17 July 2018

AMINO TECHNOLOGIES PLC

(“Amino”, the “Company” or the “Group”)

HALF YEAR RESULTS

Strong revenue visibility and pipeline coverage – full year expectations confirmed

Amino Technologies plc (LSE AIM: AMO), the global provider of media and entertainment technology solutions to network operators, announces unaudited results for the six months ended 31 May 2018.

Financial highlights:

$m unless otherwise stated	2018	2017	Change
Revenue	41.2	49.8	(17%)
Adjusted gross profit	17.1	22.1	(23%)
Adjusted profit before tax (1)	3.8	9.0	(58%)
Adjusted basic earnings per share (US cents)(1)	5.19c	12.00c	(57%)
Statutory gross profit	17.3	22.1	(22%)
Statutory (loss)/profit before tax	(0.1)	6.3	(102%)
Statutory basic earnings per share (US cents)	0.21c	8.62c	(98%)
Net cash	15.0	16.8	(11%)
Interim dividend per share (GBP pence)	1.683p	1.530p	10%

Financial highlights

- Expectations for full year confirmed:
  - More than 75% of full year revenues secured
  - Orders up 40% year on year
  - Good sales pipeline coverage for the remainder of the year
- In line with previous guidance, H1 revenues lower than last year due to order phasing by one major customer, and greater second-half weighting as normal seasonality returns
- Successfully mitigating pricing pressure on components
- Strong cash generation and balance sheet
  - 93% adjusted operating cash conversion
  - $15m net cash
- Reporting currency changed to US Dollars to provide transparency of underlying performance
- Interim dividend up 10%

Strategic and operational highlights

- Good progress on our three strategic objectives: IP/Cloud TV Everywhere, Operator Ready Android TV and Upcycling legacy devices to next-generation TV experiences
- Strategy to enable IP delivery 24/7 on any device gaining momentum
  - Delivering operator class end-to-end video delivery platforms
  - Standalone software and services account for 11% of revenues (up 400 bps)
  - Annual run rate recurring revenues up 27% to $4.7m (H1 2017: $3.7 million)
- Disciplined approach to M&A

Keith Todd CBE, Non-Executive Chairman, said:

"It is encouraging to report material progress in delivering our three long-term strategic growth drivers – IP/Cloud TV Everywhere, Operator Ready Android TV and Upcycling Legacy devices to next generation TV experiences. With more than 75% of expected full year revenues secured, and good visibility provided by our order backlog and pipeline, the Board remains confident in full year expectations. We are pleased to recommend a 10% increase in the half year dividend, in line with our progressive dividend policy."

This announcement is released by Amino Technologies plc and contains inside information for the purposes of Article 7 of the Market Abuse Regulation (EU) 596/2014 (MAR), and is disclosed in accordance with the Company's obligations under Article 17 of MAR.

For the purposes of MAR and Article 2 of Commission Implementing Regulation (EU) 2016/1055, this announcement is being made on behalf of the Company by Mark Carlisle, Chief Financial Officer.

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About Amino Technologies plc
Amino is a global leader in IP/cloud media and entertainment technology solutions and an IPTV pioneer, working with over 250 operators in 100-plus countries. Drawing on more than 20 years' experience delivering innovation, Amino enables operators to meet the challenges they face as broadcast TV and online video moves to an all-IP future with managed over-the-top (OTT) offerings. We are expert in software, hardware and cloud implementation – able to deploy our own leading-edge technologies and integrate these with third-party and 'upcycled' legacy systems. At the forefront of the evolution of TV Everywhere, Amino helps operators to provide the features and functionality modern consumers are looking for in a multiscreen, multi-device entertainment world. Amino Technologies plc is headquartered near Cambridge, in the UK, and is listed on the AIM market of the London Stock Exchange (AIM: symbol AMO). www.aminocom.com

Notes

(1) Adjusted operating profit, adjusted profit before tax and adjusted earnings per share are non-GAAP measures and exclude amortisation of acquired intangibles, exceptional items and share-based payment charges. Further details of these adjustments are set out in note 5.

Chief Executive Officer's review

Strategic progress

As a technology business helping operators provide smarter, more cost-effective ways of delivering modern TV experiences, Amino benefits from long-term structural industry growth drivers. Consumers want flexible access to media, with 24/7 access to content on any device. Operators are therefore innovating to meet these heightened customer expectations. In turn, Amino is addressing operators' changing needs, by enabling an all-IP service, delivered via the Cloud, on a 24/7, multi-device basis. We are seeing this demand translate into three clear market opportunities for Amino – the transition in the cable and satellite TV industry to IP/Cloud TV Everywhere, the emergence of Android TV as a credible service delivery choice for pay-TV operators and the upcycling of operator legacy devices to deliver new TV experiences.

