

# Oxford Metrics

26<sup>th</sup> May 2021

## Oxford Metrics plc

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

### Interim Results for the six months ended 31 March 2021

- Resilient business with continued strong cash generation -
- Improving demand in important North American marketplace -
- Strong financial platform to innovate and drive inorganic growth -

Oxford Metrics plc (LSE: OMG), the international software company servicing infrastructure, life sciences, entertainment and engineering markets, announces interim results for the six months ended 31 March 2021.

	H1 FY21	H1 FY20
<b>Revenue</b>	£15.3m	£15.0m
<b>Annualised Recurring Revenue</b>	£7.1m	£6.8m
<b>Adjusted Profit before Tax*</b>	£1.3m	£0.3m
<b>Adjusted* Basic Earnings per Share</b>	1.08p	0.17p
<b>Statutory Profit/(Loss) before Tax</b>	£1.0m	(£0.1m)
<b>Statutory Basic Earnings per Share</b>	0.81p	(0.17p)
<b>Net Cash</b>	£15.9m	£10.8m
<b>Operating Cashflow</b>	£4.2m	£1.0m
<b>Cash as at 25 May 2021</b>	£19.1m	-

\* 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:

*"Oxford Metrics has traded well in the first half delivering both revenue and profit improvements, with key metrics tracking ahead. Strong cash generation has continued providing the Group with a resilient platform to operate through the challenging environment.*

*The pandemic has accelerated positive market drivers in both of our businesses which we are well placed to capitalise on. With a broader range of motion measurement applications continuing to emerge, including taking virtual production to new heights, Vicon has continued to innovatively push boundaries and the need for Yotta's software solutions continues as customers look to digitally transform and seamlessly manage their public assets remotely.*

*While restrictions continue to vary in many of the countries we serve, we have been encouraged by the return to more normal levels for Vicon's markets, particularly in the USA, and, for Yotta, we expect a return to more normal trading conditions in the second half.*

*The Group enters the second half with strong fundamentals and a robust balance sheet to drive both organic and inorganic growth. We do expect to be second-half weighted in terms of*

# Oxford Metrics

revenue as has historically been the case, and given the promising sales pipeline for both of our businesses and this solid first half performance, the Board remains confident the business is in-line with achieving its full year expectations.”

## Financial Highlights

- Headline Group revenue of £15.3m, up 2.1% (H1 FY20: £15.0m), on a constant currency basis underlying growth was 3.8%
- The Group reported an adjusted profit before tax £1.3m (H1 FY20: £0.3m)
- Adjusted earnings per share 1.08p (H1 FY20: 0.17p)
- Continued cash generation with operating cashflow of £4.2m (H1 FY20: £1.0m)
- Strong balance sheet with no debt and cash of £15.9m as at 31 March 2021 (H1 FY20: £10.8m). Cash position at 25<sup>th</sup> May 2021 £19.1m

## Operational Highlights

### Strategy for Vicon: strengthen and grow profitable market leader

- Demand in the USA returned in the second quarter with solid performance in other geographies
- Continued traction in engineering: NASA's Vicon-equipped Jet Propulsion Lab developed the Ingenuity Mars Helicopter which performed its first flight on Mars on 19<sup>th</sup> April 2021
- Opportunity in virtual production has increased demand for Vicon tracking systems
  - Our partnership with industry leader Industrial Light & Magic (ILM) has taken virtual production to a new level in the most recent season of *The Mandalorian*, the highly successful new *Star Wars* production
  - Partnership with the University of Portsmouth to support ground-breaking innovation in virtual, augmented and extended realities at their all-new Centre for Creative and Immersive Extended Reality (CCIXR)
- Vicon's motion measurement technology continues to expand the range of measurement methods available launching a new integrated markerless capability powered by partner, Theia
- Return to more normal levels of market activity in Location-based Virtual Reality (LBVR) and Elite Sports
  - Emerging opportunity for LBVR systems in Enterprise
  - Secured renewals with MLB, NBA and NRL teams and new wins including a key European football club

### Strategy for Yotta: enhance cloud-based software and grow recurring revenue

- Yotta software revenues up 11.1% to £4.1m (H1 FY20: £3.7m), as we continue to see customer interest to digitally transform the management of public assets
- Growth initiatives yielding results – improved visibility as Annualised Recurring Revenues ('ARR') grew 4.7% to £7.1m (H1 FY20: £6.8m)
- 97.5% (H1 FY20: 95.8%) retention of growing SaaS customer base
- Trend to seamlessly manage remote working helped secure sales wins at both larger and smaller Local Authorities including:
  - *Devon County Council* and *SSE* to manage their street lighting
  - A highly competitive open tender Alloy win with *Halton Borough Council*
- Record number of "go-lives" for Alloy with implementations at *Ubico*, *Bristol Waste* and *Hackney*
- Partner-centric approach gaining momentum with wins at four cities across Australia for Horizons

