

7 September 2021

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

Interim Results for the six months ended 30 June 2021

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 2021, reflecting a positive trading period with strong sales, profit before tax and investment.

Financial Highlights

- Revenue of £9.3m (H1 2020: £9.2m)
- Gross profit of £5.1m (H1 2020: £4.9m)
- Gross margin of 54.3% (H1 2020: 52.9%)
- Group operating profit of £1.6m (H1 2020: £1.2m)
- Profit before tax of £1.5m (H1 2020: £1.2m)
- EPS of 2.09 pence (H1 2020: 1.62 pence)
- Interim dividend increased to 1.15p per share (H1 2020: 1.10p)
- Cash balance (including cash deposits) at 30 June 2021 of £12.4m (H1 2020: £10.0m)

Operational Highlights

- Largest market sector is defence at 71% of revenue
- Record order book achieved during the period of £15.9m (H1 2020: £13.9m)
- Global customer base remains solid with exports generating 91% of revenue (H1 2020: 96%)
- R&D cost during the period was £1.6m (H1 2020: £1.8m)
- Component shortages being managed, although challenges remain across the global supply chain

Mark Cubitt, Chairman of Concurrent Technologies Plc, commented: "Even in the face of unprecedented worldwide supply chain disruption, the first half performance has been robust with sales at 2020 levels, improved margins, a strengthened balance sheet, and a record order book ensuring the pipeline of future profitability. There remains uncertainty on the timing of some shipments

in Q4 2021 and into 2022, driven by component availability, which may slip revenues into 2022 but there is no evidence yet of cancellations from customers. The Board believe the changes in management structure and leadership team will leave the Company well placed to leverage its reputation in the market for future growth and improved profitability."

Enquiries:

Concurrent Technologies Plc

Dr Miles Adcock, Chief Executive
Jonathan Martin, CFO

+44 (0)1206 752626

SEC Newgate (Financial PR)

Bob Huxford
Isabelle Smurfit

+44 (0)20 7653 9848

+44 (0)20 3757 3411

Cenkos Securities Plc (NOMAD)

Neil McDonald
Peter Lynch

+44 (0)131 220 9771

+44 (0)131 220 9772

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 11th generation embedded Intel® Core™, 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.

All trademarks, registered trademarks and trade names used in this announcement are the property of their respective owners.

CHAIRMAN'S STATEMENT

I am pleased to announce the trading performance has continued on from the strong results reported for 2020, with solid sales in the first half of 2021 and a growing order book, despite the challenging worldwide supply chain disruption.

The end of the first half also saw the beginning of the smooth transition from Jane Annear to Miles Adcock as CEO. Jane has been extremely helpful and supportive during this period which typifies the commitment, professionalism and drive, that she demonstrated throughout her career with Concurrent and which has brought the Company to its current strong position.

It is with great sadness that I learnt Clive Mannering-Thomson had passed away in August after a brief illness. Clive was a long serving member of the

Concurrent Board and true gentleman and our thoughts are with his family and friends at this difficult time.

CHIEF EXECUTIVE'S REVIEW

Financial Summary

The Company continued to trade and operate in a largely normal fashion during the first half of 2021 with production, sales and development maintained at typical operational levels. Revenue for the period was similar at £9.3m (H1 2020: £9.2m) while gross margin increased to 54.3% (H1 2020: 52.9%). Consequently, gross profit increased to £5.1m (H1 2020: £4.9m). The unaudited profit before tax (PBT) for the period was £1.6m (H1 2020: £1.2m). The associated earnings per share (EPS) were 2.09 p (H1 2020: 1.62p).

The balance sheet remains very strong, with no debt and cash balances (including cash deposits) at 30 June 2021 of £12.4m (H1 2020: £10.0m).

Dividend

Given the strong cash position and the robust balance sheet, the Board has declared an interim dividend of 1.15p per share (H1 2020: 1.10p) - an increase of 4.5%. The total cost of this dividend will amount to £843,680. The ex-dividend date for this interim dividend is 16 September 2021, the record date is 17 September 2021 and the payment date is 1 October 2021.

Review of Operations

As an essential defence supplier, production at the Company's Colchester headquarters continued uninterrupted during each lockdown period and the Company has not applied for support under any Government COVID-19 initiatives. Our preparations for Brexit led to minimal impact on the business and no impact on sales to our customers.

The unprecedented worldwide supply chain shortages are a major risk to all companies and Concurrent is no exception. During 2021 we have so far managed the disruption and protected the supply of goods to our customers, but the situation is deteriorating and is expected to last well into 2022. This may lead to some revenue slipping from 2021 to 2022 but to date we have seen no evidence of program or platform cancellations from our customers. Rather, we have seen growing support from our customer base, leading to a record order book of £15.9m at the period end.

