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27 November 2023

**Concurrent Technologies Plc**  
(the 'Company')

**Trading Update**

Concurrent Technologies Plc (AIM: CNC), a world-leading specialist in the design and manufacture of high-end embedded computer systems and boards for critical applications, is pleased to announce a trading update for the year ended 31 December 2023 ("FY23").

Revenue performance of the Company has continued the trend established in the first half of the year, with the Board now expecting to deliver revenue for FY23 ahead of market expectations\*, prior to the contribution of Phillips Aerospace which was acquired in September 2023. Revenue for the six months to 31 December 2023 ("H2 2023") is expected to be substantially higher than any prior half-year in the Company's history, driven by the strength of order intake over the preceding 24 months enabled by the significant investment in product development undertaken to facilitate new customers and design wins. Management has worked closely with suppliers and customers to successfully manage the supply chain issues that previously impacted performance and is pleased to report that these factors have continued to ease as the year has progressed.

Order intake has continued the strong profile demonstrated in the preceding year continuing to provide the Board confidence in the delivery of material revenue growth in the year ended 31 December 2024 ("FY24") and beyond.

Further evidence of the success of the Company's strategy is in the increasing diversification of its end markets and the increasing value of single orders. These larger orders include a previously announced significant Systems order, as well as a number of larger orders for Single Board Computers with large Defence Primes as the end customer. The refreshed Sales team is core to delivering the Company's strategy and the level of order intake and revenue delivery are evidence of their capability.

Additionally, the Company is establishing a track record for excellence in relation to design wins in the relevant sectors. Management categorises a design win as the down selection of a Concurrent Technologies product by a customer, with purchase orders to follow once the customer's end product reaches main production. Accordingly, once a design win is achieved there is an expectation that there will be multiple years of repeat orders for the relevant product. To date in FY23, the Company has won eight major design wins, outperforming any other year in the Company's history. A major design win is classified as one that is likely to yield more than £1 million in revenue per annum for multiple years and so are anticipated to materially impact revenue performance from 2025 onwards, as production levels scale-up. The anticipated lifetime value of the major design wins secured in FY23 is estimated to be in excess of £100 million, although this amount will be dependent on future programme production rates and is not currently contracted. This change in approach is a function of the investment made in the Company's product development and business development capability. If this can be replicated year on year this will allow the Company to develop a substantial long term pipeline of revenue opportunities.

The Board are pleased to note that profit contribution has strengthened quarter-on-quarter throughout FY23, and it is anticipated that Q4 2023 will be the strongest quarter in an already record-breaking year. To position the business for the future, management have continued to invest in the operational scale of the Company to deliver an increasing level of revenue in the future years. Accordingly, the profit of the Company as a whole in FY23 is expected to be in line with current market expectations\*\*.

Following the completion of the acquisition of Phillips Aerospace in September 2023, the Systems division is gearing up to be a core part of this future performance. The Phillips Aerospace business has already been successfully integrated into the Company's operations, with key hires in progress and a number of important

process changes being implemented in the governance and control of that business. Specifically, the Board is delighted by the level of motivation and integration that the two prior owner-managers have shown and both have contributed significantly to the technical and managerial community within Concurrent Technologies. Pleasingly, revenue contribution by the Phillips Aerospace business in the short period since the completion of the acquisition is expected to be approximately £500,000, slightly stronger than may have been expected from prior annual performance. The Board expects this to increase significantly as Systems contracts are secured in the future.

This increased level of performance across the Company has been delivered despite several larger multi-year orders, for which the Company has already been down selected, moving from the current year into FY24 due to customer timelines, further strengthening the conviction of management in the delivery of further growth in FY24.

**Chief Executive Officer Miles Adcock said** “The performance of the team across the Company has been exceptional throughout the year and, coupled with the continued easing of supply chains we have seen revenue run rates almost double when compared to historical norms. Our success with design wins provides confidence that order intake moving forward will continue the current level of strong performance which will position us well to enjoy further growth through FY24 and beyond.

The Systems business will continue to require focus and investment to deliver substantial growth, but we are developing the capabilities required secure further Systems contracts in future periods.

Our exciting and evolving business is delivered by brilliant people. So far this year we have increased headcount by another 10% as we grow. Attracting and retaining talent is core to our strategy, and I am delighted that we were recently awarded Gold status by the 5% Club; recognising that more than 5% of our workforce is engaged in ‘earn & learn’ learning programmes.”

Note that the Company will issue a post-close trading update in early January 2024.

*\*Consensus revenue expectations for 2023 are £27m*

*\*\*Consensus profit before tax expectations for 2023 are £3.5m*

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#### **About Concurrent Technologies Plc**

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

For more information on Concurrent Technologies Plc and its products please visit [www.gocct.com](http://www.gocct.com).

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