# Oxford Metrics

## Outlook and Guidance

- Sales pipelines in both Vicon and Yotta are promising and, together with these interim results, the business is trading in-line with the Board's full year expectations
- While Vicon is experiencing some extended lead-times on certain components due to global conditions, actions are being taken to avoid disruption to shipments in the second half
- ARR growth in the first half has been slowed by the UK national lockdown but additions at Yotta are expected to improve in the second half as trading conditions normalise
- Strong balance sheet puts the Group in a good position to adapt, innovate and navigate any further challenges that arise whilst driving organic and inorganic growth

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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, enabling central and local government agencies and other infrastructure owners to seamlessly manage their assets remotely. Yotta has a large number of high-profile clients including Highways England, over 160 local authorities across the UK, VicRoads in Australia and Auckland Motorway System in New Zealand.

Founded in 1984 our Group is headquartered in Oxford with offices in Leamington Spa, Gloucester, Los Angeles, Denver 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](http://www.oxfordmetrics.com)

# Oxford Metrics

## Chairman and Chief Executive's Statement

KPI	Revenue		PBT		Adjusted PBT*	
	H1 FY21	H1 FY20	H1 FY21	H1 FY20	H1 FY21	H1 FY20
Group	£15.3m	£15.0m	£1.0m	(£0.1m)	£1.3m	£0.3m

Despite the on-going restrictions associated with the pandemic continuing during the half, the Group has traded well, reporting total revenues of £15.3m (H1 FY20: £15.0m), up 2.1% at a headline level on last year's first half and up 3.8% on a constant currency basis.

The Group also reports an improvement in Adjusted PBT\* to £1.3m (H1 FY20: £0.3m) reflecting the additional gross margin from higher revenues and a number of pandemic-related cost savings.

In line with our "amplify the core" strategic plan to increase the visibility of revenues and profits, the Group increased Annual Recurring Revenues ('ARR') by 4.7% year-on-year to £7.1m (H1 FY20: £6.8m).

The cash position, having paid a final dividend of £2.3m in the first half, finished at £15.9m as at 31 March 2021 (H1 FY20: £10.8m). Cash generated from operations during the first half was £4.2m (H1 FY20: £1.0m).

### Asset management division - Yotta

KPI	Revenue		PBT		Adjusted PBT*	
	H1 FY21	H1 FY20	H1 FY21	H1 FY20	H1 FY21	H1 FY20
Yotta	£4.1m	£3.7m	(£0.3m)	(£1.2m)	£0.4m	(£0.5m)

Yotta reported software revenues up 11.1% to £4.1m (H1 FY20: £3.7m). Annualised Recurring Revenues ('ARR') as at 31 March 2021 grew 4.7% year-on-year to £7.1m (H1 FY20: £6.8m). The retention rate also improved to 97.5% (H1 FY20: 95.8%).

We can also report that additions in the first half of £0.5m are contracted, on average, for two years with a Total Contract Value over this period of £0.9m. The first half included new wins across UK local and central government, although in the second quarter we started to see additions to ARR impacted by the UK national lockdown with procurement processes taking longer, which has resulted in sales pipeline opportunity moving into the second half. Assuming a return to more normal trading conditions in H2 we expect Yotta to report improved additions in the second half.

An Adjusted PBT of £0.4m (H1 FY20 Loss: £0.5m) is reported, the improvement reflects our strategy of ARR growth leveraging the existing cost base. Notwithstanding challenges that may arise from the pandemic, Yotta is well placed to deliver a full year of profitability.

Through the first half, we continued to experience growing customer interest in using Yotta software to drive digital transformation projects in the management of public assets. The pandemic has accelerated remote working and management for asset maintenance and service teams across the UK – whether that is for assigning jobs, reporting inspections or managing waste collection.

This on-going trend has accelerated the need for tools like Yotta's to help seamlessly manage remote working and has helped us secure contract wins at both large and smaller Local

# Oxford Metrics

Authorities. For example, Devon County Council and SSE adopted our solution to manage their street lighting and Halton Borough Council added our arboreal management capability within Alloy following a highly competitive open tender. We also experienced further migrations from Mayrise to Alloy including at Kier for Highways England Areas 3 and 4, at the London Borough of Newham, at Isle of Anglesey County Council and at Walsall Council. Furthermore, through this migration process a number of these customers expanded their use of our software within their organisations. Finally, we also saw a number of good wins for Horizons in the UK at Northumberland County Council and Calderdale MBC.

