9 July 2019

AMINO TECHNOLOGIES PLC

("Amino", the "Company" or the "Group")

HALF YEAR RESULTS

Transformation programme and full year expectations on track

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 2019.

Financial highlights:

$m unless otherwise stated	**H1 2019**	**H1 2018**	**Change**
Revenue	34.6	41.2	(16%)
Adjusted gross profit (1)	15.4	17.1	(10%)
Adjusted gross profit margin (%)	44.5%	41.5%	3pp
Adjusted profit before tax (1)	4.7	3.8	24%
Adjusted basic earnings per share (US cents)(1)	6.03c	5.19c	16%
Statutory gross profit	15.9	17.3	(8%)
Statutory profit/(loss) before tax	2.5	(0.1)	
Statutory basic earnings per share (US cents)	3.28c	0.21c	
Net cash	19.3	15.0	28%
Interim dividend per share (GBP pence)	1.68p	1.68p	-%

Financial highlights
- Resilient gross margin performance in macro-economic conditions which remain challenging
- More than $5m annualised cost savings delivered in the period, as planned
- Dividend maintained in line with previous commitment
- Strong cash generation:119% adjusted operating cash conversion
- Resilient balance sheet: $19.3m net cash at 31 May 2019
- In line with full year expectations

Strategic and operational highlights
- Transformation programme completed on schedule in April 2019
- Acceleration of focus on value-added software, services and hardware
    - AminoOS: first major sale through new Original Design Manufacturer channel
    - AminoTV: deployed on a multi-tenanted platform for the first time
    - AminoVU devices (powered by Amino OS): supporting the roll out of fibre in Bolivia
    - Contract wins and partnerships in the US, Asia Pacific and South America driven by ability to deliver hardware supported by the agile capabilities of AminoOS software
    - Google certification: next generation devices received operator tier Android certification
- Board appointments: Karen Bach appointed as Non-Executive Chairman, Steve Vaughan as Non-Executive Director, Erika Schraner as Non-Executive Director, providing excellent experience and balance to the board

Notes

(1) Adjusted gross profit, adjusted gross profit margin, adjusted operating profit, adjusted profit before tax and adjusted basic 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.

Karen Bach, Non-Executive Chairman, said:

"Amino made good progress in the first half of the year, in macro-economic conditions which remain challenging. Our strategy is on track, which aims to drive higher quality of earnings through a focus on recurring software revenues and services in addition to value-add hardware. We delivered strong margins and cash generation, reflecting the resilience and quality of the Amino business.

Our contract wins and partnerships reflect Amino's three long-term growth drivers: IP / Cloud TV Everywhere, Operator Ready Android TV and Upcycling legacy devices to next generation TV experiences. Ongoing progress with our transformation strategy allied to our strong order book, backlog and sales pipeline coverage underpins the Board's confidence in guidance for the full year."

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.

For further information please contact:

Amino Technologies plc	+44 (0)1954 234100
Donald McGarva, Chief Executive Officer	
Mark Carlisle, Chief Financial Officer	
finnCap Limited (NOMAD and Broker)	+44 (0)20 7220 0500
Matt Goode / Carl Holmes / Simon Hicks – (Corporate Finance)	
Tim Redfern / Richard Chambers – (ECM)	
FTI Consulting LLP (Financial communications)	+44 (0)20 3727 1000
Jamie Ricketts / Alex Le May / Chris Birt	

About Amino Technologies plc

Amino is a global leader in 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 IP/cloud 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.

Having deployed over 10 million customer premise devices and the software necessary to link the back end to the user interface, we understand the issues operators face. We partner with operators to deliver end-to-end, operator-ready solutions that enable next-generation customer experiences. We 'upcycle' existing infrastructure to support more advanced services and integrate seamlessly with new technologies to form a unified ecosystem. The result is a fresh consumer offering based on a consistent user experience across all screens, building brand reputation, stemming churn, growing subscribers and increasing average revenue per user (ARPU).

