

23rd June 2022

Oxford Metrics plc

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

Interim Results for the six months ended 31 March 2022

- *Oxford Metrics trades successfully in important development period for the Group*
 - *Vicon revenue grows despite supply chain constraints*
 - *Unprecedented level of orders-in-hand going into the second half*
- *Strong financial platform, further strengthened by sale of Yotta, to accelerate M&A and planned organic investments*

Oxford Metrics plc (LSE: OMG), the smart sensing software company, servicing life sciences, entertainment and engineering markets, announces unaudited interim results for the six months ended 31 March 2022.

	H1 FY22	H1 FY21
Revenue	£12.5m	£11.2m
Adjusted Profit before Tax*	£0.3m	£1.0m
Adjusted* Basic Earnings per Share	0.41p	0.69p
Statutory Profit/(Loss) before Tax	£0.6m	£1.3m
Statutory Basic Earnings per Share	0.65p	0.92p
Net Cash	£19.6m	£15.9m
Operating Cashflow	£3.2m	£4.5m
Cash as at 22 June 2022	£67.7m	-
Order book	£12.9m	£0.7m

** 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 and exceptional costs*

Commenting on the results Nick Bolton, Chief Executive said:

"Oxford Metrics has traded successfully in an important development period for the Group. Firstly, in October last year we announced our new five-year plan to both grow revenues by 2.5x and to deliver Adjusted PBT margins of 15% by the end of the plan.

Secondly, the Group's trading during the first half of FY22 saw Vicon reporting strong revenue growth of 11.8% despite supply chain constraints, but this does not fully reflect the underlying strength of the business.

More recently, the Group announced the disposal of Yotta to Causeway Technologies for a cash consideration of £52.0m. The sale means we have increased financial firepower to make strategic organic and inorganic investments through the lens of Vicon and its core technology.

The Group enters the second half with Vicon having more than recovered from the pandemic-impacted years with an unprecedented level of orders-in-hand driven by buoyant demand continuing. Although our ability to deliver has been impacted by supply chain constraints, the situation is gradually improving and the Board remains confident that Oxford Metrics is in-line

with achieving its full year expectations. The Group also has significant cash resources and is actively seeking out M&A opportunities to enhance our capabilities and scale towards our five-year goals.”

Financial Highlights

- Headline Group revenue of £12.5m, up 11.8% (H1 FY21: £11.2m), on a constant currency basis underlying growth was 11.1%
- The Group reported an adjusted profit before tax £0.3m (H1 FY21: £1.0m) reflecting a planned increase in R&D investment, together with operating costs returning to more normal levels
- Adjusted earnings per share 0.41p (H1 FY21: 0.69p)
- Order book of £12.9m (H1 FY21: £0.7m)
- Continued cash generation with operating cashflow of £3.2m (H1 FY21: £4.5m)
- Strong balance sheet with no debt and cash of £19.6m as at 31 March 2022 (H1 FY21: £15.9m)
- Cash position as at 22nd June 2022 £67.7m, reflecting Yotta sale proceeds

Operational Highlights

Vicon delivers strong revenue growth, despite supply chain constraints

- Vicon’s revenue grew 11.8%, at a headline level, to £12.5m (H1 FY21: £11.2m) despite some supply chain constraints.
- Strong demand across all vertical markets despite being subject to supply chain constraints, with an unprecedented level of orders-in-hand of £12.9m.
 - Location-based Entertainment (LBE) market recovery continues with growth of 131.3%, as all market partners restart their experiences.
 - Life Sciences revenue grew by 11.0%, and accounts for a quarter of the orders-in-hand.
 - Engineering grew 8.3% with good wins at Cranfield University and ICAI Madrid.
 - Entertainment revenue was flat although buoyant Virtual Production and Animation growth continues, with Entertainment accounting for half of the orders-in-hand.
- Before Group costs, Vicon reported an Adjusted PBT* of £1.8m (H1 FY21: £2.2m) reflecting a change in product mix and some increases to operating costs.

Yotta sale is an enabler of growth

- Yotta was sold to Causeway Technologies on 30th May 2022 for a cash consideration of £52.0 million, in a sale that makes sense on multiple fronts:
 - The transaction represents attractive revenue and profit multiples.
 - While Yotta has been growing steadily in scale, growing recurring revenue and achieving full year adjusted profitability, it shared no overlap with Vicon - the much larger and higher growth part of the Group.
 - In joining with Causeway, a well-established leader of software solutions to the construction industry, we believe this newly combined business is much better positioned to continue both Yotta’s growth and innovation.
- The proceeds from the sale have provided the Group with significant near-term financial firepower to accelerate M&A and planned organic investments.

Outlook and Guidance

- Vicon has more than recovered from the pandemic-affected years which is evidenced by the unprecedented level of orders-in-hand arising from ongoing buoyant demand.
- The overall cost base in the second half is expected to rise compared to the first half as costs continue to normalise following the pandemic and we continue with our investment plans to augment our ability to sense, analyse and apply.
- Having considered the current order book, the expected rise in the cost base and given that supply chain constraints are gradually improving, the Board remains confident that Oxford Metrics is in-line with achieving its full year expectations.
- Following the sale of Yotta, the Group has significant cash resources and is actively seeking out M&A opportunities to enhance capabilities.
- The Company is now a more focussed business, well placed to deliver on the targets set out in our five-year plan.

