14,604	28,383	26,534	29,217	32,313
ACGOA margin (E/A)	14.6%	22.3%	(25.9%)	31.3%	10.5%	19.0%	16.5%	17.0%	17.5%
Adjusted operating profit (F)	18,948	11,886	(23,606)	16,677	17,216	18,633	23,991	28,807	33,657
Adjusted cash conversion (E/F)	91.7%	220.1%	61.5%	234.5%	84.8%	152.3%	110.6%	101.4%	96.0%
Adjustments:									
Capitalised development costs	(21,100)	(21,064)	(2,969)	(720)	(2,155)	(2,839)	(3,213)	(3,447)	(3,702)
Purchase of intangible assets	(2)	(4)	0	0	(1,140)	(14)	0	0	0
Proceeds from sale of intangible assets	0	0	0	23	25	8	0	0	0
Purchase of property, plant and equipment	(1,959)	(1,945)	(437)	(960)	(725)	(638)	(1,083)	(1,163)	(1,248)
Interest received	37	21	6	28	210	805	674	837	1,147
Interest paid	(1,833)	(830)	(633)	(514)	(330)	(1,387)	(1,242)	(1,208)	(1,208)
Principal lease liability payments	(9)	(1,451)	(1,622)	(1,408)	(1,430)	(635)	(682)	(732)	(786)
Adjusted free cashflow (E + adjustments)	(7,493)	891	(20,169)	35,563	8,922	20,993	20,987	23,504	26,516
Adjusted profit after tax	17,831	8,453	(21,353)	25,198	14,802	15,021	19,623	23,408	27,308
Capital employed at start of period	146,613	180,634	139,148	132,914	122,879	121,944	164,055	174,634	188,738
Capital employed at end of period	180,634	139,148	132,914	122,879	121,944	164,055	174,634	188,738	206,462
Average capital employed	163,624	159,891	136,031	127,897	122,412	143,000	169,344	181,686	197,600
ROCE (adj. op. profit/capital employed) annualised	11.6%	7.4%	(17.4%)	13.0%	14.1%	13.0%	14.2%	15.9%	17.0%

Source: Company accounts, Hardman & Co Research

Company matters

Registration

Incorporated in the UK with company registration number: 3959429

Board of Directors

Board of Directors				
Position	Name	Nominations	Remuneration	Audit
Non-executive Chairman	Bill Russell			
Chief Executive Officer	Steve Brown			
Chief Financial Officer	Fern MacDonald			
Non-executive director	Andy Malpass		M	C
Non-executive director	Jody Madden		C	M

M = member; C = chair
Source: Company reports

Bill Russell – Non-executive Chairman

Bill Russell joined accesso as the Non-executive Chairman in March 2019, to lead the board and help drive the short- and long-term growth strategy for the company. Currently, Russell also serves as the Non-executive Chairman of PROS Holdings Inc., which provides AI-powered solutions that optimise selling in the digital economy, and he is also a member of the Board of Directors at B.T. Mancini.

Until recently, Russell was the Non-executive Chairman of Píksel, an online video management solutions provider. Previously, he has served on the boards of SABA Software, webMethods and Cognos, as well as in a variety of roles on the boards of several private technology companies, in a career spanning several decades.

Russell brings 23 years of career experience from a number of senior management roles at Hewlett Packard, including Vice President and General Manager of Hewlett Packard's multi-billion-dollar Enterprise Systems Group and its Software Solutions Group.

He holds a B.Sc. degree in Computer Science from Edinburgh University and is based in Silicon Valley, CA.

Steve Brown – Chief Executive Officer

As Chief Executive Officer at accesso, Steve Brown leads the day-to-day operations of the company.

Like many attractions industry veterans, Brown's early theme park career began during college as an hourly employee at the Walt Disney World Resort in Orlando. After a break to pursue his MBA, he returned to Disney where he held a variety of roles with increasing responsibility in financial planning and pricing strategy, including development of revised multi-day admission offerings to incorporate the opening of Disney's Animal Kingdom. In 1999, Brown was named Director, Walt Disney World Ticketing, where he led all aspects of the Resort's ticketing process across its nine gated attractions, including pricing strategy, fulfilment operations, training and financial management.

In 2002, he was named Vice President, Revenue Management for the Disneyland Resort in Anaheim, California. Brown was successful in driving dramatic growth in park admissions and hotel revenues through significant changes to strategic and promotional pricing, the introduction of new ticket options and by leveraging technology to expand sales distribution channels. In this broad-based executive role, he held primary financial accountability for the Resort's hotel and ticket revenues,

led all promotional and strategic pricing efforts, and managed the attendance forecasting and visitation research functions. In 2005, his role was expanded to encompass line-of-business responsibility for the Disneyland Annual Passholder programme, including acquisition and renewal marketing, passholder experience optimisation, CRM and pricing strategy. Brown's contributions were key to the Disneyland Resort's 2005-06 record financial performance during the celebration of the landmark attraction's 50th anniversary.