Amino delivered a first half performance in line with our expectations and enters the second half with continued momentum in our key strategic areas. As previously announced, a change in the phasing of the delivery orders (for which purchase orders have already been received) by one of our major customers means that we are now returning to our normal seasonality with revenues weighted to the second half of the year. Given more than 75% of full year revenues are already secured, and with good pipeline coverage for the remainder of the year, the Board is confident of delivering a full year performance in line with its previous expectations.

The period saw encouraging growth in software sales and recurring revenues with important contract wins underlining our capabilities in delivering operator class end-to-end video delivery platforms. Software and services revenues sold on a standalone basis grew at 24% year on year and are now 11% of total revenue in the period (H1 2017: 7%), with annual run rate recurring revenues increasing to $4.7m million (H1 2017: $3.7 million).

We entered the year with a strong order backlog and have seen growing demand for our solutions with 40% more orders during the first half than in the corresponding period last year. As a result, we entered July with over 75% of our forecast revenue for the full year secured (i.e. revenue recognised plus orders received), in line with the same point last year.

As previously communicated, revenue was lower year-on-year at $41.2 million (H1 2017: $49.8 million) reflecting phasing of orders. Net cash at 31 May 2018 was $15.0m (31 May 2017: $16.8 million).

Strategic objectives

We have made material progress during the period against our three strategic objectives:

1. **IP/Cloud TV Everywhere**; which provides telco and cable operators with the capabilities to provide the latest 'TV everywhere' experiences. Amino also enables cable operators to transition cost-effectively from Cable to IP. At the start of the year, Netherlands-based operator DELTA deployed our Amino TV video delivery platform as part of a major project to transition its existing cable TV subscriber base to an all IP-based multiscreen service model. As well as delivering significant bandwidth savings, the operator also deployed our service assurance platform to provide a range of further cost efficiencies including customer self-installation.

2. **Operator Ready Android TV**; which has emerged as a credible service delivery choice for pay-TV operators with its ability to provide a rich user experience – with value added content – and new features like personalisation, content recommendation and voice control. Initial orders for devices have been secured in North America as demand is driven by our differentiated 'Operator ready' solution – which adds our own unique software capabilities to the underlying Android platform. During the period, we updated our platform to the latest 'Android O' version and have also carried out a series of well attended marketing workshops at industry events with Google and partners in Europe, North America and, most recently, Asia.

3. **Upcycle legacy STB to next-generation**; where we utilise our core software to leverage an operator's existing assets, including their installed base of TV devices, to deliver new content and consumer experiences to the home. Our track record of delivering this transformational change for leading operators positions us strongly in our markets and we now have a solid pipeline of opportunities albeit with relatively long sales cycles.

Streamlining our portfolio

In addressing these market opportunities, we have simplified and streamlined our portfolio to better focus our capabilities:

- *AminoTV*: this is our end-to-end platform – formerly MOVE – and offers customers a complete video service delivery solution from content ingest through to a consumer 'TV everywhere' experience.
- *AminoOS*: this combines our core Enable and Android TV software stacks with the Engage service assurance platform in line with customer take-up of bundled offerings.
- *AminoView*: this remains our device offering and includes IPTV, cable-hybrid TV and dual and single mode Android TV products.

We believe these changes will provide additional clarity to our propositions and align them more closely with both our customers and market trends.

Operational review

Our performance in the North American market was impacted by the phasing of orders received from a major customer, more of which will be recognised in the second half of the year than the first half. We continue to see sustained growth for our software-based service assurance platform which is becoming a key element in operators' efforts to drive down operational costs through improved remote troubleshooting and device self-installation which significantly reduces the requirement for an engineer to visit the customer.

Latin America was broadly flat year-on-year in terms of revenues; however, we have continued to make good progress with follow-on orders from key customers and secured a significant new contract with a major regional operator.

European sales recovered after a period of decline with a long-standing customer re-commencing orders in the second half of last year. Following on from the DELTA launch of multiscreen services, Dutch regional service provider Kabelnoord will also deploy the AminoTV platform to support a new service rollout in the second half of 2018. A contract win with T-2 in Slovenia to support their deployment of 4K UHD services was also announced during the period.

