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Concurrent Technologies PLC
12 September 2018

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Concurrent Technologies Plc
(the "Company" or the "Group")

Interim Results for the six months ended 30 June 2018

Concurrent Technologies Plc (AIM: CNC), a world leading specialist in the design and manufacture of high-end embedded computer boards for critical applications, announces interim results for the six months to 30 June 2018.

Financial Highlights

- Turnover of £7.9m (H1 2017: £7.8m)
- Gross profit £4.1m (H1 2017: £4.3m)
- Gross margin 51.7% (H1 2017: 54.8%)
- Profit before tax of £1.1m (H1 2017: £1.4m)
- EPS of 1.50 pence (H1 2017: 1.84 pence)
- Interim dividend increased to 0.95p per share (H1 2017: 0.90p)
- Cash balance (including cash deposits) at 30 June 2018 of £7.8m (H1 2017: £7.9m)

Operational Highlights

- Sales into the defence sector continue to be strong and now account for 59% of H1 Group turnover
- Global customer base continues to expand with exports generating 88% of Group revenues (H1 2017: 84%)
- Investment in R&D during the period matched 2017 levels at £1.2m
- Several new boards and board variants have been launched in 2018 along with the roll out of the enhanced security package

Michael Collins, Chairman of Concurrent Technologies Plc, commented:

"The first-half of 2018 has been an exciting one for the Group, with new products, new partnerships and new opportunities. Our specialised product ranges, processes and excellent customer relationships all demonstrate that

Concurrent Technologies is well placed for the future."

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About Concurrent Technologies Plc

Concurrent Technologies Plc develops and manufactures high-end embedded computer products for use in a wide range of high performance, long life cycle applications within the telecommunications, defence, security, telemetry, scientific and aerospace markets, including applications within extremely harsh environments. The processor products feature Intel® processors, including the latest 8th generation Intel® Core™ processors, Intel® Xeon® and Intel® Atom™ processors. The products are designed to be compliant with industry specifications and support many of today's leading embedded Operating Systems. The products are sold world-wide.

For more information on Concurrent Technologies Plc and its products please visit www.gocct.com.

CHAIRMAN'S STATEMENT

Financial Summary

I am pleased to report a good performance for the first-half of 2018, with strong sales, profit before tax and investment in the first six months.

Revenue for the period was £7.9m (H1 2017: £7.8m), gross margin was slightly lower at 51.7% mainly due to a change in the sales mix of products (H1 2017: 54.8%) and gross profit was £4.1m (H1 2017: £4.3m). The unaudited profit before tax for the same period was £1.1m (H1 2017: £1.4m) with associated earnings per share of 1.50 pence (H1 2017: 1.84 pence).

The Group's balance sheet remains robust with cash balances (including cash deposits) at 30 June 2018 of £7.8m (H1 2017: £7.9m) and total equity increased to £19.0m (H1 2017: £18.0m).

Dividend

The Board has declared a first interim dividend of 0.95p per share (H1 2017: 0.90p) - an increase of 5.6%. The total cost of this dividend will amount to £690,826. The ex-dividend date for this interim dividend is 27 September 2018, the record date is 28 September 2018 and the payment date is 12 October 2018.

Review of Operations

The key driver of our turnover continues to be the defence sectors. The United States remains our main market, but we are seeing increasing interest from other areas of the world, particularly the Asian markets.

This success in the defence market will not detract from our continuing commitment to the telecommunications and specialist scientific sectors where the Group continues to develop new innovative products.

The Group continues to expand its engineering capability in the UK, USA and India. Investment in H1 2018 was maintained at £1.2m (H1 2017: £1.2m), which enabled the Group to launch several new products and many variants during the six-month period, including the announcement of a VPX™ product based on Intel Corporation's 8th generation processor. The Group also released its enhanced suite of security packages which are compatible with industry standards.

The Company awaits details of the trade and tariff legislation to be agreed between the UK Government and other countries once the UK has left the European Union (EU). Our current assessment has concluded that, while there may be logistical disruption following the UK's departure, leaving the EU will have little lasting impact on our trading. Most countries, including the USA and those of the European Union, apply a zero-percentage import tariff rating to our products. Current World Trade Organisation (WTO) rules also apply a zero-tariff rating to items we buy and sell.

Future Plans

We will continue to develop our product ranges, in particular focusing on the VPX™ architecture both at board and development system level. To broaden the market appeal of the Group's products we will develop more partnerships with companies offering complementary products.