Sales within the defence market increased to £6.6m (H1 2020: £6.3m) representing 71% (H1 2020: 68%) of revenue and exports were 91% (H1 2020: 96%). While defence is still our primary target market, we do see myriad opportunities in the telecoms and other sectors which are being pursued with vigour.

During 2021 we have also seen the final closure of the Concurrent office in India as planned and the subsequent expansion and re-alignment of engineering capabilities in the UK. This has resulted in an overall decrease in R&D spend in H1 2021 to £1.6m (H1 2020: £1.8m) as expected, and this

reduction has not had a detrimental impact on output from the function.

Through extensive co-operation, development and testing work Intel have elevated us to Titanium partner status thus strengthening our ties with our leading technology supplier. Launches and deployment of the new 3U CompactPCI and AMC boards has continued, along with the development of our software products.

Future Plans

The current leadership team is being revitalised with the introduction of an HR Director and a Quality & Business Improvement Director. Recruitment for these positions will be completed during the second half of the year. Along with these new appointments there will be some changes in the internal reporting structure which will allow the organisation to increase its capacity to manage new projects and develop the business.

The new team will revise the medium and long-term strategic plan focusing on product lead times and revenue growth.

Outlook

Even in the face of unprecedented worldwide supply chain disruption, the first half performance has been robust with sales at 2020 levels, improved margins, a strengthened balance sheet and a record order book ensuring the pipeline of future profitability. The Board believe the changes in management structure and leadership team will leave the Company well placed to leverage its reputation in the market for future growth and improved profitability.

Dr Miles Adcock
CEO
7 September 2021

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

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

Unaudited interim results to 30 June 2021

| | Note | Six months ended 30/06/21 £ | Six months ended 30/06/20 £ | Year ended 31/12/20 £ |
|-------------------------------|------|--------------------------------|--------------------------------|--------------------------|
| CONTINUING OPERATIONS | | | | |
| Revenue | | 9,315,839 | 9,191,045 | 21,141,294 |
| Cost of sales | | 4,255,669 | 4,325,867 | 9,780,750 |
| Gross profit | | 5,060,170 | 4,865,178 | 11,360,544 |
| Net operating expenses | | 3,439,699 | 3,627,665 | 8,444,962 |
| Group operating profit | | 1,620,471 | 1,237,513 | 2,915,582 |

| | | | | |
|--|------------------|------------------|------------------|-------|
| Finance costs | (32,233) | (40,035) | (83,985) | |
| Finance income | 3,696 | 23,171 | 16,480 | |
| Profit before tax | 1,591,934 | 1,220,649 | 2,848,077 | |
| Tax | 56,559 | 25,858 | 98,167 | |
| Profit for the period | 1,535,375 | 1,194,791 | 2,749,910 | |
| Other Comprehensive Income | | | | |
| Exchange differences on translating foreign operations | (19,626) | 419,634 | (283,681) | |
| Tax relating to components of other comprehensive income | - | - | - | |
| Other Comprehensive Income for the period, net of tax | (19,626) | 419,634 | (283,681) | |
| Total Comprehensive Income for the period | 1,515,749 | 1,614,425 | 2,466,229 | |
| Profit for the period attributable to: | | | | |
| Equity holders of the parent | 1,535,375 | 1,194,791 | 2,749,910 | |
| Total Comprehensive Income attributable to: | | | | |
| Equity holders of the parent | 1,515,749 | 1,614,425 | 2,466,229 | |
| Earnings per share | | | | |
| Basic earnings per share | 4 | 2.09p | 1.62p | 3.75p |
| Diluted earnings per share | 4 | 2.09p | 1.62p | 3.74p |

CONDENSED CONSOLIDATED BALANCE SHEET

Unaudited interim results to 30 June 2021

| | As at 30/06/21 £ | As at 30/06/20 £ | As at 31/12/20 £ |
|--------------------------------|---------------------------------|---------------------------------|---------------------------------|
| ASSETS | | | |
| Non-current assets | | | |
| Property, plant and equipment | 1,735,125 | 1,683,186 | 1,734,965 |
| Intangible assets | 7,333,105 | 7,917,503 | 7,205,581 |
| Deferred tax assets | 88,455 | 100,930 | 134,775 |
| | 9,156,685 | 9,701,619 | 9,075,321 |
| Current assets | | | |
| Inventories | 6,619,081 | 6,546,821 | 5,533,574 |
| Trade and other receivables | 2,614,711 | 3,132,765 | 2,356,157 |
| Current tax assets | 351,104 | 334,082 | 305,113 |
| Cash and cash equivalents | 12,386,445 | 10,034,786 | 11,765,974 |
| | 21,971,341 | 20,048,454 | 19,960,818 |
| Total assets | 31,128,026 | 29,750,073 | 29,036,139 |
| LIABILITIES | | | |
| Non-current liabilities | | | |
| Deferred tax liabilities | 1,638,947 | 1,537,532 | 1,571,830 |
| Trade and other payables | 518,919 | 529,953 | 704,800 |
| Long term provisions | 18,256 | 14,964 | 16,162 |
| | 2,176,122 | 1,552,496 | 2,292,792 |
| Current liabilities | | | |
| Trade and other payables | 5,913,855 | 5,410,722 | 4,143,522 |

