

## **ULS Technology plc**

(The “Group”, or the “Company”)

### **Trading Update and Director Change**

#### ***Trading ahead of management expectations***

ULS Technology plc (AIM: ULS), the provider of online B2B platforms for the UK conveyancing and financial intermediary markets, is pleased to provide a trading update for the 12 months to 31 March 2021 (the “Period”).

Following the £27m sale of Conveyancing Alliance Limited (“CAL”) in November 2020, all financial information in this announcement relates only to the Group’s continuing operations.

#### **Financial Highlights**

The Board expects financial results for the Period will exceed management’s expectations. The second half of the Period was strong as the housing market materially improved following the easing of lockdown restrictions and there was a significant recovery in volumes from our broker channel following management focus on this area.

Given the volatility of housing market transactions during the Period, the Board is pleased with the overall level of revenue generated and the very strong recovery in the second half.

Revenues in H2 2021 were c.£10.6m versus £6.3m in H1 2021 resulting in total revenues of £16.9m for the year (2020: £20.7m). Due to these lower revenues and a significant investment in DigitalMove, the Group expects to make an underlying pre-tax loss for the Period of c.£0.8 million (2020: underlying pre-tax profit of £2.4m). IFRS reported pre-tax profit for the Period will be substantially higher as it will include the profit from the sale of CAL.

As a result of the CAL sale, the Group retained cash balances as at 31 March 2021 of circa £24 million with no debt.

#### **Operational Highlights**

- Disposal of CAL for £27.3m
- Growth of broker channel with 21% growth in the number of active users to 1,998 from 1,653 at the end of FY 2020
- Slower recovery in our lender channel
- Conveyancing completions in the second half of the Period were 18,667 compared to 15,100 in the first half
- The rise of the home mover as the main market driver taking over from the first-time buyer
- Strategic reorganisation with Jesper With-Fogstrup joining as CEO in January 2021 and a number of other new senior hires
- The decision to accelerate digital customer experience delivery of DigitalMove including using third party cloud based environments
- Significant increase in opex investment in DigitalMove in the last quarter of the Period

Although undoubtedly a difficult start to the Period for the country as a whole and for the housing market specifically, the housing market demonstrated its resilience by bouncing back quickly and

demonstrated its importance to the overall economy, with the Government keen to introduce measures to stimulate activity.

By the end of the Period, over 40,000 instructions had gone through DigitalMove making the legal process of buying and selling a home much easier for the consumer. Feedback from consumers continues to be excellent and, following Jesper's appointment in January, we have decided to use a cloud based third party environment to speed up the roll-out of our DigitalMove roadmap. We have undertaken thorough evaluation and research projects using third party specialists and have started a significant recruitment plan as we expand the capacity and range of capabilities in the Group. We will continue to improve the end-to-end home moving process for everyone involved, placing the consumer at the centre of everything we do.

### **Director Change**

Andrew Weston, Co-founder and Innovation Director, has decided to resign as Director with immediate effect. He will continue working for the Group in a part-time advisory capacity. With the strategic reorganisation referred to above having happened, Andy feels that he is leaving the Company in good hands to ensure that Group goes from strength to strength.

### **Outlook**

Our flagship eConveyancer product had a particularly strong second half last year, recovering to above pre-Covid levels, and current levels of business as well as the pipeline remain buoyant, continuing the momentum that we saw in the last quarter of FY2021. The Board believes the business has considerable further potential and is investing to develop this business by securing new routes to market.

Lockdown has made people re-evaluate where they live and work and has helped stimulate the housing market. It is also helping to accelerate digital adoption. The Board believes that the opportunity for DigitalMove to disrupt and enhance the home moving experience continues to grow. We will make the home moving journey truly consumer-friendly, and the processes more efficient through further streamlining and automation. Importantly we will improve communication across all the stakeholders. Strengthening of the Company's technology stack will help it to take advantage of this opportunity more quickly and in a broader way.

### **Jesper With-Fogstrup, Chief Executive of ULS Technology plc, commented:**

*"Since joining the Company I have been hugely excited by the significant opportunity that exists both in our existing eConveyancer business and with DigitalMove to make the home moving and owning experience better for all those involved, in particular, the consumer.*

*"We have significant cash funds and we intend to invest them efficiently in rapidly building solutions for the housing market and legal conveyancing community, improving the home moving experience, unlocking efficiencies and revenue earning opportunities across the process.*

*"I would like to thank Andrew Weston for his huge contribution to the business and for the welcome he gave me when I joined. Andy has been instrumental in getting DigitalMove to where it is today and I am confident that we are in a position to maximise the opportunity that DigitalMove represents."*

### **Enquiries:**

**ULS Technology plc**

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Certain information contained in this announcement would have constituted inside information (as defined by Article 7 of Regulation (EU) No 596/2014) prior to its release as part of this announcement.

**About ULS Technology:**

ULS Technology (<https://www.ulstechnology.com>) was admitted to AIM in July 2014. Its mission is to make the home-moving process better for everyone. To date this has mainly been achieved by presenting the consumer, primarily via introducers, with a range of quality conveyancers to choose from at competitive prices via easy-to-use technology.

ULS is now going a step further, helping customers by making it easier to buy, sell and own a home through the leading DigitalMove property platform (<https://digitalmove.co.uk>).