Our production capabilities are constantly being revised and improved. A faster "pick and place" machine and an enhanced screen printer have been installed and are now both operational. This equipment is used for high-speed, fine-precision placement of surface-mount components onto printed circuit boards. This investment will allow a faster and more flexible response to customer orders as well as addressing the need to accommodate advances in component technologies.

Outlook

The first-half of 2018 has been an exciting one for the Group, with new products, new partnerships and new opportunities. Our specialised product ranges, processes and excellent customer relationships all demonstrate that Concurrent Technologies is well placed for the future.

Michael Collins
Chairman

11th September 2018

All companies and product names are trademarks of their respective organisations.

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

unaudited interim results to 30 June 2018

	Note	**Six months ended 30/06/18**	**Six months ended 30/06/17**	**Year ended 31/12/17**
		£	**£**	**£**
CONTINUING OPERATIONS				
Revenue		7,879,517	7,816,472	16,222,732
Cost of sales		3,802,942	3,536,288	7,231,876
Gross profit		4,076,575	4,280,184	8,990,856
Net operating expenses		3,020,677	2,914,116	6,086,516
Group operating profit		1,055,898	1,366,068	2,904,340
Finance income		37,101	30,375	65,117
Profit before tax		1,092,999	1,396,443	2,969,457
Tax		3,630	56,997	213,836
Profit for the period		1,089,369	1,339,446	2,755,621
Other Comprehensive Income				
Exchange differences on translating foreign operations		244,712	(93,622)	(189,150)
Tax relating to components of other comprehensive income		-	-	-
Other Comprehensive Income for the period, net of tax		244,712	(93,622)	(189,150)
Total Comprehensive Income for the period		1,334,081	1,245,824	2,566,471
Profit for the period attributable to:				
Equity holders of the parent		1,089,369	1,339,446	2,755,621
Total Comprehensive Income attributable to:				
Equity holders of the parent		1,334,081	1,245,824	2,566,471
Earnings per share				
Basic earnings per share	*4*	1.50p	1.84p	3.79p
Diluted earnings per share	*4*	1.50p	1.84p	3.79p

CONDENSED CONSOLIDATED BALANCE SHEET

unaudited interim results to 30 June 2018

	As at 30/06/18	**As at 30/06/17**	**As at 31/12/17**

ASSETS	**£**	**£**	**£**
Non-current assets			
Property, plant and equipment	449,860	391,651	482,254
Intangible assets	7,801,410	7,369,683	7,397,512
Deferred tax assets	178,299	146,023	170,495
	8,429,569	7,907,357	8,050,261
Current assets			
Inventories	3,759,675	3,334,750	3,222,800
Trade and other receivables	3,445,776	2,526,923	2,740,335
Current tax assets	434,576	203,710	135,224
Other financial assets	3,410,970	-	2,502,281
Cash and cash equivalents	4,399,892	7,885,032	5,892,304
	15,450,889	13,950,415	14,492,944
Total assets	23,880,458	21,857,772	22,543,205
LIABILITIES			
Non-current liabilities			
Deferred tax liabilities	1,553,918	1,417,245	1,473,815
Long term provisions	3,059	3,986	4,097
	1,556,977	1,421,231	1,477,912
Current liabilities			
Trade and other payables	3,258,958	2,384,949	2,332,599
Short term provisions	21,410	19,932	16,644
Current tax liabilities	25,211	-	-
	3,305,579	2,404,881	2,349,243
Total liabilities	4,862,556	3,826,112	3,827,155
Net assets	19,017,902	18,031,660	18,716,050
EQUITY			
Capital and reserves			
Share capital	739,000	739,000	739,000
Share premium account	3,699,105	3,684,871	3,699,105
Capital redemption reserve	256,976	256,976	256,976
Cumulative translation reserve	550,169	400,985	305,457
Profit and loss account	13,772,652	12,949,828	13,715,512
Equity attributable to equity holders of the parent	19,017,902	18,031,660	18,716,050
Total equity	19,017,902	18,031,660	18,716,050

CONDENSED CONSOLIDATED CASH FLOW STATEMENT

unaudited interim results to 30 June 2018

	Six months ended 30/06/18	**Six months ended 30/06/17**	**Year ended 31/12/17**
	£	**£**	**£**
Cash flows from operating activities			
Profit before tax for the period	1,092,999	1,396,443	2,969,457
Adjustments for:			
Finance income	(37,101)	(30,375)	(65,117)
Depreciation	103,174	77,624	194,529
Amortisation	756,545	620,878	1,294,457
Impairment loss	63,223	31,064	286,888
Loss on disposal of property, plant and equipment	-	-	(3,750)