Amino Communications is a wholly-owned subsidiary of Amino Technologies PLC which is listed on the London Stock Exchange Alternative Investment Market (AIM: symbol AMO), with headquarters in Cambridge, United Kingdom, and global offices in California, Finland, Hong Kong and Portugal. For more details, visit www.aminocom.com

Chief Executive Officer's review

Market evolution

Network operators are looking to service the needs of the modern TV consumer in a cost-effective way. As a technology innovator and trusted partner, Amino delivers the solutions to meet those needs.

Consumers want to enjoy content at the time and location of their choice. Independent research shows that almost half of US audiences prefer TV shows where episodes in a series are released all at once[2]. Two thirds of millennials want to watch content in a short space of time at their discretion, rather than relying on traditional scheduled programming. However, the majority of consumers struggle to find content they want to watch, despite access to a high volume of original content across linear and OTT channels[3]. Creating a user experience which allows consumers to easily discover new shows and quickly navigate large volumes of on-demand content is therefore increasingly a priority and differentiator for content providers.

This fundamental change in our market is the context in which Amino has delivered first half results in line with our expectations.

A smart and cost-effective portfolio

In addressing these market opportunities, we have a powerful portfolio of products to deliver our smart and cost-effective solutions:

- **AminoTV** delivers video content, anytime, anywhere on any device - driving control and competitiveness via its modular end-to-end software platform. Field-proven, AminoTV is a fully customisable, multi-tenanted solution, allowing operators to take advantage of best of breed eco-system partners and a full Android TV package of options.
- **AminoOS** is our award-winning software solution for deploying and managing connected devices. AminoOS supports both Linux and Android TV and integrates with a broad and deep industry ecosystem. Truly agnostic, AminoOS is a multi-tenanted SaaS solution which can be deployed alongside the AminoVU portfolio or on a wide range of third-party devices.
- **AminoVU** is a complete portfolio of IPTV and Android devices (software and hardware) with an industry leading reputation for reliability and performance. AminoVU devices deploy with market leading self-install rates. The next generation of these devices is certified with Google on their Operator Tier Android TV platform.

We believe our propositions and portfolio align closely to key market trends and our customers' requirements.

Strategic progress

Consistent with our strategy of delivering software and services and value-add hardware, in the first half of the year:

- Deployed our AminoTV solution (delivering video content, anytime, anywhere on any device) on a multi-tenanted platform to deliver modern TV experiences in the Netherlands for Dutch cable and internet service providers Delta and Caiway;
- Increased AminoTV platform users by 22%;
- Delivered our first major sale of AminoOS (our award-winning software solution for deploying and managing connected devices) through Amino's new Original Design Manufacturer partnership channel (for a top tier pay TV operator in the APAC region); and
- Increased AminoOS ENGAGE service assurance SaaS platform users in by 33%.

In addition, our AminoVU devices (our complete portfolio of IPTV and Android devices), powered by AminoOS continue to gain traction with operators such as Entel in Bolivia where they support the roll out of fibre. Contract wins and partnerships in the US, Asia Pacific and South America have been driven by Amino's ability to deliver hardware supported by the agile capabilities of its AminoOS software. During the period our next generation devices also received Google's operator tier Android certification.

We have completed the transformation programme announced in February 2019, which will support an acceleration of our focus on software and services and value-add hardware. The programme was completed on schedule in April 2019 and has delivered annualised cost savings of more than $5m.

Strategic market opportunities

We continue to focus on our three strategic market opportunities which are supported by our AminoTV, AminoOS and AminoVU solutions:

1. **IP/Cloud TV Everywhere**: The market for the delivery of IP/Cloud TV Everywhere software and services is forecast to grow. A recent report by Nagra indicates that 86% of service providers are offering an online TV solution via a TV Everywhere approach(4). Our solutions provide cost-effective and friction free ways to deploy modern multiscreen TV and video solutions.
2. **Operator Ready Android TV**: Android TV continues to be a force for growth in the pay TV sector with market analysts forecasting that 70% of operators are considering Android TV. Amino's solution enables operators to integrate Android TV quickly and effectively as well as adding key functionality designed to make the system pay TV ready.
3. **Upcycle legacy STB to next generation**: AminoOS powers modern and legacy set-top-boxes. It improves performance and significantly reduces the costs of deploying modern TV experiences. S&P Global estimates this global market to grow to $800m by 2021.