| | | | |
|--|-------------------|-------------------|-------------------|
| Short term provisions | 18,256 | 15,382 | 16,354 |
| Current tax liabilities | 33,190 | - | 26,504 |
| | 5,965,301 | 5,426,104 | 4,186,380 |
| Total liabilities | 8,141,423 | 6,978,600 | 6,479,172 |
| Net assets | 22,986,603 | 22,771,473 | 22,556,967 |
| EQUITY | | | |
| Capital and reserves | | | |
| Share capital | 739,000 | 739,000 | 739,000 |
| Share premium account | 3,699,105 | 3,699,105 | 3,699,105 |
| Capital redemption reserve | 256,976 | 256,976 | 256,976 |
| Cumulative translation reserve | (140,919) | 582,022 | (121,293) |
| Profit and loss account | 18,432,441 | 17,494,370 | 17,983,179 |
| Equity attributable to equity holders of the parent | 22,986,603 | 22,771,473 | 22,556,967 |
| Total equity | 22,986,603 | 22,771,473 | 22,556,967 |

CONDENSED CONSOLIDATED CASH FLOW STATEMENT

Unaudited interim results to 30 June 2021

| | Six months ended 30/06/21 £ | Six months ended 30/06/20 £ | Year ended 31/12/20 £ |
|---|--------------------------------|--------------------------------|--------------------------|
| Cash flows from operating activities | | | |
| Profit before tax for the period | 1,591,934 | 1,220,649 | 2,848,077 |
| Adjustments for: | | | |
| Finance income | (3,696) | (23,171) | (16,480) |
| Finance costs | 32,233 | 40,035 | 83,985 |
| Depreciation | 84,757 | 142,154 | 282,563 |
| Amortisation | 606,453 | 888,299 | 1,793,628 |
| Impairment loss | 150,000 | 125,000 | 888,579 |
| Loss on disposal of property, plant and equipment | 28,778 | - | - |
| Share-based payment | 16,339 | - | 6,991 |
| Exchange differences | (16,762) | 467,772 | (300,568) |
| (Increase)/decrease in inventories | (1,085,507) | (1,448,914) | (435,667) |
| (Increase)/decrease in trade and other receivables | (258,554) | (428,805) | 347,803 |
| Increase/(decrease) in trade and other payables | 1,645,319 | 493,329 | (9,354) |
| Cash generated from operations | 2,791,294 | 1,476,348 | 5,489,557 |
| Tax received/(paid) | (21,110) | (1,209) | 40,535 |
| Net cash generated from operating activities | 2,770,184 | 1,475,139 | 5,530,092 |
| Cash flows from investing activities | | | |
| Interest received | 3,696 | 23,171 | 16,480 |
| Cash released from/(placed on) deposit | - | - | - |
| Purchases of property, plant and equipment | (115,045) | (182,469) | (385,964) |
| Proceeds from sale of property, plant and equipment | - | - | - |
| Purchases of intangible assets | (883,983) | (939,585) | (1,896,659) |
| Net cash used in investing activities | (995,332) | (1,098,883) | (2,266,143) |

Cash flows from financing activities

| | | | |
|---------------------------------------|-------------|-------------|-------------|
| Equity dividends paid | (1,063,769) | (1,054,561) | (1,864,968) |
| Repayment of leasing liabilities | (56,871) | (50,648) | (108,195) |
| Interest paid | (32,233) | (40,035) | (83,985) |
| Sale of treasury shares | - | 368,550 | 47,529 |
| Net cash used in financing activities | (1,152,873) | (776,694) | (2,009,619) |

| | | | |
|---|---------|----------|--------|
| Effects of exchange rate changes on cash and cash equivalents | (1,508) | (52,678) | 23,742 |
|---|---------|----------|--------|