Share-based payment	(77,595)	13,611	27,448
Exchange differences	202,262	(200,228)	(110,755)
(Increase)/decrease in inventories	(536,875)	(94,895)	17,055
(Increase)/decrease in trade and other receivables	(708,092)	800,706	587,294
Increase/(decrease) in trade and other payables	761,192	(432,426)	(487,953)
Cash generated from operations	1,619,732	2,182,402	4,709,553
Tax received/(paid)	(8,851)	(32,395)	(83,808)
Net cash generated from operating activities	1,610,881	2,150,007	4,625,745
Cash flows from investing activities			
Interest received	37,101	30,375	65,117
Cash released from/(placed on) deposit	(909,131)	1,000,000	1,502,281)
Purchases of property, plant and equipment	(72,930)	(56,977)	(267,855)
Proceeds from sale of property, plant and equipment	-	-	3,750
Purchases of intangible assets	(1,223,668)	(1,175,613)	(2,133,046)
Net cash used in investing activities	(2,168,628)	(202,215)	(3,834,315)
Cash flows from financing activities			
Equity dividends paid	(945,339)	(945,339)	(1,599,804)
Sale/(purchase) of treasury shares	-	-	-
Net cash used in financing activities	(945,339)	(945,339)	(1,599,804)
Effects of exchange rate changes on cash and cash equivalents	10,674	109,496	(72,405)
Net increase/(decrease) in cash	(1,492,412)	1,111,949	(880,779)
Cash at beginning of period	5,892,304	6,773,083	6,773,083
Cash at the end of the period	4,399,892	7,885,032	5,892,304

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

unaudited interim results to 30 June 2018

	Share capital	**Share Premium**	**Capital redemption reserve**	**Cumulative translation reserve**	**Profit and loss account**	**Total equity**
	£	**£**	**£**	**£**	**£**	**£**
Balance at 1 January 2017	739,000	3,693,818	256,976	494,607	12,489,418	17,673,819
Profit for the period	-	-	-	-	1,339,446	1,339,446
Exchange differences on translating foreign operations	-	-	-	(93,622)	-	(93,622)
Total recognised comprehensive income for the period	-	-	-	(93,622)	1,339,446	1,245,824
Share-based payment	-	-	-	-	13,611	13,611
Deferred tax on share-based payment	-	-	-	-	43,274	43,274
Dividends paid	-	-	-	-	(945,339)	(945,339)
Transfer of treasury shares	-	(8,947)	-	-	9,418	471

Balance at 30 June 2017	739,000	3,684,871	256,976	400,985	12,949,828	18,031,660
Profit for the period	-	-	-	-	1,416,175	1,416,175
Exchange differences on translating foreign operations	-	-	-	(95,528)	-	(95,528)
Total recognised comprehensive income for the period	-	-	-	(95,528)	1,416,175	1,320,647
Share-based payment	-	-	-	-	13,837	13,837
Deferred tax on share-based payment	-	-	-	-	4,842	4,842
Dividends paid	-	-	-	-	(654,465)	(654,465)
Transfer of treasury shares	-	14,234	-	-	(14,705)	(471)
Balance at 31 December 2017	739,000	3,699,105	256,976	305,457	13,715,512	18,716,050
Adjustment for IFRS 15	-	-	-	-	(34,399)	(34,399)
Balance at 01 January 2018	739,000	3,699,105	256,976	305,457	13,681,113	18,681,651
Profit for the period	-	-	-	-	1,089,369	1,089,369
Exchange differences on translating foreign operations	-	-	-	244,712	-	244,712
Total recognised comprehensive income for the period	-	-	-	244,712	1,089,369	1,334,081
Share-based payment	-	-	-	-	(77,595)	(77,595)
Deferred tax on share-based payment	-	-	-	-	25,104	25,104
Dividends paid	-	-	-	-	(945,339)	(945,339)
Transfer of treasury shares	-	-	-	-	-	-
Balance at 30 June 2018	739,000	3,699,105	256,976	550,169	13,772,652	19,017,902

NOTES TO THE INTERIM REPORT

1. General information

The principal activity of Concurrent Technologies Plc and its subsidiaries ("the Group") is the design, development, manufacture and marketing of single board computers for system integrators and original equipment manufacturers.

Concurrent Technologies Plc ("the Company") is the Group's ultimate parent company. It is incorporated and domiciled in Great Britain. Concurrent Technologies Plc shares are listed on the Alternative Investment Market of the London Stock Exchange.

The Group's condensed consolidated interim financial statements are presented in pounds sterling (£), which is also the functional currency of the parent company.

These condensed consolidated interim financial statements, which are unaudited, have been approved for issue by the Board of Directors on 11th September, 2018.

