21st May 2020

Oxford Metrics plc

("Oxford Metrics", the "Company" or the “Group”)

Interim Results for the six months ended 31 March 2020

Oxford Metrics plc (LSE: OMG), the international software company servicing government, life sciences, entertainment and engineering markets, announces interim results for the six months ended 31 March 2020.

	H1 FY20	**H1 FY19**
Revenue	£15.0m	£16.1m
Annualised Recurring Revenue	£6.8m	£5.9m
Adjusted Profit before Tax*	£0.3m	£1.7m
Statutory Profit/(Loss) before Tax	(£0.1m)	£1.2m
Net Cash	£10.8m	£10.9m
Cash as at 20 May 2020	£14.2m	-

** Profit/(loss) Before Tax from continuing operations before Group recharges adjusted for share-based payments, amortisation of intangibles arising on acquisition, change in fair value of deferred consideration payable and unwinding of associated discount factor, Pimloc and exceptional costs*

Commenting on the results Nick Bolton, Chief Executive said:

“The Group had a strong start to FY20, recording our second highest ever first half revenue performance. COVID-19 forced lockdowns in March caused a delay in shipment of Vicon orders during the final two weeks of the period which meant we carried orders into the second half. Post period end, these have now been largely shipped to customers.

This first half performance owes much to the hard work of our people whom I would like to thank for adapting brilliantly to this new working environment and for their ongoing efforts to service our global customer base.

The strategic progress we have been seeking to maintain around growing our recurring revenue base and developing our credentials in Yotta as a true SaaS business has continued. Our business, like any other, is not immune to the effects of COVID-19 and we continue to monitor the evolving situation closely. The Group’s fundamentals remain strong and our robust balance sheet will help Oxford Metrics to navigate the current challenges, whilst continuing to drive innovation.”

Financial Highlights

- Strong performance until last two weeks of March as a result of the government imposed restrictions and shutdowns in response to COVID-19
- Headline Group revenue of £15.0m, down 6.5% (H1 FY19: £16.1m), as unable to fulfil £1.1m of Vicon orders during last two weeks of the first half due to global operational shutdowns. These orders have now been largely shipped to customers and will be recognised in the second half of the year. This delay in shipments had a £0.9m impact on profitability
- The Group reported an adjusted profit before tax £0.3m (H1 FY19: £1.7m)
- Adjusted earnings per share 0.17p (H1 FY19: 1.18p)
- Cash generated from operations (before paying interest and tax) £1.0m (H1 FY19: £3.3m)
- Strong balance sheet with no debt and cash of £10.8m as at 31 March 2020 (H1 FY19: £10.9m) after the payment of a final dividend. Cash position at 20th May £14.2m
- Growth initiatives at Yotta yielding results:
    - Improved visibility with Annualised Recurring Revenue (‘ARR’) up 14.6% year-on-year
    - 95.8% (FY19: 93.2%) retention of growing SaaS customer base

Operational Highlights

Strategy for Vicon: strengthen and protect profitable market leader

- Notable wins with game companies Konami in Japan together with Tencent and miHoYo in China
- Continued innovation to enhance Capture.U app for iPhone/iPad, allowing physiotherapists and sports scientists to analyse motion on the go and see human skeletal movement and inertial measurements overlaid onto live video in real-time
- IMU Step, the SaaS solution for our Elite Sports offering, continues to gain traction with new wins in the NBA, NFL, MLB, NRL and AFL as well as with a number of collegiate athletic and health science programmes including University of Kentucky, University of Montana and Harvard Medical School

Strategy for Yotta: develop cloud-based software products and grow recurring revenue

- Strong sales performance for our Connected Asset Management Software-as-a-Service (SaaS), Alloy
- New wins across the UK, including: Warwickshire, South Gloucestershire, City of York, Somerset, Worcestershire and at waste services contractor, Ubico
- Notable international activity in Australasia with Alloy roll-outs at Auckland System Management and a new win in Australia at City of Parramatta
- New flagship partnerships secured:
    - Panasonic to run Alloy on their in-cab devices in waste collection vehicles
    - Telensa, the UK's largest provider of smart IoT streetlights, to provide a seamless lighting solution and control groups of streetlights
    - bbits as part of their "Love Clean Streets" initiative

Outlook and Guidance

- We are currently not experiencing any supply chain issues but will continue to take prudent actions as needed
- The Group is mindful of the current unprecedented macro-economic environment therefore has elected for the time being to withdraw market guidance for the full year
- Clear guidance will be reinstated at such time as when visibility improves

- Our strong fundamentals provide confidence that the Group can navigate the current challenges

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About Oxford Metrics

Oxford Metrics develops and markets analytics software for motion measurement and infrastructure asset management to customers in over 70 countries worldwide. Our list of clients across the globe is as diverse as the markets we operate in; we help highways authorities manage and maintain their road networks, hospitals and clinicians decide therapeutic strategies and Hollywood studios create stunning visual effects. And the diversity of applications is growing all the time.

The Group trades through two subsidiaries: Vicon and Yotta. Vicon is the world's leader in high precision motion measurement analysis to thousands of customers worldwide, including Guy's Hospital, EA Sports, MIT and NASA and our software is used in an ever expanding range of applications. Yotta provides cloud-based infrastructure asset management software to central and local government agencies and other infrastructure owners. Yotta has a large number of high profile clients including Highways England and Amey in the UK and VicRoads in Australia amongst others.

Founded in 1984 our Group is headquartered in Oxford with offices in Leamington Spa, Gloucester, Los Angeles, Denver, Singapore and Auckland. Since 2001, Oxford Metrics (LSE: OMG), has been a quoted company listed on AIM, a market operated by the London Stock Exchange.