Operational review

Revenue was in line with management's expectations at $34.6m (H1 2018: $41.2m) with adjusted operating profit increasing by 24% to $4.7m (H1 2018: $3.8m). Net cash at 31 May 2019 was $19.3m (31 May 2018: $15.0m).

Our performance in the North American market has been on target. This is a good result given the backdrop of US tariffs delaying and disrupting purchasing decisions. Contract wins in the region included Waverly Utilities who selected our market leading Multimedia over Coax ("MoCa") capabilities. MoCa delivers IP over existing coaxial cable deployed in the home. We also saw good momentum in existing customers migrating to our next-generation devices.

Latin America continues to be an important market for Amino. We have made good progress with follow-on orders from key customers and also secured a significant new contract with Entel, the national telecommunications operator in Bolivia, supporting a major country-wide fibre roll-out.

In Europe, AminoTV has seen significant growth in active subscribers across its customer base with a 22% increase in the period. We have also rolled out AminoTV across Delta (the number one internet provider in Zeeland, in the Netherlands) and Caiway (the Dutch internet, TV and telephony firm) on a mutli-tenanted platform and therefore expect this growth to continue in the second half. The territory has also been strengthened by the creation of a new distribution agreement with Scansource to cover all EMEA.

During the period we officially certified the next generation of these devices with Google on their Operator Tier Android TV platform.

Operationally, we exceeded our $5m annualised cost saving target through the transformation programme. We remain focused on improving key component costs in our supply chain. We are starting to see pricing and supply constraint pressures on key components easing, which remain dependent on external market forces.

In May 2019, the US Commerce Department's Bureau of Industry and Security added Huawei (and 68 non-US Huawei affiliates) to the BIS Entity List. Subject to the outcome of recent discussions between the US and China, this may mean that certain US companies are unable to trade with Huawei. Whilst the outcome of these talks is not yet clear, there is a risk that this may disrupt discrete elements of our supply chain for a small number of products. Whilst we do not expect this to have a material impact on our performance, we have taken mitigating steps by dual-sourcing key components to offer our customers alternative solutions. Feedback from customers on our alternative solutions has been positive.

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.

Outlook

We have entered the second half of the year having completed our transformation programme on schedule and with a strong order book, backlog and pipeline coverage alongside a clear set of propositions for our strategic markets. Whilst we expect challenging market conditions to continue into the second half of the year, Amino's strategic and operational progress supports the Board's confidence of delivering full year performance in line with its previous expectations.

Donald McGarva
Chief Executive Officer
8 July 2019

Notes

(1) YouGov entertainment research - https://bit.ly/2RoMeaJ.
(2) PWC The future of customer experience report - https://pwc.to/2Lkz7GC.
(3) Industry perspectives on a year of pay-tv and TT convergence, Nagra / Pay TV Innovation Forum White Paper- August 2018.

Chief Financial Officer's review

Adjusted operating profit[(5)] for the period increased by 24% to $4.7m (H1 2018: $3.8m), as a result of the transformation programme announced in February 2019 to increase our focus on higher margin opportunities, and its positive impact on cost reduction. Operating profit increased by 2600% to $2.5m (H1 2018: $0.1m loss). Revenue decreased by 16% to $34.6m (H1 2018: $41.2m) as expected.

In line with the Group's stated dividend policy of maintaining the dividend for at least this and the next financial year, the Board has recommended an interim dividend of 1.68 sterling pence per share, in line with the prior year. The Group has a strong balance sheet with net cash at 31 May 2019 of $19.3m (H1 2018: $15.0m) and is debt free.