The information relating to the six months ended 30 June 2018 and 30 June 2017 is unaudited and does not constitute statutory accounts within the meaning of section 434 of the Companies Act 2006. The statutory accounts for the year ended 31 December 2017, prepared in accordance with IFRSs (International Financial Reporting Standards) as adopted by the European Union, have been reported on by the Group's auditors and delivered to the Registrar of Companies. The auditors' report was unqualified, did not draw attention to any matters by way of emphasis and did not contain a statement under section 498(2) or (3) of the Companies Act 2006.

2. Summary of significant accounting policies

2.1 Basis of preparation

These condensed consolidated interim financial statements are for the six months ended 30 June 2018. They have been prepared in accordance with IAS 34 "Interim Financial Reporting". They do not include all of the information required for full annual financial statements, and should be read in conjunction with the consolidated financial statements of the Group for the year ended 31 December 2017, which have been prepared in accordance with adopted IFRSs.

The Group applies, for the first time, IFRS 15 Revenue from Contracts with Customers, that require adjustments to the amounts recognised in the financial statements. As required by IAS 34, the nature and effect of these changes are disclosed below in the section entitled Warranty Obligations.

The Group also applies IFRS 9 Financial Instruments for the first time in 2018 but this does not have an impact on the interim condensed consolidated financial statements of the Group.

All other accounting policies applied and methods of computation are consistent with those of the annual financial statements for the year ended 31 December 2017, as described in those financial statements.

Warranty Obligations

IFRS 15 has been produced in order to bring into line the principles that a business applies when reporting the nature, amount, timing, and uncertainty of revenue and cash flows arising from a contract with a customer. The core principle of IFRS 15 dictates that a business recognises revenue to clearly show the transfer of contracted goods/services to customers in the amount that mirrors the consideration that the business is entitled to. Under IFRS 15 there are 5 steps to recognising revenue.

The Directors have considered these 5 steps and sale of goods where the risks and rewards of ownership are transferred at the point of invoice IFRS 15 has no impact, this is the case for most Company sales.

The Group offers extended warranties on its products. As the customer has the option of purchasing the additional warranty separately, this is a service-type warranty and is accounted for as a separate performance obligation. Deferred revenue is recognised (as opposed to revenue being recorded) over the period of the extended warranty.

The Directors have opted to adopt the modified retrospective method of transition and have applied IFRS 15 to those contracts that are not completed as at 1st January 2018, the impact on the Profit and loss account is £34,399.

2.2 Going Concern

The Directors are satisfied that the Group has sufficient resources to continue in operation for the foreseeable future, a period of not less than 12 months from the date of this report. Accordingly, they continue to adopt the going concern basis in preparing these condensed financial statements.

2.3 Taxation

Current tax expense is recognised in these condensed consolidated interim financial statements based on estimated effective tax rates for the full year.

3. Segmental reporting

The Directors consider that the Group is engaged in a single segment of business, being design, manufacture and supply of high-end embedded computer products, and that therefore the Company has only a single operating segment. The key measure of performance used by the Board to assess the Group's performance is the Group's profit before tax, as calculated under IFRS, and therefore no reconciliation is required between the measure of profit or loss used by the Board and that contained in the condensed consolidated interim financial statements.

4. Earnings per share

Basic earnings per share is calculated by dividing the profit attributable to ordinary equity holders for the period by the weighted average number of ordinary shares outstanding during the period.

Diluted earnings per share is calculated adjusting the weighted average number of ordinary shares outstanding to assume conversion of all contracted dilutive potential ordinary shares. The Company only has one category of dilutive potential ordinary shares, share options.

The inputs to the earnings per share calculation are shown below:

	Six months ended 30/06/18 £	Six months ended 30/06/17 £	Year ended 31/12/17 £
Profit attributable to ordinary equity holders	1,089,369	1,339,446	2,755,621

	Six months ended 30/06/18 N°	Six months ended 30/06/17 N°	Year ended 31/12/17 N°
Weighted average number of ordinary shares for basic earnings per share	72,718,490	72,604,009	72,635,976
Adjustment for share options	2,457	481	2,457
Weighted average number of ordinary shares for diluted earnings per share	72,720,947	72,604,490	72,638,433

5. Post reporting date events

There were no material events subsequent to the end of the interim reporting period that have not been reflected in these condensed interim financial statements.

6. Shareholder Communication

A copy of these condensed interim financial statements is available from the Company's Registered Office at 4 Gilberd Court, Newcomen Way, Colchester, Essex, CO4 9WN, UK and from the Company's website at www.gocct.com.