For more information about Oxford Metrics, visit www.oxfordmetrics.com

Chief Executive's Statement

COVID-19 Response

The Group had a strong start to 2019/20, recording our second highest ever first half revenue performance. When COVID-19 struck, we rapidly introduced measures to protect and ensure the safety of our people. As a global business, we have the infrastructure in place for our teams to stay closely connected and operate seamlessly from wherever they are. Almost all staff have been working remotely since lockdown commenced and no one has been furloughed. The team has adapted brilliantly to this new working environment and I thank them for their flexibility and dedication.

March is always a particularly busy month and for the last two weeks of the month we were unable to complete the shipment of customer systems within our Vicon business, because of the lockdowns in place in the UK and US. This led to us carrying over £1.1m orders into the second half, which have now been largely shipped to customers and will be recognised in the second half.

Following a closure of four weeks, a small number of Vicon production staff have now returned to company offices to ensure systems can be manufactured and delivered to customers. This required adapting working practices to protect employees, including moving to a two-shift work pattern, introducing a one-way system around the building and increasing the spacing between workstations. This team deserves a special thanks as their commitment and ingenuity has enabled us to continue to make and ship systems to our customers around the world.

Across the business, our teams have been working hard to ensure customers have what they need to continue to access our solutions and services. This has included, where our customers are running essential public or health services, extending additional software licenses free of charge to support their expanded work teams.

Looking to the future, although none of us can be certain of the challenges the aftermath of this pandemic will bring, the business stands resilient and ready. We have an improved level of revenue visibility and a strong balance sheet with £14.2m in cash as at 20 May 2020 and the Group remains debt-free. We are diversified across multiple vertical markets with long-term positive growth drivers, and hold powerful competitive positions with multiple defensible barriers to entry. We offer products and services which are clearly differentiated from our competitors and most often distinguished by the strength of our technology. We operate in over 70 countries worldwide and have no significant exposure to those sectors most affected by lockdowns, such as the travel and hospitality industries.

The commitment of the whole team places the Group in a strong position to navigate the challenges likely to arise from the impact of COVID-19.

Trading Performance

KPI	Revenue		PBT		Adjusted PBT*	
	H1 FY20	H1 FY19	H1 FY20	H1 FY19	H1 FY20	H1 FY19
Group	£15.0m	£16.1m	(£0.1m)	£1.2m	£0.3m	£1.7m

The Group reports a strong revenue performance, recording our second highest ever first half revenues. However, COVID-19 government imposed restrictions and lockdowns in March caused a delay in customer shipments at Vicon during the final two weeks of the first half, which led to carrying forward £1.1m of orders (H1 FY19: nil) into the second half of the year. These orders largely account for the decline compared to last year. Consequently, the Group reports total revenues of £15.0m (H1 FY19: £16.1m), down 6.5% on last year's record at a headline level and 7.0% on a constant currency basis.

The enforced delay to revenue recognition largely accounts for the decline in reported Adjusted PBT* to £0.3m (H1 FY19: £1.7m).

In line with our strategic plan to increase the visibility of revenues and profits, the Group increased Annual Recurring Revenues (‘ARR’) by 14.6% year-on-year to £6.8m (H1 FY19: £5.9m).

The cash position, having paid a final dividend of £2.3m in the first half, finished at £10.8m as at 31 March 2020 (H1 FY19: £10.9m). Cash generated from operations during the first half was £1.0m (H1 FY19: £3.3m); the decline accounted for by the aforementioned trading performance.

Asset Management Division - Yotta

KPI	Revenue		PBT		Adjusted PBT*	
	H1 FY20	H1 FY19	H1 FY20	H1 FY19	H1 FY20	H1 FY19
Yotta	£3.7m	£3.5m	(£1.2m)	(£1.0m)	(£0.5m)	(£0.2m)

Yotta reported software revenues up 4.6% to £3.7m (H1 FY19: £3.5m). Annualised Recurring Revenues (‘ARR’) as at 31 March 2020 grew 14.6% year-on-year to £6.8m (H1 FY19: £5.9m). The retention rate also improved to 95.8% (H1 FY19: 93.2%). We can also report that additions in the first half of £0.8m are contracted over the next three to four years with a Total Contract Value over this period of £2.8m.The first half delivered a strong sales performance for our Connected Asset Management Software-as-a-Service (SaaS), Alloy. There were new wins across UK local government, including at Warwickshire, South Gloucestershire, Blackburn with Darwen, City of York, Somerset, Worcestershire and at waste services contractor, Ubico. There was also good customer activity in Australasia with roll-outs at Auckland System Management and a new win in Australia at City of Parramatta.

Yotta also announced new partnerships during the first half with three key providers in the marketplace: with Panasonic to run Alloy on their in-cab devices in waste collection vehicles; with bbits for their 'Love Clean Streets' product to provide an integrated platform for feedback between the council and citizen; and with Telensa, the UK's largest provider of smart IoT streetlights, Alloy enables a completely seamless lighting solution to control groups of streetlights and other wirelessly connected sensors. It was also a strong period for Yotta's professional services group with a five-year agreement with South Tyneside for Horizons and asset management consultancy, eight Alloy "go-lives" during the period and 12 migrations underway from Mayrise to Alloy.

Yotta's product line-up was also enhanced in the first half to ensure the product keeps pace with market demand and opportunity. For example, Street Manager functionality was delivered on time to enable 80+ customers to work with the Department for Transports new Street Manager initiative, and Custom Reports and a Task Assignment Tool were also added to Alloy.

The transition to a 100% SaaS Business model is complete so Yotta reported no perpetual licenses in the first half (H1 FY19: £0.2m). This factor together with increased R&D Amortisation led to an increase in Adjusted PBT loss of £0.5m (H1 FY19 £0.2m). The Group has worked hard to pivot and transition Yotta’s business model, which is now providing the Group with higher than ever levels recurring revenue and enhanced visibility. Notwithstanding challenges that may arise from COVID-19, Yotta is well placed to deliver a profitable second half.