Operationally, we have been successfully mitigating ongoing industry-wide pricing pressure on key device components such as silicon, memory and multi-layer ceramic capacitors (MLCC). Our relentless focus on supply chain management continues to mitigate, where possible, price increases for customers and hence this pricing pressure does not alter our confidence in meeting our previous expectations for the full year. In line with many technology companies, we anticipate further pressure on component pricing and availability for the remainder of this year.

We continue to seek complementary acquisition opportunities to improve our product portfolio, whilst maintaining a disciplined approach to ensure such opportunities meet clearly defined strategic and financial objectives and therefore drive long-term shareholder value. To that end, we evaluated more than one material acquisition opportunity during the period, incurring a modest amount of due diligence expenses before electing not to continue discussions.

Outlook

We have entered the second half of the year with a strong order book, backlog and pipeline coverage alongside a clear set of propositions for the markets we serve. Furthermore, over 75% of our forecast revenue for the full year is secured. Operationally, we will continue to focus on managing the supply chain to mitigate component price increases. As such, the Board is confident on delivering a full year performance in line with its previous expectations.

Donald McGarva
Chief Executive Officer
16 July 2018

Chief Financial Officer's review

On 6 June 2018 the Group announced that from the beginning of the current financial year it would be changing the currency in which it presents its financial results from UK pounds sterling ("sterling") to US dollars ("dollars"), denoted by the symbol $. Accordingly, the previously reported results for the six months ended 31 May 2017 and for the year ended 30 November 2017 have been translated from sterling to dollars using the exchange rates set out in note 7.

Revenue for the period decreased by 17% to $41.2m (H1 2017: $49.8m) primarily as a result of the previously communicated change in phasing of orders by one of our major customers. Adjusted operating profit was $3.8m (H1 2017: $9.0m), predominantly as a result of the reduction in revenue and therefore gross profit. Operating loss was $0.1m (H1 2017: $6.3m profit). In line with its progressive dividend policy, the Board has recommended an interim dividend of 1.683 sterling pence per share, a 10% increase over the prior year. The Group has a strong balance sheet with net cash at 31 May 2018 of $15.0m (FY 2017: $17.4m, H1 2017: $16.8m) and is debt free.

Revenue

	H1 2018 $m	H1 2017 $m	Change
Recurring	2.3	1.9	21%
One-off	2.3	1.8	28%
Software and services	4.6	3.7	24%
Devices including integrated software	36.6	46.1	(21%)
Revenue	**41.2**	**49.8**	**(17%)**

Software and service revenues represent revenues from our AminoTV TV Everywhere platform, our AminoOS software sold independently from devices as well as support for our AminoView devices. Software and service revenues increased by 24% in H1 2018 as a result of growth across all these revenue streams and are now 11% of total revenues for the period (H1 2017: 7%). Annual run rate recurring revenues increased to $4.7m million (H1 2017: $3.7 million). Device revenue declined as a result of the change in phasing of orders by one of our major customers in North America and we expect this trend to reverse in the second half of the year.

The Group's revenues are globally distributed as follows:

	As reported		
	H1 2018 $m	H1 2017 $m	Change
North America	20.4	31.1	(34%)
Latin America	6.9	7.4	(7%)
Europe	13.4	10.7	25%
Rest of World	0.5	0.6	(17%)
Revenue	**41.2**	**49.8**	(17%)

In North America, revenue declined as a result of the change in phasing of orders by one of our major customers. In Europe, sales growth was driven by a long-standing customer re-commencing orders in the second half of last year, as well as growth in software and services.

Gross profit

Excluding the impact of a one off $0.2m credit in respect of royalty costs recognised in prior years which have subsequently been renegotiated, adjusted gross profit decreased by 23% to $17.1m (H1 2017: $22.1m). Adjusted gross margin decreased slightly to 42% (H1 2017: 44%) as increases in silicon and memory prices were not fully offset by higher margin software revenue. We expect continued component pricing pressure of silicon, memory and MLCC to continue into H2 2018, consistent with our full year expectations. Including the impact of the one off $0.2m credit (described above), gross profit decreased by 22% to $17.3m (H1 2017: $22.1m).

Operating expenses

	As reported		
	H1 2018 $m	H1 2017 $m	Change
R&D	3.5	3.5	-%
SG&A	6.8	7.2	(6)%
Share-based payment charge	0.7	0.6	17%
Exceptional costs	1.9	0.7	171%
Depreciation and amortisation	4.6	3.8	21%
Operating expenses	**17.5**	**15.8**	11%

In H1 2018, the Group's R&D and SG&A costs were denominated 45% in US and HK Dollars (H1 2017: 51%), 40% in sterling (H1 2017: 40%) and 15% in Euros (H1 2017: 9%). In March, we completed the final stage of rationalising our three R&D centres into two which resulted in $1.4m annualised cost reductions.