For further information please contact:

Oxford Metrics

+44 (0)1865 261860

Nick Bolton, CEO
David Deacon, CFO

Numis Securities Limited

+44 (0)20 7260 1000

Simon Willis / Hugo Rubinstein / Tejas Padalkar

FTI Consulting

+44 (0)20 3727 1000

Matt Dixon / Jamine Smith / Jemima Gurney

About Oxford Metrics

Oxford Metrics develops software that enables the interface between the real world and its virtual twin. Our smart sensing software helps over 10,000 customers in more than 70 countries, including all of the world's top 10 games companies and all of the top 20 universities worldwide. Founded in 1984, we started our journey in healthcare, expanded into entertainment, winning an OSCAR® and an Emmy®, then moved into defence and engineering. We have a track record of creating value by incubating, growing and then augmenting through acquisition, unique technology businesses.

The Group trades through its market-leading division: Vicon. Vicon is a world leader in motion measurement analysis to thousands of customers worldwide, including Guy's Hospital, Industrial Light & Magic, MIT and NASA.

The Group is headquartered in Oxford with offices in California, Colorado, 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

Chairman and Chief Executive's Statement

The first half was a period of important development for the Group. Firstly, in October 2021, we announced our new five-year plan, through which we aim, by the end of plan, to both grow revenues by 2.5x and deliver adjusted PBT margins of 15%. Secondly, we traded successfully in the first half with headline revenues growing 11.8% whilst still holding an unprecedented level of orders-in-hand of £12.9m (H1FY21: £0.7m) into the second half driven by buoyant demand. In May 2022, we announced the disposal of our Yotta business at a highly attractive valuation. The disposal has resulted in a company which is now more focussed and with greater financial firepower to deliver on its growing set of organic and inorganic opportunities.

Yotta sale

Given the significance of the sale of Yotta to both these reported figures and to the go-forward growth opportunities for the Group, let us start here. On 30th May 2022, we announced the sale of Yotta, our infrastructure asset management software division, to Causeway Technologies for a cash consideration of £52.0 million. First and foremost, the transaction makes clear financial sense. The consideration was paid fully in cash and represents attractive revenue and profit multiples.

The second point to note is that, whilst Yotta had been growing steadily in scale, particularly in growing recurring revenue and achieving full year adjusted profitability, it shared no overlap with Vicon - the much larger part of our Group and higher-growth division. This meant driving synergy benefits to scale Yotta would be difficult to achieve under our ownership. Whereas, in joining with Causeway, a well-established leader of software solutions to the construction industry, we believe this newly combined business is much better positioned to continue both Yotta's growth and innovation.

Although the sale closed after period end, these Interim Results have been restated accordingly to reflect the sale. This means Yotta is disclosed as a discontinued operation in the Income Statement and as an Asset Held for Sale on the Statement of Financial Position. The disposal is expected to generate a profit on disposal net of costs of £44.3m which will not be subject to tax given the transaction qualifies under the Finance Act 2002 Substantial Shareholder Exemption as amended. From a net cash perspective the transaction is expected to add £47.4m.

First half trading (from continuing operations)

KPI	Revenue		PBT		Adjusted PBT*	
	H1 FY22	H1 FY21	H1 FY22	H1 FY21	H1 FY22	H1 FY21
Group	£12.5m	£11.2m	£0.6m	£1.3m	£0.3m	£1.0m

Removing Yotta from the trading figures, the reported revenues of the remaining Group have improved to £12.5m (H1 FY21: £11.2m), up 11.8% at a headline level and up 11.1% on a constant currency basis. However, this does not fully reflect the underlying strength of the business when orders-in-hand are taken into account. We have continued to see strong demand across all Vicon's vertical markets, although delivering on this demand has been subject to well publicised supply chain constraints. We have had success in navigating these challenges in the first half and continue to actively manage the situation. As we enter the second half of the financial year, we carry an unprecedented level of orders-in-hand of £12.9m (H1 FY21: £0.7m) driven by buoyant demand. Whilst some supply chain constraints continue, the overall picture continues to improve gradually.

The Group also reports an Adjusted PBT* of £0.3m (H1 FY21: £1.0m), largely reflecting an increase in R&D investment announced at the Preliminary Results for FY21, together with operating costs returning to more normal levels following the depressed spend during the pandemic when marketing and travel costs were lower.

All vertical market segments have performed well and reported growth through the first half.

Engineering

Engineering reported revenue growth of 8.3%. During the period the Centre for Autonomous and Cyberphysical Systems, at Cranfield University, purchased a system to be used in the research and study of Aeronautical Systems, Autonomous Systems, Flight Physics and Off-Road Vehicle Engineering. While ICAI Madrid, in Spain, is using Vicon to understand the potential risks of reclined seating postures intended for autonomous cars as the current design of seat belts and airbags has never considered installation in autonomous vehicles.