Motion measurement division – Vicon

KPI	Revenue		PBT		Adjusted PBT*	
	H1 FY20	H1 FY19	H1 FY20	H1 FY19	H1 FY20	H1 FY19
Vicon	£11.3m	£12.5m	£0.9m	£2.2m	£2.0m	£3.3m

Vicon reported revenues of £11.3m (H1 FY19: £12.5m), representing a year-on-year reduction of 9.6% at a headline level (10.3% on a constant currency basis). Vicon carried over £1.1m of orders which could not be shipped during the last two weeks of the half due to enforced restrictions in response to COVID-19.

Vicon also reported a slight decline in gross margin at 73.8% (H1 FY19: 75.4%) in the first half which was revenue mix related. This together with an increase in investment of £0.2m in Elite Sports and an additional £0.1m of R&D Amortisation led to a Vicon reported Adjusted PBT* of £2.0m (H1 FY19: £3.3m) and an unadjusted profit before tax of £0.9m (H1 FY19: £2.2m).

The implementation of our "amplify the core" strategy at Vicon aims to strengthen and protect a profitable market leader, driving the business through two key growth vectors, Established Markets and Adjacent Verticals – both saw notable highlights during the first half.

Established Markets – strength in leadership

During the first half we enhanced our product lines in most of our vertical markets, including adding a Machine Learning-based finger-tracking solution in Shogun 1.3 for the entertainment market and hard synchronisation with our Blue Trident Inertial Measurement Units ('IMU') in Nexus 2.10 targeted at our Life Sciences customers. This helped drive strong sales of our Blue Trident devices, especially in North America.

We also updated the ground-breaking Capture.U app for iPhone/iPad which uses Vicon inertial sensors. By leveraging Apple's Augmented Reality Kit 3 in iOS 13, researchers can now see human skeletal movement and inertial measurements overlaid on live video in real-time. This enables a low-cost entry point for physiotherapists and sports scientists to use Vicon technology to analyse motion in a highly portable, intuitive manner.

These new innovations combined with Vicon's existing clear market differentiators helped underpin the first half performance which included notable wins in the Asia Pacific region with game companies Konami in Japan and Tencent and miHoYo in China.

Adjacent Markets – developing new growth vectors

In addition to growing our Established Market business, we also seek further growth by applying our motion measurement technology to more nascent markets but with the opportunity for higher levels of growth. We are currently focussed on two specific opportunities: Location-based Virtual Reality ('LBVR') and Elite Sports.

LBVR revenues of £0.7m (H1 FY19: £0.4m) improved compared to the first half last year. As expected, compared to the second half of last year traction was slower as our partner organisations began to roll out their VR experiences worldwide and fine-tune their business models. We remain excited about the opportunity for growth in this segment but we do recognise it is likely that revenues will be adversely affected for a time following the COVID-19 pandemic with ongoing social distancing measures in place.

Our Elite sports offering, IMU Step made further progress in the first half. We added comprehensive Impact Load assessment, enabling coaches to examine the loading outcomes of specific activities, drills and training days, and their respective effects on an athlete's workload.

IMU Step continues to gain recognition and respect within the marketplace and as a result of increased investment in our sales channel of £0.2m compared to the same period last year, we won new teams in the NBA, NFL, MLB, NRL and AFL as well as with a number of collegiate athletic and health science programmes including at University of Kentucky, University of Montana and Harvard Medical School.

Outlook

As we enter our traditionally stronger second half, we are mindful of the current unprecedented macro-economic environment and how this might affect our business. Our primary focus is on ensuring the well-being and safety of our employees and ensuring we can provide an uninterrupted service to all our customers.

At Vicon, the revenue risk relates to whether customers delay or otherwise defer system acquisitions or upgrades, especially in Vicon's European and North American markets. On a positive note, in Vicon's Asia-Pacific region, business activity appears to have restarted so timing here is currently more predictable.

At Yotta the business is relatively well placed as revenues are largely pre-contracted with government customers delivering fully hosted, cloud software, so forecast variability relates only to whether the business can sign new software contracts.

From a cost perspective, across the Group we will continue to take prudent actions as needed and it is worth noting we are not currently experiencing any supply chain issues.

As a consequence, the Group has elected for the time being to withdraw market guidance for the full year. It is the Group's intention that, at such time as visibility improves, clear guidance can be reinstated.

That said, COVID-19 does not change the robust fundamentals of the Group which remains a resilient business with exciting growth prospects. We have a strong balance sheet with £14.2m in net cash and remain debt-free. Our clear strategic "amplify the core" plan, reduces risk by staying close to the customers and technologies we know best and markets where we lead. In addition, in line with our strategy we will continue to seek earnings-accretive acquisitions to extend product range, grow market share and/or increase differentiation to augment this growth.

We have clearly differentiated products from our competitors and we address diversified markets across over 70 countries worldwide, thus limiting our exposure to any one market or geography. We have growing contracted recurring revenues, approaching a fifth of Group revenues. Given these strong fundamentals, the Board is confident the Group can navigate the current challenges and will indeed thrive in the future.