The Group continues to invest in research and the development of new products and spent $5.8m on R&D activities (H1 2017: $6.2m) of which $2.2m was capitalised (H1 2017: $2.7m). Share based payment charges totalled $0.7m (H1 2017: $0.6m).

Exceptional items

Exceptional items included within operating expenses in H1 2018 comprised $1.6m restructuring costs incurred as a result of the final rationalisation of our R&D centres. $0.3m costs were also incurred in respect of more than one potential, material acquisition. These were aborted following the completion of phase one of due diligence.

Depreciation and amortisation

Excluding amortisation of intangibles recognised on acquisition, depreciation and amortisation was $3.0m (H1 2017: $2.4m). Amortisation of intangibles recognised on acquisition was $1.5m (H1 2017: $1.4m).

Operating profit

Adjusted operating profit excluding share-based payment charges of $0.7m, exceptional items of $1.7m and amortisation of intangibles recognised on acquisition of $1.5m was $3.8m (H1 2017: $9.0m). Statutory operating loss was $0.1m (H1 2017: $6.3m profit).

Taxation

The tax charge comprises a $0.3m credit relating to the unwinding of the deferred tax liability recognised in respect of the amortisation of intangible assets recognised on acquisition.

Profit after tax

Profit after tax was $0.2m (H1 2017: $6.2m).

Earnings per share

After adjusting for the after-tax impact of exceptional items, share-based payment charges and amortisation of intangibles recognised on acquisition, adjusted basic earnings per share decreased by 57% to 5.19 US cents (H1 2017: 12.00 US cents) and adjusted diluted earnings per share decreased by 56% to 5.14 US cents (H1 2017: 11.7 US cents). Basic earnings per share was 0.21 US cents (H1 2017: 8.62 US cents) and diluted earnings per share was 0.21 US cents (H1 2017: 8.40 US cents).

Cash flow

Adjusted cash flow from operations was $6.3m (H1 2017: $16.4m) and represented 93% of adjusted EBITDA (H1 2017: 148%). In H1 2017, adjusted cash flow from operations benefitted from a $5m working capital inflow which resulted from larger orders being completed well in advance of the period end. The timing of order completion in H1 2018 meant that this was not repeated. Exceptional cash costs as a result of the R&D centre rationalisation were $1.2m. Cash generated from operations was $5.1m (H1 2017: $16.4m).

During the period the Group spent $0.1m (H1 2017: $0.1m) on capital expenditure and capitalised $2.2m of research and development costs (H1 2017 $2.7m). The Group also paid dividends of $5.2m.

Financial position

The Group had net cash balances at 31 May 2018 of $15.0m (FY 2017: $17.4m, H1 2017: $16.8m). The Group also has a £15.0m sterling multicurrency working capital loan facility which amortises to £12.5m sterling in July 2018 and to £10m sterling in July 2019. It expires in July 2020 and was undrawn at the period end.

At 31 May 2018 the Group had total equity of $68.4m (FY 2017: $73.1m, H1 2017: $62.2m) and net current assets of $11.7m (FY 2017: $14.4m, H1 2017: $6.5m). 76% of trade receivables were insured (FY 2017: 70%, H1 2017: 61%) and debtor days were 27 days (FY 2017: 26 days, H1 2017: 25 days).

Dividend

The Board is pleased to confirm that it intends to recommend an interim dividend of 1.68 pence sterling per share (H1 2017: 1.53 pence sterling per share), representing a 10% year-on-year increase, in line with Amino's previously stated progressive dividend policy. This will be payable on 3rd September 2018. The record date for the interim dividend is 10th August 2018 and the corresponding ex-dividend date is 9th August 2018.