Partnerships continue to be an important organic growth channel for us to both broaden our solution in our existing markets as we build out our network of carefully selected partners. This partner-centric approach also provides a channel to take us into geographies and vertical markets we do not currently serve directly to expand our customer footprint. One such existing channel partner, PMS in Australia, saw growing momentum for Horizons with wins at four cities across Australia.

We also strengthened our combined solution capabilities with a number of new partnerships in the period with Society Works, which runs the popular street issue reporting site, FixMyStreet Pro, and with smart city technology solution providers CIMCON Lighting, New Zealand-based PiP IoT and Australia-based Blue IoT.

Our professional services team continued to provide valuable implementation and consultancy services. As a result, the first half also saw a record number of "go-lives" for Alloy, including implementations at Ubico, Bristol Waste and Hackney. The professional services team also delivered a series of successful consulting engagements. These included an impact analysis relating to HS2 for Warwickshire, where we created a bespoke historical analysis model that assessed the accelerated deterioration caused by HS2 construction sites. We also enabled Northumberland to make use of their automated road survey data by linking it with Alloy operational data for improved scheme selection.

## Motion measurement division – Vicon

KPI	Revenue		PBT		Adjusted PBT*	
	H1 FY21	H1 FY20	H1 FY21	H1 FY20	H1 FY21	H1 FY20
Vicon	£11.2m	£11.3m	£1.1m	£0.9m	£2.2m	£2.0m

Vicon reported revenues of £11.2m (H1 FY20: £11.3m), representing a slight year-on-year reduction of 0.9% at a headline level. On a constant currency basis underlying growth of 1.4% was achieved. The trading trends in Vicon seen in the second half of last fiscal year continued into the first quarter of FY21, with weaker market conditions in the USA but with a stronger performance in the Asia Pacific region.

We are pleased to report that demand in the USA returned in the second quarter and, coupled with continued strong performance in other geographical markets, means Vicon achieved its internal revenue targets and reported an Adjusted PBT\* of £2.2m (H1 FY20: £2.0m) and an unadjusted profit before tax of £1.1m (H1 FY20: £0.9m).

While Vicon reported a slight decline in gross margin at 73.3% (H1 FY20: 73.8%) in the first half driven by revenue mix, together with pandemic-related cost savings led to an improvement in profitability year-on-year.

# Oxford Metrics

The move of motion measurement into mainstream, everyday life is the overarching structural trend supporting Vicon's growth prospects. New applications for our technologies are regularly emerging due to the continued innovation within our business, from our customers and across the broader market. Our engineering customers have delivered some impressive results through the first half. Firstly, Bell Innovation used their Vicon system to act as an indoor GPS system as they develop their mobility-as-a-service strategy, which includes the Bell APT delivery drone and their air taxi, the Bell Nexus 4EX. Bell have created some exciting results and demonstrated their capabilities with the Vicon system live at CES in 2020, flying six drones for 33 consecutive hours during the show in over 4,000 flights and 400 battery changes. Secondly, Vicon customer NASA's Jet Propulsion Lab have achieved astounding success with the Ingenuity Mars Helicopter. Developed and tested in a Vicon-equipped chamber which mimicked the lower atmospheric density it would find on Mars, this amazing piece of engineering successfully performed its first flight on Mars on April 19th and as it continues to explore it will undoubtedly make further headlines.

In the entertainment market, we experienced increased demand for our tracking systems to enable in-camera visual effects (ICVFX) in virtual production environments. In its simplest form virtual production is the merger of physical and digital worlds, enabling creators to view near-final-quality shots live on set - rather than having to wait until post-production. These production techniques offer logistical, cost and creative benefits. In the first half, we announced our continuing partnership with industry leader ILM, who have taken virtual production to a new level in the most recent season of The Mandalorian, the highly successful new Star Wars production. We also announced in the first half the partnership with the University of Portsmouth to support ground-breaking innovation in virtual, augmented and extended realities at their all-new Centre for Creative and Immersive Extended Reality (CCIXR). Moreover, their capabilities were put to almost immediate use to support the Royal Shakespeare Company's production, Dream. Using A Midsummer Night's Dream as its inspiration, this highly creative production brought together live theatre and cutting-edge digital technology, and then live streamed the production to a global audience.

The first half also saw Vicon expand the range of measurement methods available, and thus expand our market opportunity by broadening the range of applications where Vicon can be used. Adding to the existing optical and inertial methods of measurement, Vicon launched an integrated markerless capability powered by partner, Theia. In this video-based free sensing method, the subject is measured from video camera images, without the need to place any sensor or other element on the subject. Regardless of the method of measurement, the data can still be analysed and further processed in Vicon's broad range of existing software.