** Profit/(loss) Before Tax from continuing operations before Group recharges adjusted for share-based payments, amortisation of intangibles arising on acquisition, change in fair value of deferred consideration payable and unwinding of associated discount factor, Pimloc and exceptional costs.*

CONDENSED CONSOLIDATED INCOME STATEMENT

	Note	**Six months ended 31 March 2020 (unaudited) £'000**	Six months ended 31 March 2019* (unaudited) £'000	Year ended 30 September 2019* (audited) £'000
Revenue	**2**	**15,016**	16,055	35,350
Cost of sales		**(4,491)**	(4,394)	(10,166)
Gross profit		**10,525**	11,661	25,184
Sales, support and marketing costs		**(4,186)**	(4,262)	(8,663)
Research and development		**(2,196)**	(2,112)	(4,184)
Administrative expenses		**(4,258)**	(4,161)	(7,875)
Other operating income		**58**	104	202
Operating (loss)/profit		**(57)**	1,230	4,664
Finance income		**13**	12	66
Finance expense		**(49)**	(43)	(2)
Share of post-tax loss of equity accounted associate		**(18)**	(33)	(59)
(Loss)/profit before taxation		**(111)**	1,166	4,669
Taxation		**(94)**	(257)	(504)
(Loss)/profit from continuing operations		**(205)**	909	4,165
(Loss)/profit from discontinued operations, net of tax		**-**	(4)	13
(Loss)/profit for the period attributable to owners of the parent during the period		**(205)**	905	4,178
Earnings per share for profit on continuing operations attributable to owners of the parent during the year				
Basic (loss)/earnings per share (pence)	**6**	**(0.17p)**	0.73p	3.33p
Diluted (loss)/earnings per share (pence)	**6**	**(0.17p)**	0.71p	3.24p
Earnings per share for profit on total operations attributable to owners of the parent during the year				
Basic (loss)/earnings per share (pence)	**6**	**(0.17p)**	0.73p	3.34p
Diluted (loss)/earnings per share (pence)	**6**	**(0.17p)**	0.71p	3.25p

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

	Six months ended 31 March 2020 (unaudited) £'000	Six months ended 31 March 2019* (unaudited) £'000	Year ended 30 September 2019* (audited) £'000
Net (loss)/profit for the period	**(205)**	905	4,178
Other comprehensive income			
Items that will or may be reclassified to profit or loss			
Exchange differences on retranslation of overseas subsidiaries	**171**	-	271
Total other comprehensive income	**171**	-	271
Total comprehensive income for the period attributable to the owners of the parent	**(34)**	905	4,449

*The Group has applied IFRS 16 using the modified retrospective approach. Under this method the comparative information is not restated. See note 9.

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	Note	**31 March 2020 (unaudited) £'000**	31 March 2019* (unaudited) £'000	30 September 2019* (audited) £'000
Non-current assets				
Goodwill and intangible assets		**12,420**	12,389	12,449
Property, plant and equipment		**2,218**	2,428	2,280
Right of use assets	**9**	**2,013**	-	-
Financial asset – investments		**317**	125	98
Deferred tax asset		**664**	426	405
		17,632	15,368	15,232
Current assets				
Inventories		**3,684**	3,080	3,236
Trade and other receivables		**11,412**	9,488	11,687
Current tax debtor		**300**	72	177
Cash and cash equivalents		**10,848**	10,949	13,837
		26,244	23,589	28,937
Current liabilities				
Trade and other payables		**(9,905)**	(9,420)	(10,733)
Lease liabilities	**9**	**(469)**	-	-
		(10,374)	(9,420)	(10,733)
Net current assets		**15,870**	14,169	18,204
Total assets less current liabilities		**33,502**	29,537	33,436
Non-current liabilities				
Other liabilities		**(369)**	(317)	(462)
Lease liabilities	**9**	**(1,794)**	-	-
Provisions		**(20)**	(12)	(16)
Deferred tax liability		**(2,001)**	(1,802)	(1,797)
		(4,184)	(2,131)	(2,275)
Net assets		**29,318**	27,406	31,161
Capital and reserves attributable to the owners of the parent				
Share capital	**7**	**314**	313	313
Shares to be issued		**65**	65	65
Share premium account		**17,707**	17,391	17,417
Retained earnings		**10,546**	9,393	12,851
Foreign currency translation reserve		**686**	244	515
Total equity shareholders' funds		**29,318**	27,406	31,161

*The Group has applied IFRS 16 using the modified retrospective approach. Under this method the comparative information is not restated. See note 9.

CONDENSED CONSOLIDATED STATEMENT OF CASHFLOWS

	Six months ended 31 March 2020 (unaudited)	Six months ended 31 March 2019* (unaudited)	Year ended 30 September 2019* (audited)
	£'000	£'000	£'000
Cash flows from operating activities			
Operating (loss)/profit from continuing operations	**(57)**	1,230	4,664
Operating (loss)/profit from discontinued operations	**-**	(3)	21
Group operating (loss)/profit	**(57)**	1,227	4,685
Depreciation and amortisation	**1,787**	1,353	2,761
Share based payments	**71**	122	264
Exchange adjustments	**174**	5	134
(Increase)/decrease in inventories	**(448)**	(677)	(823)
Decrease/(increase) in receivables	**261**	1,089	(949)
(Decrease)/increase in payables	**(802)**	132	1,600
Cash generated from operating activities	**986**	3,251	7,672
Tax paid	**(190)**	(59)	(369)
Net cash from operating activities	**796**	3,192	7,303
Cash flows from investing activities			
Purchase of property, plant and equipment	**(251)**	(293)	(467)
Purchase of intangible assets	**(1,183)**	(1,068)	(2,196)
Purchase of investment	**(236)**	-	-
Proceeds on disposal of property, plant and equipment	**11**	54	79
Acquisition of subsidiary undertaking net of cash acquired	**(128)**	(74)	(141)
Interest arising on contingent consideration	**-**	(43)	43
Interest received	**13**	12	23
Interest Paid	**(49)**	-	(2)
Net cash used in investing activities	**(1,823)**	(1,412)	(2,661)
Cash flows from financing activities			
Issue of ordinary shares	**291**	65	91
Equity dividends paid	**(2,253)**	(3,125)	(3,125)
Net cash used in financing activities	**(1,962)**	(3,060)	(3,034)
Net (decrease)/increase in cash and cash equivalents	**(2,989)**	(1,280)	1,608
Cash and cash equivalents at beginning of the period	**13,837**	12,229	12,229
Cash and cash equivalents at end of the period	**10,848**	10,949	13,837

*The Group has applied IFRS 16 using the modified retrospective approach. Under this method the comparative information is not restated. See note 9.