Revenue

	H1 2019 $m	**H1 2018 $m**	**Change**
Recurring	2.4	2.3	4%
Non-recurring	1.2	2.3	(48)%
Software and services	3.6	4.6	(22)%
Devices including integrated software	31.0	36.6	(15%)
Revenue	**34.6**	**41.2**	**(16%)**

Software and services represent 10% of total revenues for the period (H1 2018: 11%), comprising revenues from our AminoTV platform, our AminoOS software sold independently from devices as well as support for our AminoVU devices. Software and service revenues decreased by 22% in H1 2019, primarily as a result of lower AminoTV professional services for our largest customer as part of the natural cycle of a shift to project maintenance after implementation.

Annual run rate recurring revenues increased to $4.9m (H1 2018: $4.7m). This decreased from $5.1m at 30 November 2018 primarily due to contracted hardware support fee reductions at a major customer not being fully offset by the increase in AminoTV and AminoOS Engage subscribers.

Device revenue declined as expected as a result of the focus on higher margin accounts.

The Group's revenues are globally distributed as follows:

As reported	H1 2019 $m	H1 2018 $m	Change
North America	17.2	20.4	(16%)
Latin America	5.1	6.9	(26%)
Europe	11.2	13.4	(16)%
Rest of World	1.1	0.5	120%
Revenue	**34.6**	**41.2**	(16%)

(5) Adjusted operating profit is a non-GAAP measure and excluded amortisation of acquired intangibles, exceptional items and share-based payment charges. Further details of these adjustments are set out in note 5.

In North America, orders were steady and on target following the disruption caused by the introduction of tariffs in H2 2018. In Europe, the decline in revenues largely follows the reduction in professional services revenue of AminoTV, although continued orders from existing customers and the launch of AminoTV as a multi-tenant platform meant that good progress continued to be made in the region. In Latam, orders from Argentina were still in hiatus following the economic instability in the country, however, orders from Entel in Bolivia to support their fibre roll out bolstered sales in the region.

Gross profit

Excluding the impact of a one off $0.5m credit (H1 2018: $0.2m) in respect of royalty costs recognised in prior years which have subsequently been renegotiated, adjusted gross profit decreased by 10% to $15.4m (H1 2018: $17.1m). Adjusted gross margin increased to 45% (H1 2018: 42%) with the focus on higher margins accounts. Component pricing pressure of silicon, memory and multi-layer ceramic capacitors (“MLCCs”) remain depending on external market forces. Including the impact of the one off $0.5m credit (H1 2018: $0.2m) (described above), gross profit decreased by 8% to $15.9m (H1 2018: $17.3m).

Operating expenses

As reported	H1 2019 $m	H1 2018 $m	Change
R&D	3.0	3.5	(14%)
SG&A	5.6	6.8	(18%)
Share-based payment charge	0.5	0.7	(29%)
Exceptional costs	0.8	1.9	(58%)
Depreciation and amortisation	3.6	4.6	(22%)
Operating expenses	**13.5**	**17.5**	(23%)

In H1 2019, the Group’s R&D and SG&A costs were denominated 45% in US and HK Dollars (H1 2018: 45%), 37% in sterling (H1 2018: 40%) and 18% in Euros (H1 2018: 15%). In April, we completed the our previously announced transformation programme which resulted in more than $5m annualised cost reductions.

The Group continues to invest in research and the development of new products and spent $4.8m on R&D activities (H1 2018: $5.8m) of which $1.8m was capitalised (H1 2018: $2.3m). Share based payment charges totalled $0.5m (H1 2018: $0.7m).

Exceptional items

Exceptional items included within operating expenses in H1 2019 comprised $0.8m restructuring costs incurred as a result of the transformation restructuring programme and a credit of $0.5m relating to royalty costs recognised in prior years and subsequently renegotiated.