Mark Carlisle
Chief Financial Officer
16 July 2018

Consolidated Income Statement

For the six months ended 31 May 2018

	Notes	**Six months ended 31 May 2018 Unaudited Total $000s**	Six months ended 31 May 2017 Unaudited Total $000s	Year ended 30 November 2017 Unaudited Total $000s
Revenue	3	**41,178**	49,839	96,136
Cost of sales		**(23,830)**	(27,706)	(50,890)
Gross profit		**17,348**	22,133	45,246
Operating expenses		**(17,472)**	(15,817)	(32,068)
Operating (loss)/profit		**(124)**	6,316	13,178
Analysed as:				
Adjusted operating profit		**3,801**	9,017	15,051
Share based payment charge		**(652)**	(543)	(996)
Exceptional items	4	**(1,726)**	(750)	2,003
Amortisation of acquired intangible assets		**(1,547)**	(1,408)	(2,880)
Operating (loss)/profit		**(124)**	6,316	13,178
Finance expense		**(86)**	(3)	(5)
Finance income		**54**	-	111
Net finance (expense)/income		**(32)**	(3)	106
(Loss)/profit before tax		**(156)**	6,313	13,284
Tax credit/(charge)		**309**	(148)	2,001
Profit/(loss) for the period from continuing operations attributable to equity holders		**153**	6,165	15,285
Basic earnings per 1p ordinary share	5	0.21c	8.62c	21.27c
Diluted earnings per 1p ordinary share	5	0.21c	8.40c	20.84c

The accompanying notes are an integral part of these interim condensed consolidated financial statements.

Consolidated Statement of Comprehensive Income

For the six months ended 31 May 2018

	Six months ended 31 May 2018 Unaudited	Six months ended 31 May 2017 Unaudited	Year ended 30 November 2017 Unaudited
	$000s	$000s	$000s
Profit for the period	**153**	6,165	15,285
Foreign exchange difference arising on consolidation	**(415)**	1,630	4,041
Other comprehensive (expense)/ income	**(415)**	1,630	4,041
Total comprehensive (loss)/income for the period	**(262)**	7,795	19,326

Consolidated Balance Sheet
As at 31 May 2018

	Notes	As at 31 May 2018 Unaudited $000s	As at 31 May 2017 Unaudited $000s	As at 30 November 2017 Unaudited $000s
Assets				
Non-current assets				
Property, plant and equipment		**684**	838	793
Intangible assets		**58,147**	59,295	60,672
Deferred tax assets		**744**	719	751
Other receivables		**409**	398	408
		59,984	61,250	62,624
Current assets				
Inventories		**4,315**	7,078	4,285
Trade and other receivables		**17,388**	6,305	15,233
Cash and cash equivalents		**15,049**	16,837	17,386
		36,752	30,220	36,904
Total assets		**96,736**	91,470	99,528
Capital and reserves attributable to equity holders of the business				
Called-up share capital		**1,327**	1,327	1,327
Share premium		**32,300**	32,300	32,300
Capital redemption reserve		**12**	12	12
Foreign exchange reserves		**(12,241)**	(14,237)	(11,826)
Other reserves		**30,122**	30,122	30,122
Retained earnings		**16,836**	12,632	21,158
Total equity		**68,356**	62,156	73,093
Liabilities				
Current liabilities				
Trade and other payables		**25,062**	23,008	22,499
Corporation tax payable		**12**	688	26
		25,074	23,696	22,525
Non-current liabilities				
Provisions		**1,768**	3,552	2,056
Deferred tax liability		**1,538**	2,066	1,854
		3,306	5,618	3,910
Total liabilities		**28,380**	29,314	26,435
Total equity and liabilities		**96,736**	91,470	99,528

The interim condensed consolidated financial statements on pages 8 to 18 were approved by the Board of directors on 16 July 2018 and were signed on its behalf by Donald McGarva, Director.

Consolidated Cash Flow Statement
For the six months ended 31 May 2018

	Notes	**Six months ended 31 May 2018 Unaudited $000s**	Six months ended 31 May 2017 Unaudited $000s	Year to 30 November 2017 Unaudited $000s
Cash flows from operating activities				
Cash generated from operations	6	**5,087**	16,412	22,246
Net corporation tax paid		**-**	(11)	(717)
Net cash generated from operating activities		**5,087**	16,401	21,529
Cash flows from investing activities				
Expenditure on intangible assets		**(2,239)**	(2,654)	(6,041)
Purchase of property, plant and equipment		**(112)**	(102)	(272)
Interest received/(paid)		**54**	(3)	106
Acquisition of subsidiary		**-**	(494)	(494)
Net cash used in investing activities		**(2,297)**	(3,253)	(6,701)
Cash flows from financing activities				
Proceeds from exercise of employee share options		**93**	146	444
Dividends paid		**(5,220)**	(4,194)	(5,623)
Net cash used in financing activities		**(5,127)**	(4,048)	(5,179)
Net (decrease)/increase in cash and cash equivalents		**(2,337)**	9,100	9,649
Cash and cash equivalents at start of the period		**17,386**	7,737	7,737
Effects of exchange rate fluctuations on cash held				
Cash and cash equivalents at end of period		**15,049**	16,837	17,386

The accompanying notes are an integral part of these interim condensed consolidated financial statements.