CONDENSED CONSOLIDATED STATEMENT OF CHANGES TO EQUITY

	Share Capital £'000	Shares to be issued £'000	Share premium account £'000	Retained earnings £'000	Foreign currency translation reserve £'000	Total £'000
Balance as at 30 September 2019*	**313**	**65**	**17,417**	**12,851**	**515**	**31,161**
Net profit for the period	**-**	**-**	**-**	**(205)**	**-**	**(205)**
Exchange difference on retranslation of overseas subsidiaries	**-**	**-**	**-**	**-**	**171**	**171**
Tax recognised directly in equity	**-**	**-**	**-**	**82**	**-**	**82**
Transactions with owners:						
Dividends	**-**	**-**	**-**	**(2,253)**	**-**	**(2,253)**
Issue of share capital	**1**	**-**	**290**	**-**	**-**	**291**
Movement in relation to share based payments	**-**	**-**	**-**	**71**	**-**	**71**
Balance as at 31 March 2020	**314**	**65**	**17,707**	**10,546**	**686**	**29,318**
Balance as at 30 September 2018 as previously stated	312	65	17,327	12,022	244	29,970
Impact of change in accounting policy – IFRS 15 Revenue from contracts with customers	-	-	-	(664)	-	(664)
Balance at 1 October 2018 as restated*	312	65	17,327	11,358	244	29,306
Net profit for the period	-	-	-	905	-	905
Exchange differences on retranslation of overseas subsidiaries	-	-	-	-	-	-
Tax recognised directly in equity	-	-	-	133	-	133
Transactions with owners:						
Dividends	-	-	-	(3,125)	-	(3,125)
Issue of share capital	1	-	64	-	-	65
Movement in relation to share options	-	-	-	122	-	122
Balance as at 31 March 2019	313	65	17,391	9,393	244	27,406
Balance as at 30 September 2018 as previously stated	312	65	17,327	12,022	244	29,970
Impact of change in accounting policy – IFRS 15 Revenue from contracts with customers	-	-	-	(664)	-	(664)
Balance at 1 October 2018 as restated*	312	65	17,327	11,358	244	29,306
Net profit for the period	-	-	-	4,178	-	4,178
Exchange differences on retranslation of overseas subsidiaries	-	-	-	-	271	271
Tax recognised directly in equity	-	-	-	176	-	176
Transactions with owners:						
Dividends	-	-	-	(3,125)	-	(3,125)
Issue of share capital	1	-	90	-	-	91
Movement in relation to share options	-	-	-	264	-	264
Balance as at 30 September 2019	313	65	17,417	12,851	515	31,161

*The Group has applied IFRS 16 using the modified retrospective approach. Under this method the comparative information is not restated. See note 9.

The accompanying notes are an integral part of this interim financial information.

NOTES TO THE CONDENSED CONSOLIDATED INTERIM STATEMENTS

1. Basis of preparation

Oxford Metrics Plc, (the "Company") is a company domiciled in England. The condensed consolidated interim financial statements of the Company for the six months ended 31 March 2020 comprise the Company and its subsidiaries (together referred to as the "Group").

During the period the Group adopted IFRS 16 'Leases' and the impact of adopting IFRS 16 is shown in note 9. Otherwise, the condensed consolidated interim financial statements have been prepared using accounting policies consistent with those of the annual financial statements for the year ended 30 September 2019. They are in accordance with IAS 34. Other new and amended standards and interpretations issued by the IASB that will apply for the first time in the next annual financial statements are not expected to impact the Group as they are either not relevant to the Group's activities or require accounting which is consistent with the Group's current accounting policies.

The interim financial statements have not been audited or reviewed and the financial information contained in this report does not constitute statutory accounts within the meaning of Section 434 of the Companies Act 2006. The comparative figures for the year ended 30 September 2019 are not the statutory accounts but have been extracted from the Group's 2019 financial statements which have been delivered to the Registrar of Companies. The auditors' report on those financial statements was unqualified did not contain references to any matters to which the auditors drew attention without qualifying the report and did not contain a statement under Section 498(2) or (3) of the Companies Act 2006.

2. Revenue from contracts with customers

	Six months ended 31 March 2020 (unaudited) £'000	Six months ended 31 March 2019 (unaudited) £'000	Year ended 30 September 2019 (audited) £'000
Vicon UK	**7,068**	7,063	14,638
Vicon USA	**4,260**	5,466	13,692
Vicon Group	**11,328**	12,529	28,330
Yotta	**3,688**	3,526	7,020
Oxford Metrics Group	**15,016**	16,055	35,350

Vicon revenue by market			
Engineering	**1,948**	3,287	6,015
Entertainment	**3,170**	3,072	6,802
Life sciences	**5,454**	5,731	13,637
Established markets	**10,572**	12,090	26,454
Adjacent verticals	**756**	439	1,876
Vicon Group	**11,328**	12,529	28,330

Group revenue by type			
Sale of hardware	**8,917**	10,449	23,710
Sale of software	**2,293**	3,506	7,023
Rendering of services	**3,806**	2,100	4,618
Oxford Metrics Group	**15,016**	16,055	35,350

Yotta revenue by type			
Software and related services	**3,688**	3,526	7,020
Yotta Group	**3,688**	3,526	7,020

*This additional information is provided to the Chief Operating Decision Maker. Further analysis by market is not available.