Following a slower period in our adjacent markets of Location-based Virtual Reality (LBVR) and Elite Sports due to pandemic-related lockdowns in 2020, we saw a return to more normal levels of market activity in 2021. In our Elite Sports business, we saw a series of customers renew across the world including teams from the MLB, NBA and NRL. We also won a number of new deals including university sports programme customers and a key European football club following an in-depth trial.

## **Outlook**

The Group continues to operate successfully and has fully adapted to the pandemic-affected environment. The pandemic remains ongoing so there may be unforeseen challenges ahead, but we are cautiously optimistic that the Group will now resume the growth trajectory we have previously enjoyed. Sales pipelines in both Vicon and Yotta are promising, giving the Board confidence for the second half, which is typically the Group's more active trading period.

# Oxford Metrics

At Vicon, the impact of the pandemic has been felt more acutely, particularly in the USA, where purchasing decisions were deferred. Based on our FY21 second quarter performance and an encouraging sales pipeline for H2 we expect to see a stronger H2 compared to H1 which has historically always been the case pre-pandemic.

At Yotta, the business is 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. While additions to ARR were slower in H1 due to UK national lockdowns, sales pipeline opportunity has simply moved into H2. Assuming a return to more normal trading conditions in H2, we expect Yotta to report improved additions in the second half.

While Vicon is experiencing some extended lead-times on certain components due to global semiconductor conditions, actions are being taken to avoid any disruption to shipments in the second half.

Our strong balance sheet puts the Group in a robust position to adapt, innovate and navigate any further challenges that arise whilst driving organic growth and providing scope to execute acquisitions to accelerate our strategy. From a cost perspective, across the Group we will continue to take prudent actions as needed and expect to realise further pandemic related cost savings in H2 though assuming a return to normal trading conditions these will be considerably lower as marketing and other activities resume.

Both businesses continue to see an acceleration in favourable market dynamics and we enter the second half with promising sales pipelines in both Vicon and Yotta. Given this first half performance and the outlook described the Board remain confident that the business is in-line with achieving its full year expectations.

*\* 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.*

# Oxford Metrics

## CONDENSED CONSOLIDATED INCOME STATEMENT

All operations are continuing		<b>Six months ended 31 March 2021</b>	Six months ended 31 March 2020	Year ended 30 September 2020
	Note	<b>(unaudited) £'000</b>	(unaudited) £'000	(audited) £'000
<b>Revenue</b>	<b>2</b>	<b>15,324</b>	15,016	30,298
Cost of sales		<b>(4,596)</b>	(4,491)	(9,400)
<b>Gross profit</b>		<b>10,728</b>	10,525	20,898
Sales, support and marketing costs		<b>(3,707)</b>	(4,186)	(7,341)
Research and development		<b>(2,183)</b>	(2,196)	(4,213)
Administrative expenses		<b>(3,797)</b>	(4,258)	(7,813)
Other operating income		-	58	163
<b>Operating profit/(loss)</b>		<b>1,041</b>	(57)	1,694
Finance income		<b>3</b>	13	20
Finance expense		<b>(50)</b>	(49)	(103)
Share of post-tax loss of equity accounted associate		-	(18)	(29)
<b>Profit/(loss) before taxation</b>		<b>994</b>	(111)	1,582
Taxation		<b>26</b>	(94)	22
<b>Profit/(loss) for the period attributable to owners of the parent during the period</b>		<b>1,020</b>	(205)	1,604

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

Basic earnings/(loss) per share (pence)	<b>6</b>	<b>0.81p</b>	(0.17p)	1.28p
Diluted earnings/(loss) per share (pence)	<b>6</b>	<b>0.80p</b>	(0.17p)	1.26p

## CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

		<b>Six months ended 31 March 2021</b>	Six months ended 31 March 2020	Year ended 30 September 2020
		<b>(unaudited) £'000</b>	(unaudited) £'000	(audited) £'000
<b>Net profit/(loss) for the period</b>		<b>1,020</b>	(205)	1,604
<b>Other comprehensive income</b>				
<i>Items that will or may be reclassified to profit or loss</i>				
Exchange differences on retranslation of overseas subsidiaries		<b>(351)</b>	171	(353)
<b>Total other comprehensive (expense)/income</b>		<b>(351)</b>	171	(353)
<b>Total comprehensive income/(expense) for the period attributable to the owners of the parent</b>		<b>669</b>	(34)	1,251