Consolidated Statement of Changes in Equity

	Share capital	Share premium	Merger reserve	Foreign exchange reserve	Capital redemption reserve	Profit and loss account	Total
	$000s	$000s	$000s	$000s	$000s	$000s	$000s
Shareholders' equity at 1 December 2016 (unaudited)	1,325	31,871	30,122	(15,867)	12	9,597	**57,060**
Profit for the period	-	-	-	-	-	6,165	**6,165**
Other comprehensive income	-	-	-	1,630	-	-	**1,630**
Total comprehensive income for the period attributable to equity holders	-	-	-	1,630	-	6,165	**7,795**
Share based payment charge	-	-	-	-	-	543	**543**
Exercise of employee share options	-	-	-	-	-	146	**146**
Issue of new shares	2	429	-	-	-	-	**431**
Treasury shares used	-	-	-	-	-	375	**375**
Dividends paid	-	-	-	-	-	(4,194)	**(4,194)**
Total transactions with owners	2	429	-	-	-	(3,130)	**(2,699)**
Total movement in shareholders' equity	2	429	-	1,630	-	3,035	**5,096**
At 31 May 2017 (unaudited)	1,327	32,300	30,122	(14,237)	12	12,632	**62,156**

	Share capital	Share premium	Merger reserve	Foreign exchange reserve	Capital redemption reserve	Profit and loss account	Total
Shareholders' equity at 1 December 2017 (unaudited)	1,327	32,300	30,122	(11,826)	12	21,158	73,093
Profit for the period	-	-	-	-	-	153	**153**
Other comprehensive expense	-	-	-	(415)	-	-	**(415)**
Total comprehensive loss for the period attributable to equity holders	-	-	-	(415)	-	153	**(262)**
Share based payment charge	-	-	-	-	-	652	**652**
Exercise of employee share options	-	-	-	-	-	93	**93**
Dividends paid	-	-	-	-	-	(5,220)	**(5,220)**
Total transactions with owners	-	-	-	-	-	(4,475)	**(4,475)**
Total movement in shareholders' equity	-	-	-	(415)	-	(4,322)	**(4,737)**
At 31 May 2018 (unaudited)	**1,327**	**32,300**	**30,122**	**(12,241)**	**12**	**16,836**	**68,356**

1 General information

Amino Technologies plc ('the Company') and its subsidiaries (together 'the Group') specialises in IPTV software technologies and hardware platforms that enable delivery of digital programming and interactivity over IP networks, including the internet.

The Company is a public limited company which is listed on the AIM market of the London Stock Exchange and is incorporated and domiciled in England and Wales.

2 Basis of preparation

These interim condensed consolidated financial statements have been prepared using accounting policies based on International Financial Reporting Standards ("IFRS") and International Financial Reporting Interpretations Committee ("IFRIC") interpretations published by 31 May 2018 as endorsed by the European Union (EU). The accounting policies, presentation and methods of computation followed in the preparation of these interim consolidated financial statements are consistent with those applied in the Group's audited financial statements for the year ended 30 November 2017, except for the change in presentational currency. These interim condensed consolidated financial statements are not required to and do not comply with IAS 34 "Interim financial reporting".

The financial information presented for the six-month periods ended 31 May 2018 and 31 May 2017 has not been audited. The comparative financial information presented for the year ended 30 November 2017 does not constitute, the full statutory Annual Report of Amino Technologies plc for that year and is not audited due to the change in presentation currency (the audited statutory annual report of Amino Technologies plc for the year ended 30 November 2017 was presented in sterling). The statutory Annual Report and Financial statements for 2017 have been delivered to the Registrar of Companies. The independent Auditors' Report on that Annual Report and Financial Statements for the year ended 30 November 2017 was unqualified and did not contain a statement under Section 498(2) or Section 498(3) Companies Act 2006.

After making enquiries, the Directors have concluded that the Group has adequate resources to continue operational existence for the foreseeable future. Accordingly, they continue to adopt the going concern basis in preparing these interim condensed consolidated financial statements.

Change in presentation currency

On 6 June 2018 the Group announced that from the beginning of the current financial year it would be changing the currency in which it presents its financial results from UK pounds sterling ("sterling") to US dollars ("dollars"). Accordingly, the reported results for the six months ended 31 May 2017 and for the year ended 30 November 2017 have been translated from sterling to dollars.

The trading results of subsidiaries where the functional currency was other than dollars were translated into dollars at the relevant average rates of exchange while the assets and liabilities of these operations were translated into dollars at the relevant closing rates of exchange. A change in presentation currency represents a change in accounting policy which is accounted for retrospectively.