	Revenue		
	Six months ended 31 March 2020 (unaudited) £'000	Six months ended 31 March 2019 (unaudited) £'000	Year ended 30 September 2019 (audited) £'000
By destination			
UK	**4,861**	3,994	8,239
Germany	**295**	376	993
Italy	**134**	-	327
Netherlands	**214**	540	727
France	**57**	160	535
Switzerland	**77**	121	285
Rest of Europe	**1,019**	616	862
Canada	**335**	424	905
USA	**3,652**	4,911	12,745
Rest of North America	**107**	123	110
Australia	**438**	288	545
Hong Kong	**1,462**	1,526	2,788
Japan	**1,904**	1,739	3,570
Korea	**152**	937	1,464
Rest of Asia Pacific	**126**	212	565
Other	**183**	88	690
Oxford Metrics Group	**15,016**	16,055	35,350

By origin			
UK	**10,653**	10,406	21,268
North America	**4,259**	5,466	13,692
Asia Pacific	**104**	183	390
Oxford Metrics Group	**15,016**	16,055	35,350

Timing of the transfer of goods and services	**Six months ended 31 March 2020 (unaudited)**			
	Vicon UK £'000	**Vicon USA £'000**	**Yotta £'000**	**Total £'000**
Point in time	**6,404**	**3,201**	**859**	**10,464**
Over time	**664**	**1,059**	**2,829**	**4,552**
Oxford Metrics Group	**7,068**	**4,260**	**3,688**	**15,016**
Contract Counterparties				
Direct to consumers	**1,637**	**3,870**	**3,616**	**9,123**
Third party distributor	**5,431**	**390**	**72**	**5,893**
Oxford Metrics Group	**7,068**	**4,260**	**3,688**	**15,016**
By destination				
UK	**1,314**	**-**	**3,547**	**4,861**
Germany	**295**	**-**	**-**	**295**
Italy	**134**	**-**	**-**	**134**
Netherlands	**192**	**-**	**22**	**214**
France	**57**	**-**	**-**	**57**
Switzerland	**77**	**-**	**-**	**77**
Rest of Europe	**1,017**	**-**	**2**	**1,019**
Canada	**-**	**335**	**-**	**335**
USA	**-**	**3,652**	**-**	**3,652**
Rest of North America	**3**	**104**	**-**	**107**
Australia	**335**	**-**	**103**	**438**
Hong Kong	**1,462**	**-**	**-**	**1,462**
Japan	**1,904**	**-**	**-**	**1,904**
Korea	**152**	**-**	**-**	**152**
Rest of Asia Pacific	**126**	**-**	**-**	**126**
Other	**-**	**169**	**14**	**183**
Oxford Metrics Group	**7,068**	**4,260**	**3,688**	**15,016**

Timing of the transfer of goods and services	Vicon UK £'000	Vicon USA £'000	Yotta £'000	Total £'000
	Year ended 30 September 2019 (audited)			
Point in time	13,507	11,802	1,741	27,050
Over time	1,131	1,890	5,279	8,300
Oxford Metrics Group	14,638	13,692	7,020	35,350
Contract Counterparties				
Direct to consumers	4,170	12,638	6,811	23,619
Third party distributor	10,468	1,054	209	11,731
Oxford Metrics Group	14,638	13,692	7,020	35,350
By destination				
UK	1,662	-	6,577	8,239
Germany	969	-	24	993
Italy	327	-	-	327
Netherlands	585	-	142	727
France	535	-	-	535
Switzerland	285	-	-	285
Rest of Europe	858	-	4	862
Canada	-	905	-	905
USA	646	12,099	-	12,745
Rest of North America	-	110	-	110
Australia	327	-	218	545
Hong Kong	2,788	-	-	2,788
Japan	3,570	-	-	3,570
South Korea	1,464	-	-	1,464
Rest of Asia Pacific	565	-	-	565
Other	57	578	55	690
Oxford Metrics Group	14,638	13,692	7,020	35,350

3. Segmental Analysis

Segment information is presented in the condensed consolidated interim financial statements in respect of the Group's business segments, which are reported to the Chief Operating Decision Maker (CODM). The Group has identified the Board of Directors of Oxford Metrics plc, ("the Board") as the CODM. The business segment reporting reflects the Group's management and internal reporting structure.

The Group comprises the following business segments:

Vicon Group: This is the development, production and sale of computer software and equipment for the entertainment, engineering and life science markets; and

Yotta Group: This is the provision of software and services for the management of infrastructure assets for Government Agencies, Local Government and major infrastructure contractors.

Other unallocated costs represent head office expenses not recharged to subsidiary companies.

Business segments are analysed below:

	Segment depreciation and amortisation		
	Six months ended 31 March 2020 (unaudited) £'000	Six months ended 31 March 2019 (unaudited) £'000	Year ended 30 September 2019 (audited) £'000
Vicon UK	**1,042**	923	1,898
Vicon USA	**31**	32	64
Vicon Group	**1,073**	955	1,962
Yotta	**423**	393	788
Unallocated	**9**	5	13
Oxford Metrics Group	**1,505**	1,353	2,763

	Six months ended 31 March 2020 (unaudited)				Six months ended 31 March 2019 (unaudited)				Year ended 30 September 2019 (audited)			
	Adjusted profit/(loss) before tax £'000	**Adjusting items £'000**	**Group recharges £'000**	**Profit/(loss) before tax £'000**	Adjusted profit/(loss) before tax £'000	Adjusting items £'000	Group recharges £'000	Profit/(loss) before tax £'000	Adjusted profit/(loss) before tax £'000	Adjusting items £'000	Group recharges £'000	Profit/(loss) before tax £'000
Vicon UK	**689**	**(136)**	**188**	**741**	1,208	(174)	699	1,733	2,354	(125)	3,248	5,477
Vicon USA	**1,261**	**-**	**(1,080)**	**181**	2,098	-	(1,666)	432	5,760	-	(4,976)	784
Vicon Group	**1,950**	**(136)**	**(892)**	**922**	3,306	(174)	(967)	2,165	8,114	(125)	(1,728)	6,261
Yotta	**(464)**	**(229)**	**(479)**	**(1,172)**	(191)	(284)	(495)	(970)	(230)	(469)	(808)	(1,507)
Unallocated	**(1,171)**	**(61)**	**1,371**	**139**	(1,386)	(105)	1,462	(29)	(2,421)	(200)	2,536	(85)
Continuing operations	**315**	**(426)**	**-**	**(111)**	1,729	(563)	-	1,166	5,463	(794)	-	4,669
OMG Life Group	**-**	**-**	**-**	**-**	(3)	-	-	(3)	21	-	-	21
Discontinued operations	**-**	**-**	**-**	**-**	(3)	-	-	(3)	21	-	-	21
Oxford Metrics Group	**315**	**(426)**	**-**	**(111)**	1,726	(563)	-	1,163	5,484	(794)	-	4,690

