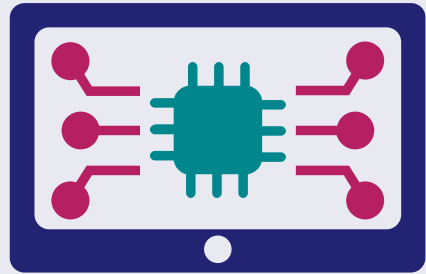


CONCURRENT TECHNOLOGIES

Results for the Period Ended 30 June 2023

Miles Adcock, CEO
Kim Garrod, CFO

What We Do

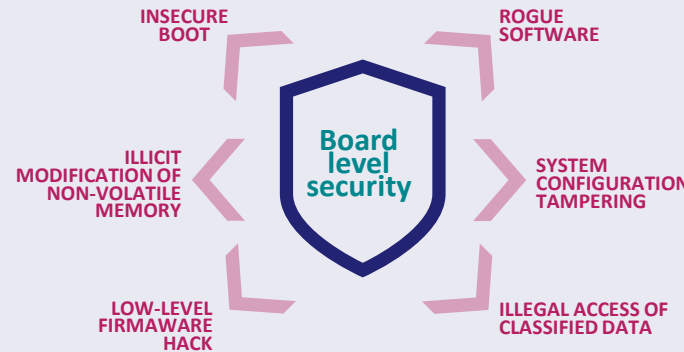


Processor PICs
Switch PICs
Timing PICs
Storage PICs

We Design & Manufacture Plug In Cards (PICs):

These are high value and often suitable for use in highly ruggedised applications. They are based on Open Standards: VPX, VME, AdvancedMC and CompactPCI

Customer Advantages: In-house production capability, UK/US based, “designed in” long term commitments



We add application Enabling Software:

Security, Porting Services, Operating System Support, Faster Boot Times designed to differentiate and add extra value