Entertainment

Entertainment reported revenues were broadly flat year-on-year, following a strong performance in the first of last year. However, over half of the order backlog is accounted for by Entertainment which continues to see buoyant growth in Virtual Production and Animation. In the half the Institute of American Indian Arts purchased a system to help to preserve the heritage of the Native American. Illfonic Games and Monkey Chow also added Vicon to their Games and VFX business, and our long-term customer Industrial Light and Magic launched the “ABBA: Voyage” show which used Vicon technology to help animate the band members to widespread critical acclaim.

Life Sciences

Life Sciences reported revenues were up 11.0% and accounts for over a quarter of the order backlog. During the period Manchester Metropolitan University Institute of Sport invested in a new system, which is an integral part of the brand new £26m Institute of Sport Building (Centre of Sporting Excellence) at the University, opening in 2022. While a system purchased by the JOiiNT LAB in Bergamo, Italy is being used for robot control (navigation and manipulation), ergonomic studies, and biomechanical studies to technically evaluate a novel prosthetic foot for lower-limb amputees, a by no means unique combination of Life Sciences and Engineering studies being conducted on the same system. As part of the same research consortium another system installed at IIT Genoa will be used for robot teleoperation, as well as for technically evaluating upper-limb and lower-limb prostheses. Tonal, a home gym and personal training company purchased system to help assess their sports science product range.

LBE

Our Location-based Entertainment (LBE) market continues to recover reporting year-on-year growth of 131.3% and also has an encouraging order backlog. This performance was driven by all of our market partners restarting their experiences as the pandemic rules were relaxed. Significant expansions, previously planned prior to COVID-19 are now in progress, and we were able to sign a new market partner up in the latter part of the first half.

Overall, Vicon reported a gross margin at 70.7% (H1 FY21: 73.3%) in the first half. The decline is attributed to the mix of revenues arising from both the specific geographic spread of revenues and the various margin contributions of each product line.

Given the above revenue and gross margin performance coupled with a rise in the underlying cost base, before Group costs, Vicor reported an Adjusted PBT* of £1.8m (H1 FY21: £2.2m) and an unadjusted profit before tax of £0.6m (H1 FY21: £1.1m).

The cash position, having paid a final dividend of £2.5m in the first half, finished at £19.6m as at 31 March 2021 (H1 FY21: £15.9m). Cash generated from operations during the first half was £3.2m (H1 FY21: £4.5m). The Group cash position on the eve of these Interims Results stood at £67.7m.

Five-year plan - a reminder

The successful sale of Yotta changes nothing about our ambition for our five-year plan but it does provide an increased opportunity as to how fast and how hard we drive it. Our plan recognised something fundamental was changing in our markets and in our opportunity. This change was driven by the arrival of the Augmented Age - an era where humans partner with machines to achieve what neither can alone. For this augmented partnership to thrive, we need technologies which have the ability to perceive us and our surroundings. They must be able to capture and understand every dimension of our world in real-time - humans, objects, movements, environments.

This requires smart sensing systems, where cameras and other sensors are deeply coupled with powerful software to enable machines to transparently enhance our lives. Such smart sensing capability has always been our core technology - from imagery to insight; from pixel to purpose; and from sensing to sense-making. Indeed, it provided the seed for Yotta's creation, growth and eventual sale. Today, we are seeing it can be applied to a growing set of domains and applications.

Our plan looks to capitalise on exactly this expanded opportunity by focussing on driving each of the three elements of smart sensing - sense, analyse and apply.

1. Extend the sensing capabilities our integrated smart sensing systems through R&D, M&A and fostering key supplier partnerships. Currently, our solutions utilise a wide range of sensors - including optical, video, inertial, force plates among others - some we own and some we integrate with. These existing sensing mechanisms can be improved, and we can also add other sensing mechanisms to broaden the applicability of our integrated solutions.

2. Enhance the analysis we can undertake to broaden the range of applications to which our systems can be applied. Our most recent acquisition, Contemplas, completed in August 2021 is a great example of this.

3. Embed our Intellectual Property (IP) in other firms' solutions by opening up our technology through R&D, M&A and investing in dedicated embedding sales and support resources. Here we will expand the ability to integrate our sensing and analysis IP to specific application domains, such as our existing partners in the Location-based Entertainment (LBE) market.

Greater focus. Greater resources.