Net increase/(decrease) in cash 620,471 (453,116) 1,278,072

Cash at beginning of period 11,765,974 10,487,902 10,487,902

Cash at the end of the period 12,386,445 10,034,786 11,765,974

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

Unaudited interim results to 30 June 2021

| | Share capital £ | Share Premium £ | Capital redemption reserve £ | Cumulative translation reserve £ | Profit and loss account £ | Total equity £ |
|--|-----------------------|-----------------------|---------------------------------------|---|------------------------------------|----------------------|
| Balance at 1 January 2020 | 739,000 | 3,699,105 | 256,976 | 162,388 | 17,027,245 | 21,884,714 |
| Profit for the period | - | - | - | - | 1,194,791 | 1,194,791 |
| Exchange differences on translating foreign operations | - | - | - | 419,634 | - | 419,634 |
| Total recognised comprehensive income for the period | - | - | - | 419,634 | 1,194,791 | 1,614,425 |
| Share-based payment | - | - | - | - | - | - |
| Deferred tax on share-based payment | - | - | - | - | (41,655) | (41,655) |
| Dividends paid | - | - | - | - | (1,054,561) | (1,054,561) |
| Sale of treasury shares | - | - | - | - | 368,550 | 368,550 |
| Balance at 30 June 2020 | 739,000 | 3,699,105 | 256,976 | 582,022 | 17,494,370 | 22,771,473 |
| Profit for the period | - | - | - | - | 1,555,119 | 1,555,119 |
| Exchange differences on translating foreign operations | - | - | - | (703,315) | - | (703,315) |
| Total recognised comprehensive income for the period | - | - | - | (703,315) | 1,555,119 | 851,804 |
| Share-based payment | - | - | - | - | 6,991 | 6,991 |
| Deferred tax on share-based payment | - | - | - | - | 58,127 | 58,127 |
| Dividends paid | - | - | - | - | (810,407) | (810,407) |
| Sale of treasury shares | - | - | - | - | (321,021) | (321,021) |
| Balance at 31 December 2020 | 739,000 | 3,699,105 | 256,976 | (121,293) | 17,983,179 | 22,556,967 |
| Profit for the period | - | - | - | - | 1,535,375 | 1,535,375 |
| Exchange differences on translating foreign operations | - | - | - | (19,626) | - | (19,626) |
| Total recognised comprehensive income for the period | - | - | - | (19,626) | 1,535,375 | 1,515,749 |
| Share-based payment | - | - | - | - | 16,339 | 16,339 |
| Deferred tax on share-based payment | - | - | - | - | (38,683) | (38,683) |
| Dividends paid | - | - | - | - | (1,063,769) | (1,063,769) |
| Sale of treasury shares | - | - | - | - | - | - |
| Balance at 30 June 2021 | 739,000 | 3,699,105 | 256,976 | (140,919) | 18,432,441 | 22,986,603 |

NOTES TO THE INTERIM REPORT

1. General information

The principal activity of the Group is design, manufacture and supply of innovative high-end embedded single board computers and complementary accessories aimed at a wide base of customers within the defence, telecommunications, aerospace, transport, scientific and industrial markets.

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 6 September, 2021.

The information relating to the six months ended 30 June 2020 and 30 June 2020 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 2020, 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 2021. 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 2020, which have been prepared in accordance with adopted IFRSs.

The accounting policies applied and methods of computation are consistent with those of the annual financial statements for the year ended 31 December 2020, as described in those financial statements. The accounting policies have been consistently applied to all the periods presented.

There are no new IFRSs or IFRIC interpretations that are effective for the first time for the financial period beginning on or after 1 January 2021 that would be expected to have a material impact on the results or financial position of the Group.

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, namely share options.

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

| | Six months ended 30/06/21 £ | Six months ended 30/06/20 £ | Year ended 31/12/20 £ |
|---|---|---|---------------------------------------|
| Profit attributable to ordinary equity holders | 1,535,375 | 1,194,791 | 2,749,910 |
| | Six months ended 30/06/21 N° | Six months ended 30/06/20 N° | Year ended 31/12/20 N° |
| Weighted average number of ordinary shares for basic earnings per share | 73,363,490 | 73,673,490 | 72,523,722 |
| Adjustment for share options | - | 195,579 | 311,651 |
| Weighted average number of ordinary shares for diluted earnings per share | 73,363,490 | 73,869,069 | 73,565,372 |

7. 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.

This information is provided by RNS, the news service of the London Stock Exchange. RNS is approved by the Financial Conduct Authority to act as a Primary Information Provider in the United Kingdom. Terms and conditions relating to the use and distribution of this information may apply. For further information, please contact rns@lseg.com or visit www.rns.com.

RNS may use your IP address to confirm compliance with the terms and conditions, to analyse how you engage with the information contained in this communication, and to share such analysis on an anonymised basis with others as part of our commercial services. For further information about how RNS and the London Stock Exchange use the personal data you provide us, please see our [Privacy Policy](#).

END

IR UNUWRAUUKRAR Anonymous (not verified) Interim Results 32103461 A Tue, 09/07/2021 - 07:00
LSE RNS Results and Trading Reports CNC