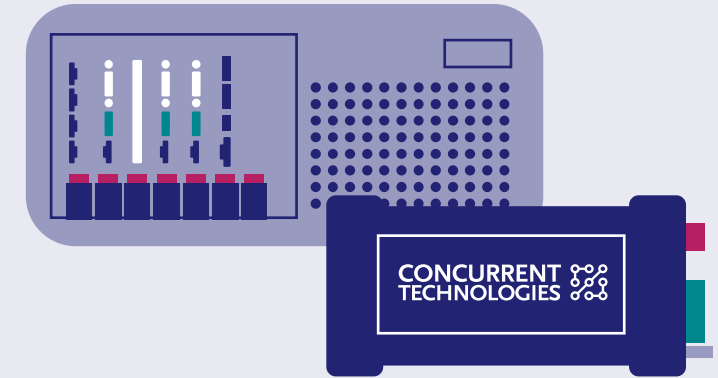
ORACLE
Solaris



GNX
7.x



VxWorks
7



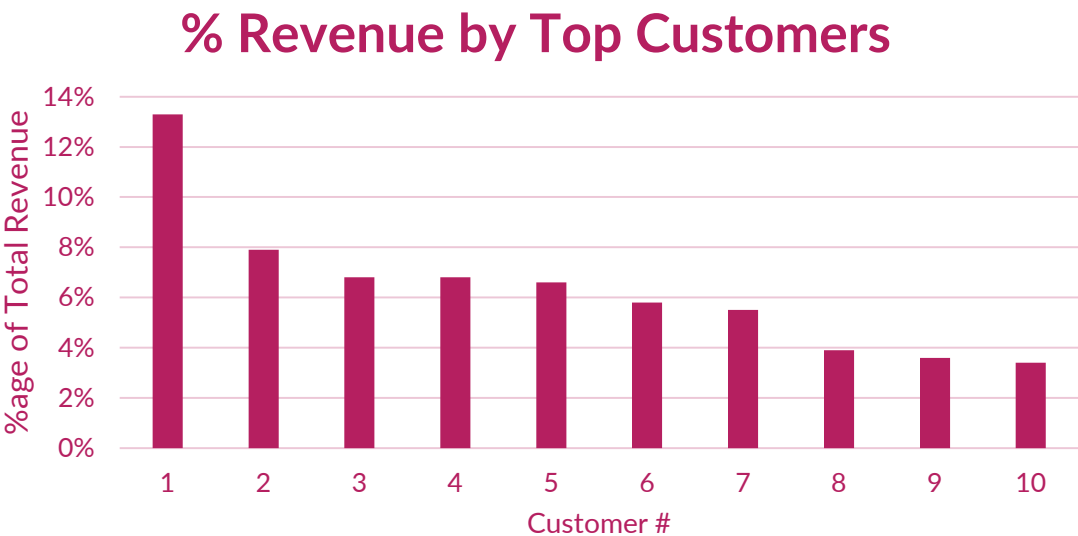
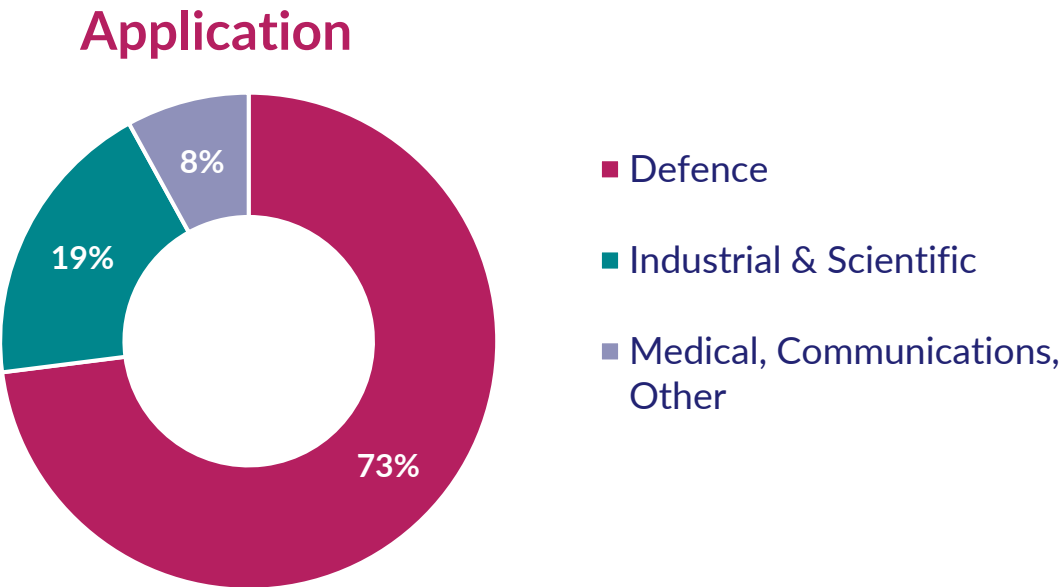
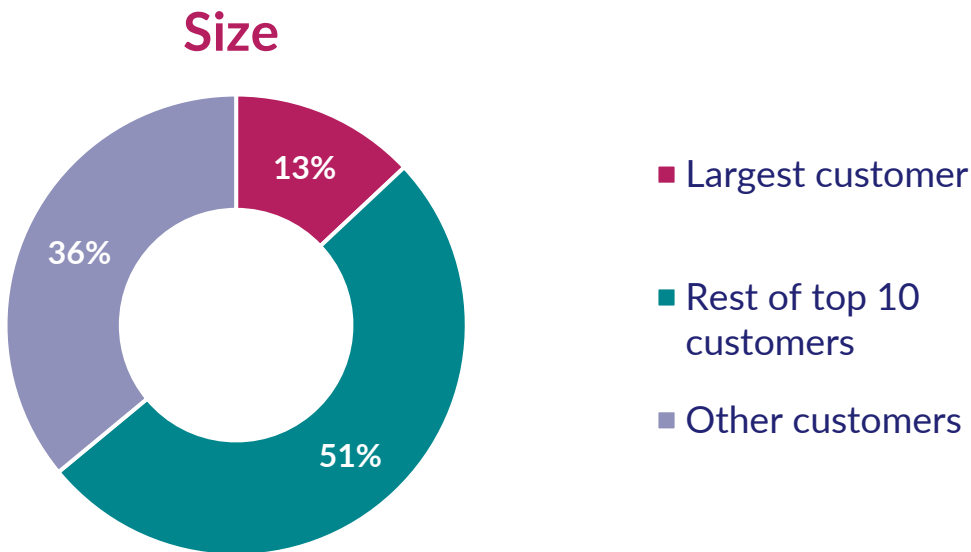
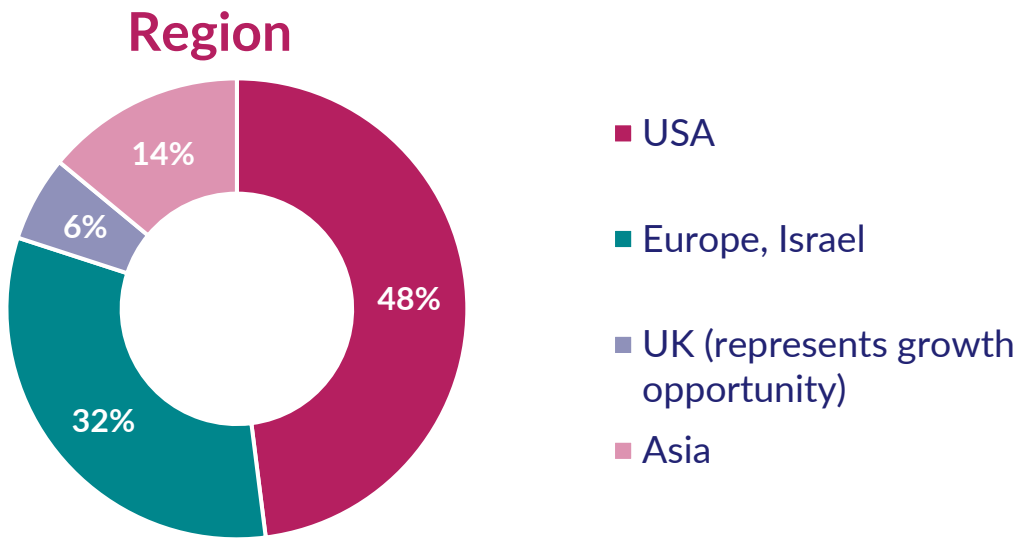
We integrate PICs into Systems:

We also sell them to systems integrators

We design, develop and sell Systems:

Following the acquisition of Phillips Aerospace (post H1)

2023 H1 Revenue Split



Our markets

Total Available Market for embedded products

- \$86.5bn in 2020 to \$116.2bn by 2025, (6.1% CAGR)
 - Source: Research and Markets, March 2020

Serviceable Available Market for Defence focused Plug in Cards (PIC's)

- \$506.7M in 2020 with 4.5%/CAGR
- Highlight: "3U VPX" PIC market growing at 20.4%/year
- 2020 defence systems market \$262.9M, growing at 10%/year
- Source: VITA Market Report 2021
 - Includes Commercial Off the Shelf VME, VPX and XMC boards and systems from Merchant vendors
- Other key markets include Communications, Industrial, Scientific and Medical





H1 2023

Performance Summary

	H1 2023	H1 2022
Revenue	£12.1m	£7.4m
EBITDA	£2.1m	£0.8m
Profit before tax	£1.0m	£0.0m
Earnings per share	1.54p	0.75p
Dividends	0p	0p
Cash (including deposits)	£3.0m	£9.3m
Total assets	£33.2m	£34.3m
Shareholders' funds	£24.2m	£24.4m

- Record half year revenue at £12.1M despite continued component supply issues.
- Profit significantly increased against prior year, driven by additional gross profit of £2.3M, and reduced by increased investment of £1.3M (predominantly £0.4M R&D, £0.7M enabling functions and LT).
- Record backlog at £29m (£20.3M PY); and order intake at £14.5M.
- Cash continues to be invested; start of reversal in H2 2023.
- First major systems order of £1.25M from FTSE 250 company.
- Component shortage continued to define revenue; major delivery July23 provides confidence in H2 2023.
- No Interim dividend in H1, this will be reviewed at full year.

Understanding the cost base

Significant increase in cost base to support a bigger, more complex business

Operations – enhanced to deliver greater volume

- Double shifts implemented.

Engineering (Research & Development) – talent to deliver more complex products to market, quicker.

- Refreshed and expanded team (headcount +8 since June 2022).
- c£5M pa (previously 2021 £3.6M; New management started 2021 to reinvigorate the business).

Enabling Functions

- Now includes new enabling functions of People, Legal/Commercial, Supply Chain.
- Expanded functions in IT, Finance, Quality.
- Set up for more complex business e.g. systems, size, risk profile, bidding, contracts, project management, global BD & sales.

Leadership team investment – 80% new hires; composition to meet needs of refreshed business e.g. risk management, project management, systems and commercial.

Sales – investment in several new hires, business development skills as well as sales, systems experience, home markets.

Understanding the cost base

Facilities – Theale office to attract excellent talent, especially Engineering; tools of the trade including factory machinery, IT software & hardware, etc.

People – increased from 109 (Dec 21) to 135 (Sept 23); greater talent density.