Following the sale of Yotta, the entirety of the five-year plan still holds. The contexts of market and technology developments still hold. The validity of our three-initiative approach through the constituent elements of sense, analyse and apply still hold. Now we will pursue this plan through the focussed lens of our market-leading global Vicor business and technology, *and* with the increased resources the sale of Yotta has provided to our balance sheet. Our aim is to build a larger, more connected enterprise. This means adding the following adaptations to our sense, analyse, apply initiatives:

- Focus on a single integrated core technology stack. We already lead in a variety of markets through a range of sensing and analysis technologies. We now have to the opportunity to add to this core through both organic development and M&A. In all cases the additional technologies must augment and/or amplify our existing capabilities. Although the end market application may be new, there will always be a tie back to this central capability of integrated smart sensing systems.
- Extract greater operational leverage across markets and the organisation. Closer markets, technologies and customers enable us to extract greater operational leverage across initiatives. For example, a single technology innovation which can be applied to all our markets or driving out economies of scale in our marketing or our production. We are seeking coherence across the organisation and the end markets we target.
- Pursue larger scale transactions. With a stronger balance sheet, we have the opportunity to accelerate our pace of growth through lifting our ambition to complete a number of larger transactions. We already have an exciting pipeline of M&A opportunities which fit well within this new, more cohesive plan. We will remain disciplined on price and we continue to look for IP-rich, hard-to-replicate technology companies with attractive actual or potential cashflow metrics, good-to-high revenue visibility or a dominant position in a niche market, proven market acceptance of their technology, and able management teams who share our cultural values.

Outlook

The Vicon business has more than recovered from the pandemic-affected years, which is evidenced by the unprecedented level of orders-in-hand driven by ongoing buoyant demand.

The overall cost base in the second half is expected to rise as costs continue to normalise following the pandemic and we continue with our investment plans to augment our ability to sense, analyse and apply.

Our ability to deliver on the buoyant demand has hitherto been impacted by supply chain constraints but looking forward, the situation is gradually improving and the Board believe Oxford Metrics will deliver a performance for the full year in line with achieving market expectations.

With growing market demand, a newly focussed, more connected enterprise and now with more financial firepower, we believe Oxford Metrics is well positioned to realise its ever-visible, longstanding growth potential.

** 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 and exceptional costs.*

CONDENSED CONSOLIDATED INCOME STATEMENT

		Six months ended 31 March 2022 (unaudited) £'000	Six months ended 31 March 2021 (unaudited) £'000	Year ended 30 September 2021 (audited) £'000
	Note			
Revenue	2	12,547	11,225	27,571
Cost of sales		(4,099)	(3,525)	(8,589)
Gross profit		8,448	7,700	18,982
Sales, support and marketing costs		(3,099)	(2,569)	(5,336)
Research and development		(1,676)	(1,374)	(3,511)
Administrative expenses		(3,038)	(2,473)	(6,438)
Operating profit		635	1,284	3,697
Finance income		1	3	4
Finance expense		(32)	(34)	(67)
Profit before taxation		604	1,253	3,634
Taxation		228	(88)	(574)
Profit from continuing operations		832	1,165	3,060
Loss from discontinued operations, net of tax		(206)	(145)	(125)
Profit for the period attributable to owners of the parent during the period		626	1,020	2,935

Earnings per share for profit on continuing operations attributable to owners of the parent during the year

Basic earnings per share (pence)	6	0.65p	0.92p	2.42p
Diluted earnings per share (pence)	6	0.65p	0.91p	2.40p

Earnings per share for profit on total operations attributable to owners of the parent during the year

Basic earnings per share (pence)	6	0.49p	0.81p	2.32p
Diluted earnings per share (pence)	6	0.49p	0.80p	2.30p

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

	Six months ended 31 March 2022 (unaudited) £'000	Six months ended 31 March 2021 (unaudited) £'000	Year ended 30 September 2021 (audited) £'000
Net profit for the period	626	1,020	2,935
Other comprehensive income			
<i>Items that will or may be reclassified to profit or loss</i>			
Exchange differences on retranslation of overseas subsidiaries	85	(351)	(129)
Total other comprehensive income/(expense)	85	(351)	(129)
Total comprehensive income for the period attributable to the owners of the parent	711	669	2,806

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

		31 March 2022 (unaudited) £'000	31 March 2021 (unaudited) £'000	30 September 2021 (audited) £'000
Note				
Non-current assets				
Goodwill and intangible assets		8,984	12,524	13,543
Property, plant and equipment		1,548	1,728	1,756
Right of use assets		1,022	2,061	1,978
Financial asset – investments		236	305	236
Deferred tax asset		898	1,155	1,877
		12,688	17,773	19,390
Current assets				
Inventories		2,769	3,220	2,494
Trade and other receivables		3,406	8,627	6,099
Current tax debtor		32	102	118
Cash and cash equivalents		19,614	15,867	22,957
		25,821	27,816	31,668
Assets classified as held for sale		12,001	-	-
Current liabilities				
Trade and other payables		(8,358)	(10,978)	(12,504)
Current tax liability		(154)	-	-
Lease liabilities		(356)	(496)	(582)
		(8,868)	(11,474)	(13,086)
Liabilities directly associated with assets classified as held for sale		(6,968)	-	-
Net current assets		21,986	16,342	18,582
Total assets less current liabilities		34,674	34,115	37,972
Non-current liabilities				
Other liabilities		(762)	(687)	(883)
Lease liabilities		(839)	(1,719)	(1,563)
Provisions		(36)	(28)	(32)
Deferred tax liability		(2,186)	(1,972)	(3,058)
		(3,823)	(4,406)	(5,536)
Net assets		30,851	29,709	32,436
Capital and reserves attributable to the owners of the parent				
Share capital	7	318	316	317
Shares to be issued		65	65	65
Share premium account		18,742	18,184	18,483
Retained earnings		11,608	11,333	13,538
Foreign currency translation reserve		118	(189)	33
Total equity shareholders' funds		30,851	29,709	32,436