Prior to joining accesso, Brown served as the corporate Vice President of Ticket Strategy and Sales for Six Flags. While at Six Flags, he led a 220-person sales force responsible for driving nearly 35% of the company's admissions revenue. Brown championed an overhaul of the company's eCommerce process, which doubled the already significant online sales and established Six Flags' national partnerships with major distributors, including Expedia, Travelocity, Best Buy Reward Zone and Costco. He led a comprehensive, research-based review of the company's ticket pricing and developed the strategic plan for 2007 price adjustments across the company's North American theme parks and water parks. The implementation of this plan contributed significantly to 2007 attendance growth and the company's positive cashflow results for the first time in its history.

From 2008, Brown led accesso in Lake Mary, Florida. accesso's core product was accesso Passport, offering ticketing and eCommerce solutions tailored for on site, the internet and mobile phones. accesso was sold to Lo-Q in 2012 for £13.7m and Lo-Q was renamed accesso the following year.

Brown received his MBA from the Goizueta Business School at Emory University in Atlanta and graduated with a BS in Marketing from the University of South Florida in Tampa.

Fern MacDonald – Chief Financial Officer

As Chief Financial Officer, Fern MacDonald provides leadership, direction and management to the organisation's global finance and accounting team, including responsibility for reporting, budgeting, forecasting, compliance and taxation as well as supporting M&A activity.

MacDonald joined accesso in May 2018, bringing more than 16 years of finance and accounting experience from both practice and industry. MacDonald holds a BA from Dublin City University, Ireland.

Prior to joining accesso, MacDonald spent eight years with private equity-backed company ZeroChaos, ultimately serving as Executive Vice President, Finance, supporting the global finance operations, from its US headquarters, through a period of significant growth and acquisitive activity. Previously, MacDonald was a senior manager with Ernst & Young, serving a series of public and private clients from both the Dublin, Ireland and Moscow, Russia offices.

Andy Malpass – Non-executive Director

Andy Malpass has over 30 years' experience in the software industry, covering both private and public companies, including approximately 20 years as Group Finance Director of Fidessa Group plc. Andy also served as Company Secretary of Fidessa Group plc for many years. He is currently an Independent Non-executive Director and Chair of the Audit Committee at Kainos Group plc. Andy graduated with a BA (Hons) in Accounting and Finance from Lancaster University and is a Fellow of the Chartered Institute of Management Accountants.

Andy is an Independent Non-executive Director and Chair of the Audit Committee and a member of the Remuneration Committee at accesso.

Jody Madden – Non-executive Director

Jody Madden is an experienced technology leader with 20 years of experience in the media and entertainment industry, serving currently as Chief Executive Officer of Foundry, a London-based software developer for the media and entertainment industry. Prior to joining Foundry, Madden spent more than a decade in technology management and studio leadership roles at Industrial Light & Magic, Lucasfilm, and Digital Domain. In addition to her role on accesso's board, the Stanford graduate currently serves on the Board of Directors of the Sustainable Food Center, a Central Texas non-profit group.

Madden is a member of the Audit Committee and the Chair of accesso's Remuneration Committee.

Disclaimer

Hardman & Co provides professional independent research services and all information used in the publication of this report has been compiled from publicly available sources that are believed to be reliable. However, no guarantee, warranty or representation, express or implied, can be given by Hardman & Co as to the accuracy, adequacy or completeness of the information contained in this research and they are not responsible for any errors or omissions or results obtained from use of such information. Neither Hardman & Co, nor any affiliates, officers, directors or employees accept any liability or responsibility in respect of the information which is subject to change without notice and may only be correct at the stated date of their issue, except in the case of gross negligence, fraud or wilful misconduct. In no event will Hardman & Co, its affiliates or any such parties be liable to you for any direct, special, indirect, consequential, incidental damages or any other damages of any kind even if Hardman & Co has been advised of the possibility thereof.

This research has been prepared purely for information purposes, and nothing in this report should be construed as an offer, or the solicitation of an offer, to buy or sell any security, product, service or investment. The research reflects the objective views of the analyst(s) named on the front page and does not constitute investment advice. However, the companies or legal entities covered in this research may pay us a fixed fee in order for this research to be made available. A full list of companies or legal entities that have paid us for coverage within the past 12 months can be viewed at <http://www.hardmanandco.com/legals/research-disclosures>. Hardman may provide other investment banking services to the companies or legal entities mentioned in this report.