3 Revenue

Based on the management reporting system, the Group has only one operating segment, being the development and sale of broadband network software and systems, including licensing and support services. All revenues, costs, assets and liabilities relate to this segment. The information provided to the Amino Technologies plc chief operating decision maker is measured in a manner consistent with the measures within the financial statements. The chief operating decision maker is the executive board.

The geographical analysis of revenue from external customers generated by the identified operating segment is:

	Six months ended 31 May 2018 Unaudited $000s	Six months ended 31 May 2017 Unaudited $000s	Year to 30 November 2017 Unaudited $000s
North America	**20,382**	31,081	60,513
Latin America	**6,900**	7,418	10,635
Europe	**13,368**	10,700	23,212
Rest of the World	**528**	640	1,776
	41,178	49,839	96,136

4 Exceptional items

Exceptional items included within cost of sales and operating expenses comprised:

	Six months ended 31 May 2018 Unaudited $000s	Six months ended 31 May 2017 Unaudited $000s	Year to 30 November 2017 Unaudited $000s
Credit relating to royalty costs recognised in prior years and subsequently negotiated	**(224)**	-	(2,387)
Subtotal cost of sales	**(224)**	-	(2,387)
Contingent post acquisition remuneration	**-**	750	1,046
Release of deferred contingent consideration (conditions not met)	**-**	-	(831)
Redundancy and associated costs	**1,612**	-	169
Aborted acquisition costs	**338**	-	-
Subtotal operating expenses	**1,950**	750	384
Total exceptional items	**1,726**	750	(2,003)

The Group identifies and reports material, non-recurring and incremental costs and income as exceptional items separately from underlying operating expenses and income. Exceptional and other costs may include: restructuring costs (as defined in IAS 37 Provisions, Contingent Liabilities and Contingent Assets), legal and professional advisors fees in respect of acquisition costs, including aborted acquisitions, and contingent post-acquisition remuneration payable relating to the acquisition of Entone, Inc.

5 Earnings per share

	Six months ended 31 May 2018 Unaudited $000s	Six months ended 31 May 2017 Unaudited $000s	Year to 30 November 2017 Unaudited $000s
Profit attributable to shareholders	**153**	6,165	15,285
Adjustments:			
Employee share based payment charge	**652**	543	996
Exceptional items	**1,726**	750	(2,003)
Amortisation on acquired intangible assets	**1,547**	1,408	2,880
Tax associated with above items	**(309)**	(282)	(576)
Adjusted profit for the period	**3,769**	8,584	16,582
	Number	Number	Number
Weighted average number of shares (Basic)	**72,624,967**	71,507,847	71,851,262
Weighted average number of shares (Diluted)	**73,396,708**	73,373,264	73,350,612
Basic earnings per share (cents)	**0.21**	8.62	21.27
Diluted earnings per share (cents)	**0.21**	8.40	20.84
Adjusted basic earnings per share (cents)	**5.19**	12.00	23.08
Adjusted diluted earnings per share (cents)	**5.14**	11.70	22.61

The calculation of basic earnings per share is based on profit after taxation and the weighted average number of ordinary shares of 1p each in issue during the period, as adjusted for shares held by an Employee Benefit Trust and held by the Company in treasury.

Adjusted earnings per share is a non-GAAP measure and therefore the approach may differ between companies.

For diluted earnings per share, the weighted average number of ordinary shares in issue is adjusted to assume conversion of all dilutive potential ordinary share options and shares to be issued in respect of the contingent post acquisition remuneration relating to the acquisition of Entone, Inc. The Group has only one category of dilutive potential ordinary share options: those share options where the vesting conditions have not yet been met.

6 Cash generated from operations

	Six months ended 31 May 2018 Unaudited $000s	Six months ended 31 May 2017 Unaudited $000s	Year ended 30 November 2017 Unaudited $000s
(Loss)/profit before tax	**(156)**	6,313	13,284
Net finance charges/(income)	**32**	3	(106)
Amortisation charge	**4,352**	3,553	7,925
Depreciation charge	**216**	207	423
Loss on disposal of property, plant & equipment	**-**	-	1
Share based payment charge	**652**	543	996
Exchange differences	**126**	511	481
(Increase)/decrease in inventories	**(30)**	(146)	2,646
(Increase)/decrease in trade and other receivables	**(2,155)**	11,508	3,065
Increase/(decrease) in trade and other payables	**2,050**	(6,080)	(6,469)
Cash generated from operations	**5,087**	16,412	22,246