CONDENSED CONSOLIDATED STATEMENT OF CASHFLOWS

	Six months ended 31 March 2022 (unaudited) £'000	Six months ended 31 March 2021 (unaudited) £'000	Year ended 30 September 2021 (audited) £'000
Cash flows from operating activities			
Operating profit from continuing operations	635	1,284	3,697
Operating loss from discontinued operations	(102)	(243)	(374)
Group operating profit	533	1,041	3,323
Depreciation and amortisation	1,432	1,711	3,339
Impairment of intangible assets	-	-	1,341
Increase in fair value of investment	-	-	(68)
Share based payments	122	72	98
Exchange adjustments	96	(254)	(69)
(Increase)/decrease in inventories	(266)	176	1,144
Decrease in receivables	47	440	3,126
Increase in payables	1,200	1,265	2,223
Cash generated from operating activities	3,164	4,451	14,457
Tax received/(paid)	16	(87)	(102)
Net cash from operating activities	3,180	4,364	14,355
Cash flows from investing activities			
Purchase of property, plant and equipment	(340)	(78)	(239)
Purchase of intangible assets	(1,688)	(1,191)	(2,778)
Proceeds on disposal of property, plant and equipment	30	4	11
Acquisition of subsidiary undertaking net of cash acquired	-	-	(1,149)
Interest received	1	3	4
Net cash used in investing activities	(1,997)	(1,262)	(4,151)
Cash flows from financing activities			
Principal paid on lease liabilities	(230)	(248)	(504)
Interest paid on lease liabilities	(45)	(50)	(105)
Interest paid	(4)	-	(1)
Issue of ordinary shares	225	387	687
Equity dividends paid	(2,542)	(2,264)	(2,264)
Net cash used in financing activities	(2,596)	(2,175)	(2,187)
Net (decrease)/increase in cash and cash equivalents	(1,413)	927	8,017
Cash and cash equivalents at beginning of the period	22,957	14,940	14,940
Cash and cash equivalents at end of the period	21,544	15,867	22,957
Amount included in cash and cash equivalents	19,614	15,867	22,957
Amount included in assets classified as held for sale	1,930	-	-
Total cash and cash equivalents at end of the period	21,544	15,867	22,957

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 2021	317	65	18,483	13,538	33	32,436
Net profit for the period	-	-	-	626	-	626
Exchange difference on retranslation of overseas subsidiaries	-	-	-	-	85	85
Transactions with owners:						
Tax recognised directly in equity in relation to employee share option schemes	-	-	-	(100)	-	(100)
Dividends	-	-	-	(2,542)	-	(2,542)
Issue of share capital	1	-	259	-	-	260
Share based payment charge	-	-	-	86	-	86
Balance as at 31 March 2022	318	65	18,742	11,608	118	30,851
Balance as at 30 September 2020	314	65	17,763	12,437	162	30,741
Net profit for the period	-	-	-	1,020	-	1,020
Exchange differences on retranslation of overseas subsidiaries	-	-	-	-	(351)	(351)
Transactions with owners:						
Tax recognised directly in equity in relation to employee share option schemes	-	-	-	104	-	104
Dividends	-	-	-	(2,264)	-	(2,264)
Issue of share capital	2	-	421	-	-	423
Share based payment charge	-	-	-	36	-	36
Balance as at 31 March 2021	316	65	18,184	11,333	(189)	29,709
Balance as at 30 September 2020	314	65	17,763	12,437	162	30,741
Net profit for the period	-	-	-	2,935	-	2,935
Exchange differences on retranslation of overseas subsidiaries	-	-	-	-	(129)	(129)
Transactions with owners:						
Tax recognised directly in equity in relation to employee share option schemes	-	-	-	368	-	368
Dividends	-	-	-	(2,264)	-	(2,264)
Issue of share capital	3	-	720	-	-	723
Share based payment charge	-	-	-	62	-	62
Balance as at 30 September 2021	317	65	18,483	13,538	33	32,436

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 2022 comprise the Company and its subsidiaries (together referred to as the “Group”).