Hardman & Co has a personal dealing policy which restricts staff and consultants' dealing in shares, bonds or other related instruments of companies or legal entities which pay Hardman & Co for any services, including research. No Hardman & Co staff, consultants or officers are employed or engaged by the companies or legal entities covered by this document in any capacity other than through Hardman & Co.

Hardman & Co does not buy or sell shares, either for their own account or for other parties and neither do they undertake investment business. We may provide investment banking services to corporate clients. Hardman & Co does not make recommendations. Accordingly, they do not publish records of their past recommendations. Where a Fair Value price is given in a research note, such as a DCF or peer comparison, this is the theoretical result of a study of a range of possible outcomes, and not a forecast of a likely share price. Hardman & Co may publish further notes on these securities, companies and legal entities but has no scheduled commitment and may cease to follow these securities, companies and legal entities without notice.

The information provided in this document is not intended for distribution to, or use by, any person or entity in any jurisdiction or country where such distribution or use would be contrary to law or regulation or which would subject Hardman & Co or its affiliates to any registration requirement within such jurisdiction or country.

Some or all alternative investments may not be suitable for certain investors. Investments in small and mid-cap corporations and foreign entities are speculative and involve a high degree of risk. An investor could lose all or a substantial amount of his or her investment. Investments may be leveraged and performance may be volatile; they may have high fees and expenses that reduce returns. Securities or legal entities mentioned in this document may not be suitable or appropriate for all investors. Where this document refers to a particular tax treatment, the tax treatment will depend on each investor's particular circumstances and may be subject to future change. Each investor's particular needs, investment objectives and financial situation were not taken into account in the preparation of this document and the material contained herein. Each investor must make his or her own independent decisions and obtain their own independent advice regarding any information, projects, securities, tax treatment or financial instruments mentioned herein. The fact that Hardman & Co has made available through this document various information constitutes neither a recommendation to enter into a particular transaction nor a representation that any financial instrument is suitable or appropriate for you. Each investor should consider whether an investment strategy of the purchase or sale of any product or security is appropriate for them in the light of their investment needs, objectives and financial circumstances.

This document constitutes a 'financial promotion' for the purposes of section 21 Financial Services and Markets Act 2000 (United Kingdom) ('FSMA') and accordingly has been approved by Capital Markets Strategy Ltd which is authorised and regulated by the Financial Conduct Authority (FCA).

No part of this document may be reproduced, stored in a retrieval system or transmitted in any form or by any means, mechanical, photocopying, recording or otherwise, without prior permission from Hardman & Co. By accepting this document, the recipient agrees to be bound by the limitations set out in this notice. This notice shall be governed and construed in accordance with English law. Hardman Research Ltd, trading as Hardman & Co, is an appointed representative of Capital Markets Strategy Ltd and is authorised and regulated by the FCA under registration number 600843. Hardman Research Ltd is registered at Companies House with number 8256259.

(Disclaimer Version 8 – Effective from August 2018)

Status of Hardman & Co's research under MiFID II

Some professional investors, who are subject to the new MiFID II rules from 3rd January 2018, may be unclear about the status of Hardman & Co research and, specifically, whether it can be accepted without a commercial arrangement. Hardman & Co's research is paid for by the companies, legal entities and issuers about which we write and, as such, falls within the scope of 'minor non-monetary benefits', as defined in the Markets in Financial Instruments Directive II.

In particular, Article 12(3) of the Directive states: 'The following benefits shall qualify as acceptable minor non-monetary benefits only if they are: (b) 'written material from a third party that is commissioned and paid for by a corporate issuer or potential issuer to promote a new issuance by the company, or where the third party firm is contractually engaged and paid by the issuer to produce such material on an ongoing basis, provided that the relationship is clearly disclosed in the material and that the material is made available at the same time to any investment firms wishing to receive it or to the general public...'

The fact that Hardman & Co is commissioned to write the research is disclosed in the disclaimer, and the research is widely available.

The full detail is on page 26 of the full directive, which can be accessed here: <https://ec.europa.eu/transparency/regdoc/rep/3/2016/EN/3-2016-2031-EN-F1-1.PDF>

In addition, it should be noted that MiFID II's main aim is to ensure transparency in the relationship between fund managers and brokers/suppliers, and eliminate what is termed 'inducement', whereby free research is provided to fund managers to encourage them to deal with the broker. Hardman & Co is not inducing the reader of our research to trade through us, since we do not deal in any security or legal entity.