# Oxford Metrics

## CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	<b>31 March 2021 (unaudited) £'000</b>	31 March 2020 (unaudited) £'000	30 September 2020 (audited) £'000
<b>Note</b>			
<b>Non-current assets</b>			
Goodwill and intangible assets	<b>12,524</b>	12,420	12,551
Property, plant and equipment	<b>1,728</b>	2,218	1,937
Right of use assets	<b>2,061</b>	2,013	2,182
Financial asset – investments	<b>305</b>	317	305
Deferred tax asset	<b>1,155</b>	664	974
	<b>17,773</b>	17,632	17,949
<b>Current assets</b>			
Inventories	<b>3,220</b>	3,684	3,439
Trade and other receivables	<b>8,627</b>	11,412	9,224
Current tax debtor	<b>102</b>	300	82
Cash and cash equivalents	<b>15,867</b>	10,848	14,940
	<b>27,816</b>	26,244	27,685
<b>Current liabilities</b>			
Trade and other payables	<b>(10,978)</b>	(9,905)	(9,931)
Lease liabilities	<b>(496)</b>	(469)	(426)
	<b>(11,474)</b>	(10,374)	(10,357)
<b>Net current assets</b>	<b>16,342</b>	15,870	17,328
<b>Total assets less current liabilities</b>	<b>34,115</b>	33,502	35,277
<b>Non-current liabilities</b>			
Other liabilities	<b>(687)</b>	(369)	(609)
Lease liabilities	<b>(1,719)</b>	(1,794)	(1,909)
Provisions	<b>(28)</b>	(20)	(24)
Deferred tax liability	<b>(1,972)</b>	(2,001)	(1,994)
	<b>(4,406)</b>	(4,184)	(4,536)
<b>Net assets</b>	<b>29,709</b>	29,318	30,741
<b>Capital and reserves attributable to the owners of the parent</b>			
Share capital	<b>7</b>	316	314
Shares to be issued	<b>65</b>	65	65
Share premium account	<b>18,184</b>	17,707	17,763
Retained earnings	<b>11,333</b>	10,546	12,437
Foreign currency translation reserve	<b>(189)</b>	686	162
<b>Total equity shareholders' funds</b>	<b>29,709</b>	29,318	30,741

# Oxford Metrics

## CONDENSED CONSOLIDATED STATEMENT OF CASHFLOWS

All cash flows are from continuing operations	<b>Six months ended 31 March 2021 (unaudited) £'000</b>	Six months ended 31 March 2020 (unaudited) £'000	Year ended 30 September 2020 (audited) £'000
<b>Cash flows from operating activities</b>			
Group operating profit/(loss)	1,041	(57)	1,694
Depreciation and amortisation	1,711	1,787	3,448
Impairment of intangible assets	-	-	72
Share based payments	72	71	160
Exchange adjustments	(254)	174	(200)
Decrease/(increase) in inventories	176	(448)	(225)
Decrease in receivables	440	261	2,248
Increase/(decrease) in payables	1,017	(802)	(771)
<b>Cash generated from operating activities</b>	<b>4,203</b>	986	6,426
Tax paid	(87)	(190)	(157)
<b>Net cash from operating activities</b>	<b>4,116</b>	796	6,269
<b>Cash flows from investing activities</b>			
Purchase of property, plant and equipment	(78)	(251)	(310)
Purchase of intangible assets	(1,191)	(1,183)	(2,511)
Purchase of investment	-	(236)	(236)
Proceeds on disposal of property, plant and equipment	4	11	33
Acquisition of subsidiary undertaking net of cash acquired	-	(128)	(128)
Interest received	3	13	20
Interest Paid	(50)	(49)	(103)
<b>Net cash used in investing activities</b>	<b>(1,312)</b>	(1,823)	(3,235)
<b>Cash flows from financing activities</b>			
Issue of ordinary shares	387	291	322
Equity dividends paid	(2,264)	(2,253)	(2,253)
<b>Net cash used in financing activities</b>	<b>(1,877)</b>	(1,962)	(1,931)
<b>Net increase/(decrease) in cash and cash equivalents</b>	<b>927</b>	(2,989)	1,103
<b>Cash and cash equivalents at beginning of the period</b>	<b>14,940</b>	13,837	13,837
<b>Cash and cash equivalents at end of the period</b>	<b>15,867</b>	10,848	14,940