Cost implications – expected net costs increase by c£2Mpa ; prepared for a larger, more complex business

- Previously underinvested.
- Not achieving its potential; missing significant opportunity.
- Cost increase will bring the upside opportunities.
 - New products.
 - Commercial contracts, with appropriate risk to manage new lines of revenue e.g. systems.
 - Talent density.
 - Governance and process.
 - Safety and well-being.

Performance H1

5 Year View

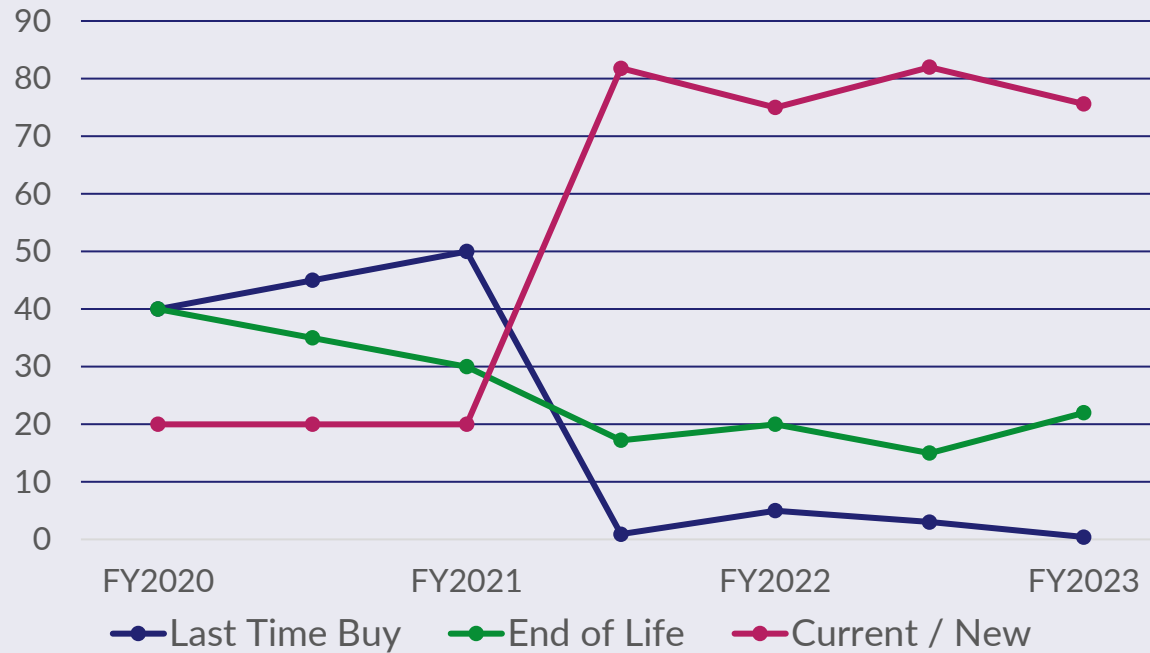
	H1 2019	H1 2020	H1 2021	H1 2022	H1 2023
Revenue	£9.5m	£9.2m	£9.3m	£7.4m	£12.1m
Order Intake	£9.7m	£13.9m	£15.9m	£14.2m	£14.5m
EBITDA	£2.6m*	£2.3m	£2.3m	£0.8M	£2.1M
EBITDA%	27%	25%	25%	11%	17%
PBT	£1.7m*	£1.2m	£1.5m	£0.03m	£1.0m

On track to achieve order intake for FY23 of at least the £31.5m delivered in FY22

* FY19 – EBITDA & PBT (after removing £1.0m of key man insurance income)

Transformed Product Mix and Time to Market

Normalised Order Intake



- 2021 80% orders for LTB/EOL products
- 1H 2023 >75% orders for Current/New products
- New products typically sell for 7 years
- Early Life products have higher value and high margins
- A much healthier pipeline with long term growth potential

Supply Chain Management

- The global component shortage and associated high cost has continued to affect the Company in H1 2023, restricting our ability to ship revenue.
- We received a major shipment of components in early July which provides confidence for delivery of revenue in H2 2023.
- Component delivery times and availability is improving e.g. Intel reducing from 80 week lead times to 26 weeks by end of 2023; Microchip 64 weeks to 25 weeks.
- Cash reserves have been key to support us throughout the component challenges, allowing us to hold inventory appropriately to position for acceleration of revenue once component challenges have minimised (begins H2 2023).
- Reversal of inventory is expected to begin in H2 2023, starting the journey back to normalised stock levels (i.e. estimated to be c25% of one year's revenue).
- In H2 we have made an End-of-Life purchase (c\$4M) of a component called Enpirion. This is used on all our boards and will cover requirement for up-to 5 years. Payment terms 2024.