	Non-current assets			Additions to non-current assets			Carrying amount of segment assets			Carrying amount of segment liabilities		
	Six months ended 31 March 2020 (unaudited) £'000	Six months ended 31 March 2019 (unaudited) £'000	Year ended 30 September 2019 (audited) £'000	**Six months ended 31 March 2020 (unaudited) £'000**	Six months ended 31 March 2019 (unaudited) £'000	Year ended 30 September 2019 (audited) £'000	**Six months ended 31 March 2020 (unaudited) £'000**	Six months ended 31 March 2019 (unaudited) £'000	Year ended 30 September 2019 (audited) £'000	**Six months ended 31 March 2020 (unaudited) £'000**	Six months ended 31 March 2019 (unaudited) £'000	Year ended 30 September 2019 (audited) £'000
Vicon UK	**9,764**	8,838	8,642	**996**	759	1,667	**25,290**	20,924	22,687	**(6,057)**	(5,312)	(5,781)
Vicon USA	**1,420**	858	838	**23**	31	55	**6,351**	6,196	8,824	**(3,083)**	(2,125)	(2,973)
Vicon Group	**11,184**	9,696	9,480	**1,019**	790	1,722	**31,641**	27,120	31,511	**(9,140)**	(7,437)	(8,754)
Yotta	**5,798**	5,301	5,366	**410**	462	912	**14,569**	15,978	13,069	**(5,072)**	(3,644)	(3,852)
Yotta Group	**5,798**	5,301	5,366	**410**	462	912	**14,569**	15,978	13,069	**(5,072)**	(3,644)	(3,852)
Unallocated	**610**	364	386	**241**	-	29	**3,678**	1,905	5,641	**(346)**	(470)	(402)
OMG Life Group*	**-**	7	**-**	**-**	-	-	**(6,052)**	(6,046)	(6,052)	**-**	-	-
Oxford Metrics Group	**17,592**	15,368	15,232	**1,670**	1,252	2,663	**43,836**	38,957	44,169	**(14,558)**	(11,551)	(13,008)

*The negative balance within segment assets represents a cash overdraft which is part of the Group's cash offset facility.

4. Reconciliation of adjusted profit/(loss) before tax

	Six months ended 31 March 2020 (unaudited) £'000	Six months ended 31 March 2019 (unaudited) £'000	Year ended 30 September 2019 (audited) £'000
Profit before tax – continuing operations	**(111)**	1,166	4,669
Share based payments – equity settled	**71**	122	264
Amortisation of intangibles arising on acquisition	**270**	270	541
Redundancy costs	**67**	117	125
Adjustment to fair value of deferred consideration payable and unwinding of associated discount factor	**-**	21	(195)
Share of post-tax loss of equity accounted associate	**18**	33	59
Adjusted profit before tax – continuing operations	**315**	1,729	5,463
Loss before tax – discontinued operations	**-**	(3)	21
Adjusted loss before tax – discontinued operations	**-**	(3)	21
Total adjusted profit before tax – all operations	**315**	1,726	5,484
Adjusted earnings per share for profit on continuing operations attributable to owners of the parent during the year			
Basic earnings per share (pence)	**0.17p**	1.18p	3.96p
Diluted earnings per share (pence)	**0.17p**	1.15p	3.86p
Adjusted earnings per share for profit on total operations attributable to owners of the parent during the year			
Basic earnings per share (pence)	**0.17p**	1.17p	3.97p
Diluted earnings per share (pence)	**0.17p**	1.14p	3.87p

The adjusted profit before tax for the Vicon and Yotta business segments which are included within the Group's continuing operations is shown in detail below;

		Vicon Group	
	Six months ended 31 March 2020 (unaudited) £'000	Six months ended 31 March 2019 (unaudited) £'000	Year ended 30 September 2019 (audited) £'000
Profit before tax	**922**	2,165	6,261
Share based payments – equity settled	**15**	32	78
Amortisation of intangibles arising on acquisition	**121**	121	242
Adjustment to fair value of deferred consideration payable and unwinding of discount factor	**-**	21	(195)
Reapportion Group overheads	**892**	967	1,728
Adjusted profit before tax	**1,950**	3,306	8,114

	Six months ended 31 March 2020 (unaudited) £'000	Yotta Group Six months ended 31 March 2019 (unaudited) £'000	Year ended 30 September 2019 (audited) £'000
Loss before tax	**(1,172)**	(970)	(1,507)
Share based payments – equity settled	**13**	18	45
Amortisation of intangibles arising on acquisition	**149**	149	299
Redundancy costs	**67**	117	125
Reapportion Group overheads	**479**	495	808
Adjusted loss before tax	**(464)**	(191)	(230)

5. Taxation

The Group's consolidated effective tax rate for the six months ended 31 March 2020 was 84% (for the six months ended 31 March 2019: 5%; for the year ended 30 September 2019: 11%).

In accordance with IAS 34 the tax charge for the half year is calculated on the basis of the estimated full year tax rate.

6. Earnings per share

The calculation of the basic earnings per share is based on the earnings attributable to ordinary shareholders divided by the weighted average number of shares in issue during the period. The calculation of diluted earnings per share is based on the basic earnings per share, adjusted to allow for the issue of shares on the assumed conversion of all dilutive options.