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
<b>Balance as at 30 September 2020</b>	<b>314</b>	<b>65</b>	<b>17,763</b>	<b>12,437</b>	<b>162</b>	<b>30,741</b>
Net profit for the period	-	-	-	1,020	-	1,020
Exchange difference on retranslation of overseas subsidiaries	-	-	-	-	(351)	(351)
<b>Transactions with owners:</b>						
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
<b>Balance as at 31 March 2021</b>	<b>316</b>	<b>65</b>	<b>18,184</b>	<b>11,333</b>	<b>(189)</b>	<b>29,709</b>
<b>Balance as at 30 September 2019</b>	<b>313</b>	<b>65</b>	<b>17,417</b>	<b>12,851</b>	<b>515</b>	<b>31,161</b>
Net profit for the period	-	-	-	(205)	-	(205)
Exchange differences on retranslation of overseas subsidiaries	-	-	-	-	171	171
<b>Transactions with owners:</b>						
Tax recognised directly in equity in relation to employee share option schemes	-	-	-	82	-	82
Dividends	-	-	-	(2,253)	-	(2,253)
Issue of share capital	1	-	290	-	-	291
Share based payment charge	-	-	-	71	-	71
<b>Balance as at 31 March 2020</b>	<b>314</b>	<b>65</b>	<b>17,707</b>	<b>10,546</b>	<b>686</b>	<b>29,318</b>
<b>Balance as at 30 September 2019</b>	<b>313</b>	<b>65</b>	<b>17,417</b>	<b>12,851</b>	<b>515</b>	<b>31,161</b>
Net profit for the period	-	-	-	1,604	-	1,604
Exchange differences on retranslation of overseas subsidiaries	-	-	-	-	(353)	(353)
<b>Transactions with owners:</b>						
Tax recognised directly in equity in relation to employee share option schemes	-	-	-	100	-	100
Dividends	-	-	-	(2,253)	-	(2,253)
Issue of share capital	1	-	346	-	-	347
Share based payment charge	-	-	-	135	-	135
<b>Balance as at 30 September 2020</b>	<b>314</b>	<b>65</b>	<b>17,763</b>	<b>12,437</b>	<b>162</b>	<b>30,741</b>

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 2021 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 2020. 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 2020 are not the statutory accounts but have been extracted from the Group’s 2020 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

All revenue is from continuing operations

	Six months ended 31 March 2021 (unaudited) £'000	Six months ended 31 March 2020 (unaudited) £'000	Year ended 30 September 2020 (audited) £'000
<b>Revenue</b>			
Vicon UK	7,389	7,068	13,540
Vicon USA	3,836	4,260	9,228
Vicon Group	11,225	11,328	22,768
Yotta	4,099	3,688	7,530
Oxford Metrics Group	15,324	15,016	30,298

	Six months ended 31 March 2021 (unaudited)			Total
	Vicon UK £'000	Vicon USA £'000	Yotta £'000	£'000
<b>Timing of the transfer of goods and services</b>				
Point in time	6,612	2,973	981	10,566
Over time	777	863	3,118	4,758
	7,389	3,836	4,099	15,324

### Contract Counterparties

	Vicon UK £'000	Vicon USA £'000	Yotta £'000	Total £'000
Direct to consumers	1,796	3,484	3,299	8,579
Third party distributor	5,593	352	800	6,745
	7,389	3,836	4,099	15,324

### By destination

	Vicon UK £'000	Vicon USA £'000	Yotta £'000	Total £'000
UK	1,361	-	3,914	5,275
Germany	694	-	-	694
Italy	247	-	-	247
Netherlands	284	-	10	294
France	101	-	-	101
Switzerland	64	-	-	64
Rest of Europe	555	-	-	555
Canada	-	195	-	195
USA	2	3,550	-	3,552
Rest of North America	-	43	-	43
Australia	177	-	168	345
Hong Kong	1,390	-	-	1,390
Japan	1,591	-	-	1,591
Korea	569	-	-	569
Rest of Asia Pacific	354	-	-	354
Other	-	48	7	55
Oxford Metrics Group	7,389	3,836	4,099	15,324

	Six months ended 31 March 2020 (unaudited)			Total
	Vicon UK	Vicon USA	Yotta	
	£'000	£'000	£'000	£'000
<b>Timing of the transfer of goods and services</b>				
Point in time	6,404	3,201	859	10,464
Over time	664	1,059	2,829	4,552
<b>Oxford Metrics Group</b>	<b>7,068</b>	<b>4,260</b>	<b>3,688</b>	<b>15,016</b>
<b>Contract Counterparties</b>				
Direct to consumers	1,637	3,870	3,616	9,123
Third party distributor	5,431	390	72	5,893
<b>Oxford Metrics Group</b>	<b>7,068</b>	<b>4,260</b>	<b>3,688</b>	<b>15,016</b>
<b>By destination</b>				
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
<b>Oxford Metrics Group</b>	<b>7,068</b>	<b>4,260</b>	<b>3,688</b>	<b>15,016</b>