Adjusted operating cash flow before exceptional cash outflows was $6,345k (H1 2017 $16,411k) and is reconciled to cash generated from operations as follows:

	Six months ended 31 May 2018 Unaudited $000s	Six months ended 31 May 2017 Unaudited $000s	Year ended 30 November 2017 Unaudited $000s
Adjusted operating cashflow	**6,350**	16,412	23,746
		-	-
Redundancy and associated costs	**(1,214)**	-	-
Contingent post-acquisition remuneration	**-**	-	(1,500)
Acquisition costs	**(49)**	-	-
Cash generated from operations	**5,087**	16,412	22,246

Adjusted cash generated from operations is a non-GAAP measure and excludes cash from exceptional items.

	Six months ended 31 May 2018 Unaudited $000s	Six months ended 31 May 2017 Unaudited $000s	Year ended 30 November 2017 Unaudited $000s
Adjusted EBITDA	**6,822**	11,369	20,520
Adjusted operating cashflow conversion %	***93%***	*144%*	*116%*
		-	-
Exceptional items	**(1,726)**	(750)	2,003
Share based payment charge	**(652)**	(543)	(996)
EBITDA	**4,444**	10,076	21,527
Operating cashflow conversion %	***114%***	*163%*	*103%*

Adjusted EBITDA is a non-GAAP measure and is defined as earnings before interest, taxation, depreciation, loss on disposal of property, plant and equipment, amortisation, exceptional items and share based payment charges.

7 Five year US dollar comparative information

Income statement	Year ended 30 November 2017 Unaudited $m	2016 Unaudited $m	2015 Unaudited $m	2014 Unaudited $m	2013 Unaudited $m
Revenue	96.1	101.6	63.9	59.8	55.9
Adjusted EBITDA	20.5	17.4	11.4	11.2	9.5
Adjusted operating profit	15.1	13.0	7.8	6.9	5.3
Exceptional and other items	(1.9)	(10.4)	(7.5)	(0.3)	1.2
Interest (net)	0.1	0.0	0.1	0.1	0.1
Profit before tax	13.3	2.6	0.4	6.7	6.6
Tax credit/(charge)	2.0	(0.2)	0.1	0.0	(0.1)
Profit attributable to equity holders	15.3	2.4	0.5	6.7	6.5
Average number of employees	197	209	150	100	103

Earnings per share	Year ended 30 November 2017 Unaudited $ cents	2016 Unaudited $ cents	2015 Unaudited $ cents	2014 Unaudited $ cents	2013 Unaudited $ cents
Adjusted basic	23.08	18.78	13.13	13.36	10.10
Adjusted diluted	22.61	18.59	13.06	13.25	10.02
Basic	21.27	3.68	0.93	12.69	12.31
Diluted	20.84	3.65	0.92	12.51	12.22

Dividends

Dividend per ordinary share GBP pence	6.65	6.05	5.50	5.00	3.45
Dividend per ordinary share USD cents	8.52	8.33	8.43	8.26	5.38

Balance sheet	As at 30 November 2017 Unaudited $m	2016 Unaudited $m	2015 Unaudited $m	2014 Unaudited $m	2013 Unaudited $m
Non-current assets	62.6	60.5	71.6	7.6	8.2
Net current assets	14.4	2.4	5.0	32.7	32.5
Total assets less current liabilities	77.0	62.9	76.6	40.3	40.7
Non-current liabilities	-	(0.8)	(2.7)	-	-
Provisions for liabilities and charges	(3.9)	(5.1)	(6.2)	-	-
Net assets	73.1	57.0	67.7	40.3	40.7
Called up share capital	1.3	1.3	1.1	0.9	0.9
Reserves	71.8	55.7	66.6	39.4	39.8
Shareholders' funds	73.1	57.0	67.7	40.3	40.7

Exchange rates used USD:GBP	2017	2016	2015	2014	2013
Average rate	1.28061	1.37702	1.53254	1.65267	1.56034
Year end rate	1.33975	1.24440	1.50311	1.56386	1.63477

8 Cautionary statement

This document contains certain forward-looking statements relating to the Group. The Group considers any statements that are not historical facts as “forward-looking statements”. They relate to events and trends that are subject to risk and uncertainty that may cause actual results and the financial performance of the Group to differ materially from those contained in any forward-looking statement. These statements are made by the Directors in good faith based on information available to them and such statements should be treated with caution due to the inherent uncertainties, including both economic and business risk factors, underlying any such forward-looking information