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 2021. 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 2021 are not the statutory accounts but have been extracted from the Group’s 2021 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 2022 (unaudited) £'000	Six months ended 31 March 2021 (unaudited) £'000	Year ended 30 September 2021 (audited) £'000
Revenue			
Continuing operations			
Vicon UK	7,523	7,389	17,260
Vicon USA	5,024	3,836	10,311
Vicon Group	12,547	11,225	27,571
Discontinued operations			
Yotta Group	4,256	4,099	8,056
Total operations			
Oxford Metrics Group	16,803	15,324	35,627

	Six months ended 31 March 2022 (unaudited)				
	Continuing Vicon UK £'000	Continuing Vicon USA £'000	Total Continuing operations £'000	Discontinued Yotta £'000	Total Group £'000
Timing of the transfer of goods and services					
Point in time	6,556	3,933	10,489	732	11,221
Over time	967	1,091	2,058	3,524	5,582
	7,523	5,024	12,547	4,256	16,803

Contract Counterparties

Direct to consumers	1,893	4,433	6,326	3,576	9,902
Third party distributor	5,630	591	6,221	680	6,901
	7,523	5,024	12,547	4,256	16,803

By destination

UK	1,035	-	1,035	4,072	5,107
Germany	1,346	-	1,346	-	1,346
Italy	169	-	169	-	169
Greece	67	-	67	41	108
Netherlands	228	-	228	26	254
France	278	-	278	-	278
Spain	146	-	146	-	146
Rest of Europe	423	-	423	-	423
Canada	11	720	731	-	731
USA	13	4,193	4,206	-	4,206
Rest of North America	-	104	104	-	104
Australia	429	-	429	107	536
Hong Kong	1,948	-	1,948	-	1,948
Japan	637	-	637	-	637
Korea	509	-	509	-	509
Rest of Asia Pacific	249	-	249	-	249
Other	35	7	42	10	52
Oxford Metrics Group	7,523	5,024	12,547	4,256	16,803

	Six months ended 31 March 2021 (unaudited)				
	Continuing Vicon UK £'000	Continuing Vicon USA £'000	Total Continuing operations £'000	Discontinued Yotta £'000	Total Group £'000
Timing of the transfer of goods and services					
Point in time	6,612	2,973	9,585	981	10,566
Over time	777	863	1,640	3,118	4,758
Oxford Metrics Group	7,389	3,836	11,225	4,099	15,324
Contract Counterparties					
Direct to consumers	1,796	3,484	5,280	3,299	8,579
Third party distributor	5,593	352	5,945	800	6,745
Oxford Metrics Group	7,389	3,836	11,225	4,099	15,324
By destination					
UK	1,361	-	1,361	3,914	5,275
Germany	694	-	694	-	694
Italy	247	-	247	-	247
Netherlands	284	-	284	10	294
France	101	-	101	-	101
Switzerland	64	-	64	-	64
Rest of Europe	555	-	555	-	555
Canada	-	195	195	-	195
USA	2	3,550	3,552	-	3,552
Rest of North America	-	43	43	-	43
Australia	177	-	177	168	345
Hong Kong	1,390	-	1,390	-	1,390
Japan	1,591	-	1,591	-	1,591
Korea	569	-	569	-	569
Rest of Asia Pacific	354	-	354	-	354
Other	-	48	48	7	55
Oxford Metrics Group	7,389	3,836	11,225	4,099	15,324

	Year ended 30 September 2021 (audited)				
	Continuing Vicon UK £'000	Continuing Vicon USA £'000	Total Continuing operations £'000	Discontinued Yotta £'000	Total Group £'000
Timing of the transfer of goods and services					
Point in time	15,606	8,353	23,959	1,747	25,706
Over time	1,654	1,958	3,612	6,309	9,921
Oxford Metrics Group	17,260	10,311	27,571	8,056	35,627
Contract Counterparties					
Direct to consumers	4,750	9,265	14,015	6,773	20,788
Third party distributor	12,510	1,046	13,556	1,283	14,839
Oxford Metrics Group	17,260	10,311	27,571	8,056	35,627
By destination					
UK	3,519	-	3,519	7,741	11,260
Germany	1,591	-	1,591	-	1,591
Italy	484	-	484	-	484
Netherlands	435	-	435	22	457
France	220	-	220	-	220
Poland	355	-	355	-	355
Rest of Europe	1,601	-	1,601	6	1,607
Canada	-	1,221	1,221	-	1,221
USA	-	8,920	8,920	-	8,920
Rest of North America	2	104	106	-	106
Australia	530	-	530	269	799
Hong Kong	1,277	-	1,277	-	1,277
Japan	3,290	-	3,290	-	3,290
South Korea	1,364	-	1,364	-	1,364
China	2,254	-	2,254	-	2,254
Rest of Asia Pacific	338	-	338	-	338
Other	-	66	66	18	84
Oxford Metrics Group	17,260	10,311	27,571	8,056	35,627

	Six months ended 31 March 2022 (unaudited) £'000	Six months ended 31 March 2021 (unaudited) £'000	Year ended 30 September 2021 (audited) £'000
Vicon revenue by market (continuing operations)			
Engineering	2,678	2,472	5,763
Entertainment	3,955	4,022	11,884
Life sciences	4,637	4,179	9,106
Location based entertainment	1,277	552	818
Vicon Group*	12,547	11,225	27,571

Group revenue by type

Continuing operations

Sale of hardware	9,512	8,910	22,496
Sale of software	1,070	768	1,662
Rendering of services	1,269	1,115	2,485
SaaS	96	65	141
Support	600	367	787
Total continuing operations	12,547	11,225	27,571