	Year ended 30 September 2020 (audited)			
	Vicon UK £'000	Vicon USA £'000	Yotta £'000	Total £'000
<b>Timing of the transfer of goods and services</b>				
Point in time	12,240	7,231	1,775	21,246
Over time	1,300	1,997	5,755	9,052
Oxford Metrics Group	13,540	9,228	7,530	30,298
<b>Contract Counterparties</b>				
Direct to consumers	2,831	8,617	6,420	17,868
Third party distributor	10,709	611	1,110	12,430
Oxford Metrics Group	13,540	9,228	7,530	30,298
<b>By destination</b>				
UK	2,248	-	7,227	9,475
Germany	613	-	-	613
Italy	231	-	-	231
Netherlands	449	-	29	478
France	189	-	-	189
Switzerland	294	-	-	294
Russia	350	-	-	350
Rest of Europe	1,003	-	2	1,005
Canada	-	1,006	-	1,006
USA	1	7,706	-	7,707
Rest of North America	6	227	-	233
Australia	1,307	-	256	1,563
Hong Kong	3,205	-	-	3,205
Japan	3,061	-	-	3,061
South Korea	323	-	-	323
Rest of Asia Pacific	260	-	-	260
Other	-	289	16	305
Oxford Metrics Group	13,540	9,228	7,530	30,298

	Six months ended 31 March 2021 (unaudited) £'000	Six months ended 31 March 2020 (unaudited) £'000	Year ended 30 September 2020 (audited) £'000
<b>Vicon revenue by market</b>			
Engineering	2,472	1,948	4,139
Entertainment	4,022	3,170	6,732
Life sciences	4,179	5,454	10,117
Established markets	10,673	10,572	20,988
Adjacent verticals	552	756	1,780
Vicon Group*	11,225	11,328	22,768
<b>Yotta revenue by type</b>			
Software and related services	4,099	3,688	7,530
Yotta Group	4,099	3,688	7,530
<b>Group revenue by type</b>			
Sale of hardware	9,104	8,917	18,221
Sale of software	3,779	2,293	4,494
Rendering of services	2,441	3,806	7,583
Oxford Metrics Group	15,324	15,016	30,298
<b>Group revenue by origin</b>			
UK	11,320	10,653	20,796
North America	3,836	4,259	9,228
Asia Pacific	168	104	274
Oxford Metrics Group	15,324	15,016	30,298

\*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:

	<b>Segment depreciation and amortisation</b>		
	<b>Six months ended 31 March 2021 (unaudited) £'000</b>	Six months ended 31 March 2020 (unaudited) £'000	Year ended 30 September 2020 (audited) £'000
Vicon UK	<b>1,071</b>	1,168	2,263
Vicon USA	<b>105</b>	101	208
Vicon Group	<b>1,176</b>	1,269	2,471
Yotta	<b>526</b>	509	1,031
Unallocated	<b>9</b>	9	18
Oxford Metrics Group	<b>1,711</b>	1,787	3,520

	Six months ended 31 March 2021 (unaudited)				Six months ended 31 March 2020 (unaudited)				Year ended 30 September 2020 (audited)			
	Adjusted	Adjusting	Group	Profit/(loss)	Adjusted	Adjusting	Group	Profit/(loss)	Adjusted	Adjusting	Group	Profit/(loss)
	profit/(loss)	items	recharges	before tax	profit/(loss)	items	recharges	before tax	profit/(loss)	items	recharges	before tax
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Vicon UK	1,244	(135)	(6)	1,103	689	(136)	188	741	1,571	(275)	393	1,689
Vicon USA	965	-	(930)	35	1,261	-	(1,080)	181	3,277	-	(2,218)	1,059
Vicon Group	2,209	(135)	(936)	1,138	1,950	(136)	(892)	922	4,848	(275)	(1,825)	2,748
Yotta	380	(187)	(452)	(259)	(464)	(229)	(479)	(1,172)	(115)	(398)	(758)	(1,271)
Unallocated	(1,252)	(21)	1,388	115	(1,171)	(61)	1,371	139	(2,174)	(304)	2,583	105
Oxford Metrics Group	1,337	(343)	-	994	315	(426)	-	(111)	2,559	(977)	-	1,582

	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	30	ended 31	ended 31	30	ended 31	ended 31	30	ended 31	ended 31	30
March 2021	March 2020	September	March 2021	March 2020	September	March 2021	March 2020	September	March 2021	March 2020	September	
(unaudited)	(unaudited)	(audited)	(unaudited)	(unaudited)	(audited)	(unaudited)	(unaudited)	(audited)	(unaudited)	(unaudited)	(audited)	
£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	
Vicon UK	9,537	9,771	9,581	1,022	996	3,221	25,009	25,296	23,320	(6,974)	(6,057)	(5,827)
Vicon USA	917	1,420	1,071	15	23	317	6,237	6,351	5,938	(3,246)	(3,083)	(2,802)
Vicon Group	10,454	11,191	10,652	1,037	1,019	3,538	31,246	31,647	29,258	(10,220)	(9,140)	(8,629)
Yotta Group	6,637	5,802	6,664	377	410	1,806	13,754	14,573	16,511	(5,321)	(5,072)	(5,856)
Unallocated	682	639	633	3	241	247	6,641	3,708	5,917	(339)	(346)	(408)
OMG Life Group*	-	-	-	-	-	-	(6,052)	(6,052)	(6,052)	-	-	-
Oxford Metrics Group	17,773	17,632	17,949	1,417	1,670	5,591	45,589	43,876	45,634	(15,880)	(14,558)	(14,893)