Key Points FY23 outlook

- Global supply chain issues have continued to define H1 2023. Major component delivery in July 2023 should start to see easing of significant components availability issues.
- £29M back log as at 30th June 2023 (up from £26.7M as at 1st January 2023).
- Order intake for FY23 (improved mix i.e. more new/current product) expected to be at least same level as FY22 (£31.5M); 30th June 2023 £14.5M.
- Reviewing and developing further capacity for increased growth into 2024 – additional shift; maximum use of facility; use of third-party manufacture in US.
- Completed purchase of Phillips Aerospace and continued investment into Systems business stream.
- First major systems contract win of £1.25M with FTSE 250 company; continued development and investment in new Systems business; significant pipeline of opportunities which should yield revenue into 2024.
- With our highest ever backlog we have confidence in an improved financial performance into H2 2023 and into 2024.

Strategic Positioning

Phillips Aerospace

Overview

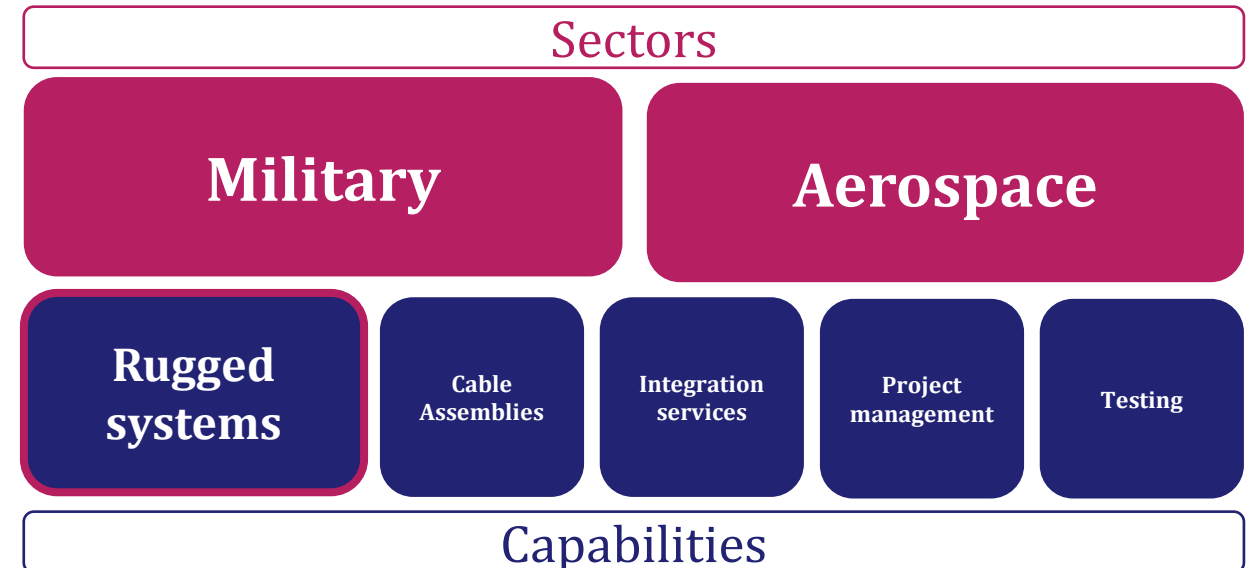
- Located in California, AS9100D Certified and a proven **track record** as a supplier to defence primes.
- Long standing relationship with Phillips on a number of projects.
- Founded over 50 years ago, privately owned and run by two key longstanding individuals.
- 14,000 sq/ft Manufacturing and office facility, with a workforce of over 20 employees and contractors regularly engaged.

