



**ULS Technology plc  
(The "Group" or the "Company")**

**Trading Update**

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 ahead of its Half Year Results for the six months to 30 September 2020 (the "Period").

**Highlights**

The Period was highly unusual with the housing market virtually coming to a halt in April and May in the height of lockdown, before bursting back in to life in June and being buoyant in terms of instructions throughout the rest of the Period and beyond. While there is a lag between the surge in instructions and those instructions turning in to completions, this gives us good confidence in and visibility of revenues over the coming months.

In addition to this helpful market back-drop, the Group's performance is underpinned by the continued growth in the number of mortgage advisers using its platforms. This number has grown by 9% over the 6 month period, demonstrating that growth is being driven by the quality of our products and services and not just the market.

Despite the unprecedented backdrop, the Group made a small positive underlying profit before tax for the Period of £0.1m, despite revenue being 31% down on the same period last year. This is in line with the fall in volume in the overall housing market. After making adjustments in its cash management due to COVID-19, the Group generated operating cash flow which has meant that net debt has decreased to below £2m from an opening net debt position of £3.4m at the start of the Period.

We are particularly pleased with the progress of DigitalMove which is gaining increased traction in the market. The period of lockdown and home-working has highlighted the need for a paperless platform which makes the house moving process quicker, easier and more secure. During the Period the Group launched its Solicitor Portal which allows solicitors to instruct cases directly using DigitalMove, completely independent of the Group's conveyancing comparison platforms. There are a growing number of solicitors using this portal to place cases including ones who are new to the Group's platforms.

**Outlook**

The housing market is undoubtedly buoyant at the moment and instructions are up year-on-year. The stamp duty holiday is providing an additional incentive and while this is due to end in March 2021, unless there is a change in government thinking, the impact of COVID-19 is likely to provide a stimulus to the housing market for longer. Predictions are that increased home working will become permanent and we expect this change in working practices, combined with the experience of lockdown, will encourage people to re-evaluate where they want to live.

The potential for a recovery in the first time buyer market, where the Group is particularly strong but which has remained relatively subdued since the end of lockdown, offers additional growth potential as higher loan-to-value mortgages return to the market. The government's promise to transform "generation rent" in to "generation buy" suggests further stimulus to this section of the market may be forthcoming, which would also benefit transaction volumes.

**Martin Rowland, Chairman of ULS Technology plc, commented:**

*"I am delighted with the resilience of the Group in what has been a difficult period for most sectors of the UK economy. Our staff have shown great flexibility in adjusting seamlessly to home working and the capabilities of our systems and procedures have been tested and proven. The underlying growth in our conveyancing comparison business with both increasing numbers of advisers using our platforms as well as increasing instructions is notable and the significant opportunity for DigitalMove has become even more apparent. I am excited by the impending arrival of Jesper With-Fogstrup as our new CEO; I believe that the strengths of DigitalMove and Jesper's skillsets will prove to be a potent combination."*

**Enquiries:**

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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.