\*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

	<b>Six months ended 31 March 2021 (unaudited) £'000</b>	Six months ended 31 March 2020 (unaudited) £'000	Year ended 30 September 2020 (audited) £'000
Profit/(loss) before tax	994	(111)	1,582
Share option charges	36	71	135
Amortisation of intangibles arising on acquisition	270	270	541
Redundancy costs	37	67	74
Aborted transaction costs	-	-	198
Share of post-tax loss of equity accounted associate	-	18	29
<b>Adjusted profit before tax</b>	<b>1,337</b>	<b>315</b>	<b>2,559</b>

#### Adjusted earnings per share for profit on operations attributable to owners of the parent during the year

Basic earnings per share (pence)	<b>1.08p</b>	0.17p	2.05p
Diluted earnings per share (pence)	<b>1.07p</b>	0.17p	2.02p

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

	<b>Vicon Group</b>		
	<b>Six months ended 31 March 2021 (unaudited) £'000</b>	Six months ended 31 March 2020 (unaudited) £'000	Year ended 30 September 2020 (audited) £'000
Profit before tax	1,138	922	2,748
Share option charges	9	15	33
Amortisation of intangibles arising on acquisition	121	121	242
Restructuring costs	5	-	-
Reapportion Group overheads	936	892	1,825
<b>Adjusted profit before tax</b>	<b>2,209</b>	<b>1,950</b>	<b>4,848</b>

	<b>Yotta Group</b>		
	<b>Six months ended 31 March 2021 (unaudited) £'000</b>	Six months ended 31 March 2020 (unaudited) £'000	Year ended 30 September 2020 (audited) £'000
Loss before tax	(259)	(1,172)	(1,271)
Share option charges	6	13	25
Amortisation of intangibles arising on acquisition	149	149	299
Redundancy costs	32	67	74
Reapportion Group overheads	452	479	758
<b>Adjusted profit/(loss) before tax</b>	<b>380</b>	<b>(464)</b>	<b>(115)</b>

## **5. Taxation**

The Group's consolidated effective tax rate for the six months ended 31 March 2021 was 2.6% (for the six months ended 31 March 2020: 84%; for the year ended 30 September 2020: 1.4%).

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 2021 (unaudited)			31 March 2020 (unaudited)			30 September 2020 (audited)		
	Earnings £'000	Weighted average number of shares '000	Per share amount (pence)	Loss £'000	Weighted average number of shares '000	Per share amount (pence)	Earnings £'000	Weighted average number of shares '000	Per share amount (pence)
<b>Basic earnings/(loss) per share</b>									
Earnings/(loss) attributable to ordinary shareholders	1,020	126,145	0.81	(205)	125,434	(0.17)	1,604	125,568	1.28
Dilutive effect of employee share options	-	1,441	(0.01)	-	2,581	-	-	2,083	(0.02)
<b>Diluted earnings/(loss) per share</b>	<b>1,020</b>	<b>127,586</b>	<b>0.80</b>	<b>(205)</b>	<b>128,015</b>	<b>(0.17)</b>	<b>1,604</b>	<b>127,651</b>	<b>1.26</b>

## 7. Share capital

	<b>31 March 2021 (unaudited) £'000</b>	31 March 2020 (unaudited) £'000	30 September 2020 (audited) £'000
<b>Allotted, called up and fully paid</b>			
126,430,168 shares of 0.25p (31 March 2020: 125,639,658 shares of 0.25p and 30 September 2020: 125,734,658 shares of 0.25p)	<b>316</b>	314	314

During the six month period ended 31 March 2021 there were 656,000 shares issued relating to share options that were exercised. There were 473,279 shares issued in respect of share options exercised during the six months ended 31 March 2020 (year ended 30 September 2020: 568,279).

In addition, 27,777 shares were issued to the non-executive Chairman, Roger Parry, in satisfaction of salary and 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:

	<b>31 March 2021 (unaudited) £'000</b>	31 March 2020 (unaudited) £'000	30 September 2020 (audited) £'000
Final dividend for 2019 paid in 2020 - 1.80 pence per share	-	2,253	2,253
Final dividend for 2020 paid in 2021 - 1.80 pence per share	<b>2,264</b>	-	-
	<b>2,264</b>	2,253	2,253

The final dividend for 2020 was paid to shareholders on 5 March 2021 at 1.80 pence per share, a total of £2,264,000.

## 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](http://www.oxfordmetrics.com).