Critical Access to Market

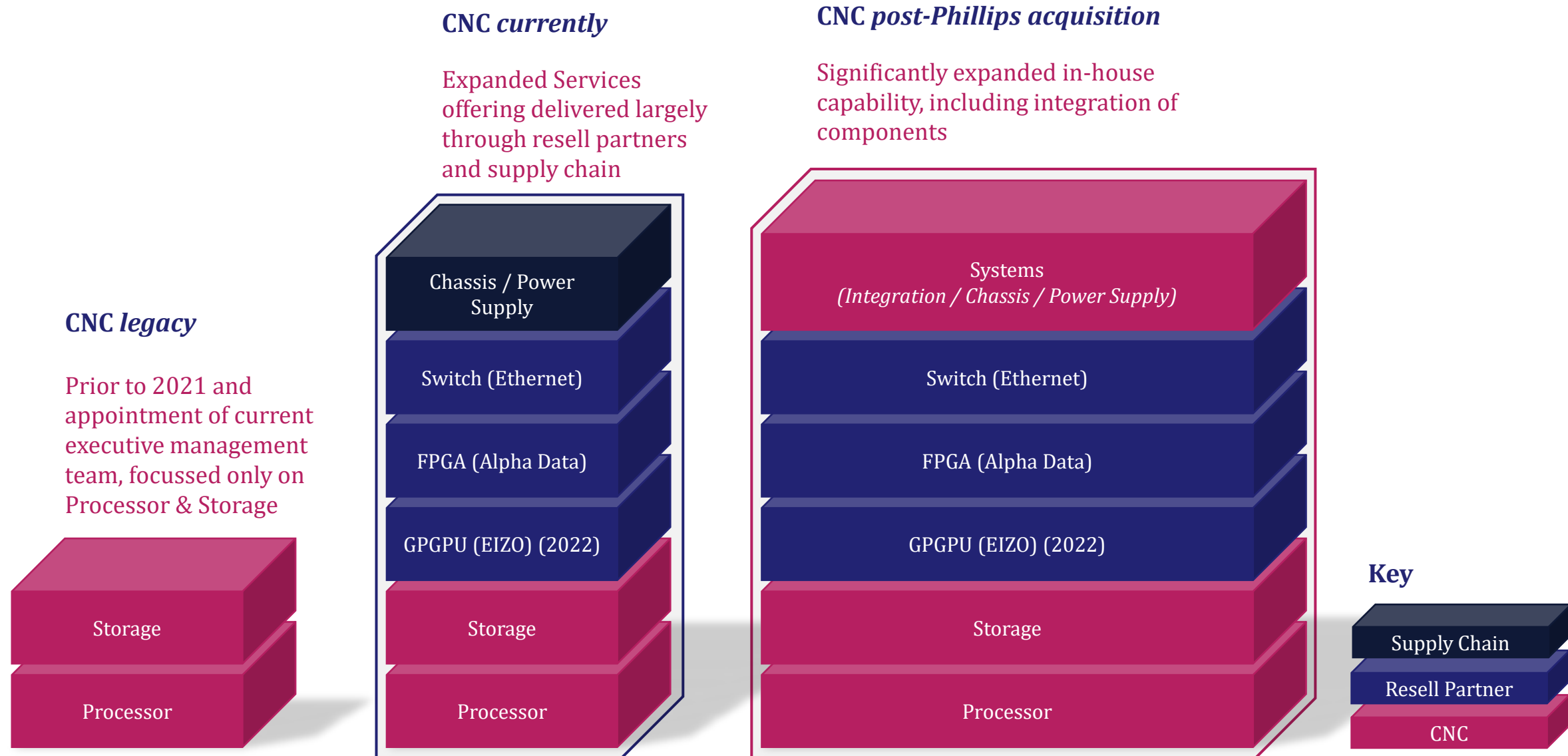
- Phillips have delivered equipment to multiple US military programs.
- Supplier to:
 - **Boeing**
 - **Northrop Grumman**
 - **Raytheon**

Skills & Expertise

- Phillips designs and manufactures rugged systems, with the following capabilities:
 - compute
 - storage
 - vision
 - data processing
 - I/O capability



Systems Construction



Platform for growth

Growth momentum building

- R&D driving new product development
- 8 new products launched in 2022
- **Record order intake** in 2021 and 2022
- Key component supply improving
 - Deliveries received of over 2000 microchip units since start of June 2023



Well invested asset base



- LQRA ISO 9001:2015 certified
 - Surveillance Audit February 2023 reported **zero non-conformances**
- High quality manufacturing
 - **<15 defects per million** measured
 - World class quality accepted as <50 defects per million
- Installed capacity to support growth
 - **Double shift** implemented in Q4 2022
 - Scope to initiate **third shift** & weekends

Summary

A strong H1 2023 performance

- Record revenue.
- Positioned for a strong H2.
- Key component supply improving
 - Deliveries received of over 2000 microchip units since start of June 2023.
- Pipeline strong with significant opportunity for H2.
- Phillips Aerospace acquisition completed September 2023 – well positioned to prosecute on systems opportunities.



Thank you