Discontinued operations

Sale of software	-	3	4
Rendering of services	886	1,130	2,057
SaaS	1,969	1,558	3,164
Support	1,401	1,408	2,831
Total discontinued operations	4,256	4,099	8,056

Oxford Metrics Group	16,803	15,324	35,627
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Group revenue by origin

Continuing operations

UK	6,778	7,389	17,000
Europe	745	-	238
North America	5,024	3,836	10,311
Asia Pacific	-	-	22
Total continuing operations	12,547	11,225	27,571

Discontinued operations

UK	4,148	3,931	7,786
Asia Pacific	108	168	270
Total discontinued operations	4,256	4,099	8,056

Oxford Metrics Group	16,803	15,324	35,627
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*This additional information is provided to the Chief Operating Decision Maker. Further analysis by market is not available.

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 2022 (unaudited) £'000	Six months ended 31 March 2021 (unaudited) £'000	Year ended 30 September 2021 (audited) £'000
Continuing operations			
Vicon UK	944	1,071	3,436
Vicon USA	89	105	208
Vicon Group	1,033	1,176	3,644
Unallocated	30	9	38
Total continuing operations	1,063	1,185	3,682
Discontinued operations			
Yotta	369	526	998
Oxford Metrics Group	1,432	1,711	4,680

	Six months ended 31 March 2022 (unaudited)				Six months ended 31 March 2021 (unaudited)				Year ended 30 September 2021 (audited)				
	Adjusted	Adjusting	Group	Profit/(loss)	Adjusted	Adjusting	Group	Profit/(loss)	Adjusted	Adjusting	Group	Profit/(loss)	
	profit/(loss)			before tax	profit/(loss)			before tax	profit/(loss)			before tax	profit/(loss)
£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	
Continuing operations													
Vicon UK	299	(134)	418	583	1,244	(135)	(6)	1,103	3,229	(1,344)	1,130	3,015	
Vicon USA	1,490	-	(1,443)	47	965	-	(930)	35	3,562	-	(3,065)	497	
Vicon Group	1,789	(134)	(1,025)	630	2,209	(135)	(936)	1,138	6,791	(1,344)	(1,935)	3,512	
Unallocated	(1,490)	(82)	1,546	(26)	(1,252)	(21)	1,388	115	(2,763)	30	2,855	122	
Total continuing operations	299	(216)	521	604	957	(156)	452	1,253	4,028	(1,314)	920	3,634	
Discontinued operations													
Yotta	495	(93)	(521)	(119)	380	(187)	(452)	(259)	793	(286)	(920)	(413)	
Oxford Metrics Group	794	(309)	-	485	1,337	(343)	-	994	4,821	(1,600)	-	3,221	

	Non-current assets			Additions to non-current assets			Carrying amount of segment assets			Carrying amount of segment liabilities				
	Six months	Six months	Year ended	Six months	Six months	Year ended	Six months	Six months	Year ended	Six months	Six months	Year ended		
	ended 31	ended 31	September	ended 31	ended 31	September	ended 31	ended 31	September	ended 31	ended 31	September		
March 2022	March 2021	2021	March 2022	March 2021	2021	March 2022	March 2021	2021	March 2022	March 2021	2021	March 2022	March 2021	2021
(unaudited)	(unaudited)	(audited)	(unaudited)	(unaudited)	(audited)	(unaudited)	(unaudited)	(audited)	(unaudited)	(unaudited)	(audited)	(unaudited)	(unaudited)	(audited)
£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Vicon UK	10,982	9,537	10,324	1,510	1,022	2,137	24,148	25,009	22,962	(8,698)	(6,974)	(8,702)		
Vicon USA	897	917	941	25	15	33	5,925	6,237	6,971	(3,360)	(3,246)	(2,989)		
Vicon Group	11,879	10,454	11,265	1,535	1,037	2,170	30,073	31,246	29,933	(12,058)	(10,220)	(11,691)		
Unallocated	809	682	863	7	3	94	11,254	6,641	13,984	(633)	(339)	(979)		
Yotta Group	-	6,637	7,262	-	377	1,078	15,235	13,754	13,193	(6,968)	(5,321)	(5,952)		
OMG Life Group*	-	-	-	-	-	-	(6,052)	(6,052)	(6,052)	-	-	-		
Oxford Metrics Group	12,688	17,773	19,390	1,542	1,417	3,342	50,510	45,589	51,058	(19,659)	(15,880)	(18,622)		