	31 March 2020 (unaudited)			31 March 2019 (unaudited)			30 September 2019 (audited)		
	(Loss)/earnings £'000	**Weighted average number of shares '000**	**Per share amount (pence)**	Earnings/(loss) £'000	Weighted average number of shares '000	Per share amount (pence)	Earnings £'000	Weighted average number of shares '000	Per share amount (pence)
Continuing operations									
Basic (loss)/earnings per share									
Earnings attributable to ordinary shareholders	**(205)**	**125,434**	**(0.17)**	909	124,970	0.73	4,165	125,038	3.33
Dilutive effect of employee share options	**-**	**2,581**	**-**	-	4,092	(0.02)	-	3,250	(0.09)
Diluted (loss)/earnings per share	**(205)**	**128,015**	**(0.17)**	909	129,062	0.71	4,165	128,288	3.24
Discontinued operations									
Basic earnings/(loss) per share									
Earnings attributable to ordinary shareholders	**-**	**125,434**	**-**	(4)	124,970	-	13	125,038	0.01
Dilutive effect of employee share options	**-**	**2,581**	**-**	-	4,092	-	-	3,250	-
Diluted earnings/(loss) per share	**-**	**128,015**	**-**	(4)	129,062	-	13	128,288	0.01
Total operations									
Basic (loss)/earnings per share									
Loss attributable to ordinary shareholders	**(205)**	**125,434**	**(0.17)**	905	124,970	0.72	4,178	125,038	3.34
Dilutive effect of employee share options	**-**	**2,581**	**-**	-	4,092	(0.02)	-	3,250	(0.09)
Diluted (loss)/earnings per share	**(205)**	**128,015**	**(0.17)**	905	129,062	0.70	4,178	128,288	3.25

7. Share capital

	31 March 2020 (unaudited) £'000	31 March 2019 (unaudited) £'000	30 September 2019 (audited) £'000
Allotted, called up and fully paid			
125,639,658 shares of 0.25p (31 March 2019: 125,063,130 shares of 0.25p and 30 September 2019: 125,138,130 shares of 0.25p)	**314**	313	313

During the six month period ended 31 March 2020 there were 473,279 shares issued relating to share options that were exercised. In addition, 28,249 shares were issued to the non-executive Chairman, Roger Parry, in satisfaction of salary.

There were 122,194 shares issued in respect of share options exercised during the six months ended 31 March 2019 (year ended 30 September 2019: 197,194).

8. Dividends

The following dividends were recognised as distributions to equity holders in the period:

	31 March 2020 (unaudited) £'000	31 March 2019 (unaudited) £'000	30 September 2019 (audited) £'000
Final dividend for 2018 paid in 2019 - 1.50 pence per share	**-**	1,875	1,875
Special dividend paid in 2019 – 1.00 pence per share	**-**	1,250	1,250
Final dividend for 2019 paid in 2020 – 1.80 pence per share	**2,253**	-	-
	2,253	3,125	3,125

The final dividend for 2019 was paid to shareholders on 28 February 2020 at 1.80 pence per share, a total of £2,253,000.

9. Changes in accounting policies

The Group has adopted IFRS 16 with the date of initial application being 1 October 2019.

Effective 1 January 2019, IFRS 16 has replaced IAS 17 ‘Leases’ and IFRIC 4 ‘Determining whether an Arrangement Contains a Lease’.

The Group adopted IFRS 16 using the modified retrospective approach without restatement of comparative figures. The Group elected to apply the practical expedient to not reassess whether a contract contains a lease at the date of initial application. Contracts entered into before the transition date that were not identified as leases under IAS 17 and IFRIC 4 were not reassessed. The definition of a lease under IFRS 16 was applied only to contracts entered into on or after 1 October 2019.

IFRS 16 provides for certain optional practical expedients, including those related to the initial adoption of the standard. The Group applied the exemption not to recognise right-of-use assets and liabilities for leases with less than 12 months of lease term remaining as of the date of initial application, when applying IFRS 16 to leases previously classified as operating leases under IAS 17.

As a lessee, the Group previously classified leases as operating or finance leases based on its assessment of whether the lease transferred substantially all of the risks and rewards of ownership. Under IFRS 16, the Group recognises right-of-use assets and lease liabilities for most leases. However, the Group has elected not to recognise right-of-use assets and lease liabilities for some leases of low value assets based on the value of the underlying asset when new or for short-term leases with a lease term of 12 months or less.

On adoption of IFRS 16, the Group recognised right-of-use assets and lease liabilities in relation to leases of business premises and vehicles, which had previously been classified as operating leases. The lease liabilities were measured at the present value of the remaining lease payments, discounted using the relevant incremental borrowing rate as at 1 October 2019. The Group's incremental borrowing rate is the rate at which a similar borrowing could be obtained from an independent creditor under comparable terms and conditions. The weighted-average rate applied was 4.06%.

The right-of-use assets were measured at an amount equal to the lease liability, adjusted by the amount of any prepaid or accrued lease payments.

Included in profit or loss for the period are £282,000 of amortisation of right-of-use assets and £48,000 of finance expenses on lease liabilities.

The following table reconciles the minimum lease commitments disclosed in the Group's Annual Financial Statements at 30 September 2019 to the amount of lease liabilities recognised on transition at 1 October 2019:

	£'000
Minimum operating lease commitment at 30 September 2019	**2,444**
Less short-term leases not recognised under IFRS 16	**(16)**
Undiscounted lease payments	**2,428**
Effect of discounting using the incremental borrowing rate at the date of initial application	**(278)**
Lease liabilities recognised at 1 October 2019	**2,150**

10.Copies of the interim statement

Copies of the interim statement will be available from the Company's registered office at 6 Oxford Industrial Park, Yarnton, Oxfordshire OX5 1QU, and from the Company's website: www.oxfordmetrics.com.