*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 before tax

	Six months ended 31 March 2022 (unaudited) £'000	Six months ended 31 March 2021 (unaudited) £'000	Year ended 30 September 2021 (audited) £'000
Profit before tax – continuing operations	604	1,253	3,634
Share option charges	86	30	51
Amortisation of intangibles arising on acquisition	130	121	258
Impairment of intangibles arising on acquisition	-	-	981
Reorganisation costs	-	5	6
Costs associated with acquisition of Contemplas	-	-	86
Adjustment to fair value of investment	-	-	(68)
Reapportion Group overheads	(521)	(452)	(920)
Adjusted profit before tax – continuing operations	299	957	4,028
Loss before tax – discontinued operations	(119)	(259)	(413)
Share option charges	-	6	11
Amortisation of intangibles arising on acquisition	-	149	249
Reorganisation costs	93	32	26
Reapportion Group overheads	521	452	920
Adjusted profit before tax – discontinued operations	495	380	793
Total adjusted profit before tax – all operations	794	1,337	4,821
Adjusted earnings per share for profit on continuing operations attributable to owners of the parent during the year			
Basic earnings per share (pence)	0.41p	0.69p	2.73p
Diluted earnings per share (pence)	0.41p	0.68p	2.71p
Adjusted earnings per share for profit on total operations attributable to owners of the parent during the year			
Basic earnings per share (pence)	0.73p	1.08p	3.59p
Diluted earnings per share (pence)	0.73p	1.07p	3.56p

The adjusted profit before tax for the Vicon and Yotta business segments is shown in detail below;

	Six months ended 31 March 2022 (unaudited) £'000	Vicon Group Six months ended 31 March 2021 (unaudited) £'000	Year ended 30 September 2021 (audited) £'000
Continuing operations			
Profit before tax	630	1,138	3,512
Share option charges	4	9	13
Amortisation of intangibles arising on acquisition	130	121	258
Impairment of intangible arising on acquisition	-	-	981
Reorganisation costs	-	5	6
Costs associated with the acquisition of Contemplas	-	-	86
Reapportion Group overheads	1,025	936	1,935
Adjusted profit before tax	1,789	2,209	6,791

	Six months ended 31 March 2022 (unaudited) £'000	Yotta Group Six months ended 31 March 2021 (unaudited) £'000	Year ended 30 September 2021 (audited) £'000
Discontinued operations			
Loss before tax	(119)	(259)	(413)
Share option charges	-	6	11
Amortisation of intangibles arising on acquisition	-	149	249
Reorganisation costs	93	32	26
Reapportion Group overheads	521	452	920
Adjusted profit before tax	495	380	793

5. Taxation

The Group's consolidated effective tax rate for the six months ended 31 March 2022 was 29.5% (for the six months ended 31 March 2021: 2.6%; for the year ended 30 September 2021: 8.9%).

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 2022 (unaudited)			31 March 2021 (unaudited)			30 September 2021 (audited)		
	Earnings/(loss) £'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/(loss) £'000	Weighted average number of shares '000	Per share amount (pence)
Continuing operations									
Basic earnings per share									
Earnings attributable to ordinary shareholders	832	127,165	0.65	1,165	126,145	0.92	3,060	126,437	2.42
Dilutive effect of employee share options	-	1,510	-	-	1,441	(0.01)	-	993	(0.02)
Diluted earnings per share	832	128,675	0.65	1,165	127,586	0.91	3,060	127,430	2.40
Discontinued operations									
Basic loss per share									
Earnings attributable to ordinary shareholders	(206)	127,165	(0.16)	(145)	126,145	(0.12)	(125)	126,437	(0.10)
Dilutive effect of employee share options	-	1,510	-	-	1,441	-	-	993	-
Diluted loss per share	(206)	128,675	(0.16)	(145)	127,586	(0.12)	(125)	127,430	(0.10)
Total operations									
Basic earnings per share									
Loss attributable to ordinary shareholders	626	127,165	0.49	1,020	126,145	0.81	2,935	126,437	2.32
Dilutive effect of employee share options	-	1,510	-	-	1,441	(0.01)	-	993	(0.02)
Diluted earnings per share	626	128,675	0.49	1,020	127,586	0.80	2,935	127,430	2.30

7. Share capital

	31 March 2022 (unaudited) £'000	31 March 2021 (unaudited) £'000	30 September 2021 (audited) £'000
Allotted, called up and fully paid			
127,358,390 shares of 0.25p (31 March 2021: 126,430,168 shares of 0.25p and 30 September 2021: 126,937,668 shares of 0.25p)	318	316	317

During the six month period ended 31 March 2022 there were 392,500 shares issued relating to share options that were exercised. There were 656,000 shares issued in respect of share options exercised during the six months ended 31 March 2021 (year ended 30 September 2021: 1,163,500).

In addition, 19,841 shares (2021: 27,777 shares) were issued to the non-executive Chairman, Roger Parry, in satisfaction of salary and 8,381 shares (2021: 11,733 shares) were issued to the non-executive Director, Naomi Climer, in satisfaction of salary.

8. Dividends

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

	31 March 2022 (unaudited) £'000	31 March 2021 (unaudited) £'000	30 September 2021 (audited) £'000
Final dividend for 2020 paid in 2021 - 1.80 pence per share	-	2,264	2,264
Final dividend for 2021 paid in 2022 - 2.00 pence per share	2,542	-	-
	2,542	2,264	2,264

The final dividend for 2021 was paid to shareholders on 23 February 2022 at 2.00 pence per share, a total of £2,542,000.

9. 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.