Depreciation and amortisation

Excluding amortisation of intangibles recognised on acquisition, depreciation and amortisation was $2.2m (H1 2018: $3.0m). Amortisation of intangibles recognised on acquisition was $1.4m (H1 2018: $1.5m).

Operating profit

Adjusted operating profit was $4.7m (H1 2018: $3.8m) excluding share-based payment charges of $0.5m, exceptional items of $0.3m and amortisation of intangibles recognised on acquisition of $1.4m. Statutory operating profit was $2.5m (H1 2018: $0.1m loss).

Taxation

The tax charge comprises a $0.2m credit relating to the unwinding of the deferred tax liability recognised in respect of the amortisation of intangible assets recognised on acquisition and a $0.3m current tax charge for the period.

Profit after tax

Profit after tax was $2.5m (H1 2018: $0.2m).

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 increased by 16% to 6.03 US cents (H1 2018: 5.19 US cents) and adjusted diluted earnings per share increased by 16% to 5.97 US cents (H1 2018: 5.14 US cents). Basic earnings per share was 3.28 US cents (H1 2018: 0.21 US cents) and diluted earnings per share was 3.25 US cents (H1 2018: 0.21 US cents).

Cash flow

Adjusted cash flow from operations was $8.1m (H1 2018: $6.4m) and represented 119% of adjusted EBITDA (H1 2018: 94%). Exceptional cash costs as a result of the R&D centre rationalisation were $1.9m. Cash generated from operations was $6.3m (H1 2018: $5.2m).

During the period the Group spent $0.1m (H1 2018: $0.1m) on capital expenditure and capitalised $1.8m of research and development costs (H1 2018: $2.2m). The Group also paid dividends of $5.3m.

Financial position

The Group had net cash balances at 31 May 2019 of $19.3m (H1 2018: $15.0m). The Group also has a £12.5m sterling multicurrency working capital loan facility which amortises to £10m sterling in July 2019. It expires in July 2020 and was undrawn at the period end.

At 31 May 2019 the Group had total equity of $70.8m (H1 2018: $68.4m) and net current assets of $18.6m (H1 2018: $11.7m). 87% of trade receivables were insured (H1 2018: 76%) and debtor days were 24 days (H1 2018: 27 days).

Dividend

The Board confirms that it intends to recommend an interim dividend of 1.68 pence sterling per share (H1 2018: 1.68 pence sterling per share), in line with Amino's previous commitment to maintain its dividend at FY18 level until FY20. This will be payable on 2 September 2019. The record date for the interim dividend is 9 August 2019 and the corresponding ex-dividend date is 8 August 2019.

Mark Carlisle
Chief Financial Officer
8 July 2019

Consolidated Income Statement

For the six months ended 31 May 2019

	Notes	**Six months ended 31 May 2019 Unaudited Total $000s**	Six months ended 31 May 2018 Unaudited Total $000s
Revenue	3	**34,634**	41,178
Cost of sales		**(18,694)**	(23,830)
Gross profit		**15,940**	17,348
Operating expenses		(13,478)	(17,472)
Operating profit/(loss)		**2,462**	(124)
Analysed as:			
Adjusted operating profit		**4,691**	3,801
Share based payment charge		**(473)**	(652)
Exceptional items	4	**(317)**	(1,726)
Amortisation of acquired intangible assets		**(1,439)**	(1,547)
Operating profit/(loss)		**2,462**	(124)
Finance expense		**(9)**	(86)
Finance income		**60**	54
Net finance income /(expense)		**51**	(32)
Profit/(loss) before tax		**2,513**	(156)
Tax (charge)/credit		**(124)**	309
Profit/(loss) for the period from continuing operations attributable to equity holders		**2,389**	153
Basic earnings per 1p ordinary share	5	3.28c	0.21c
Diluted earnings per 1p ordinary share	5	3.25c	0.21c

Consolidated Statement of Comprehensive Income

For the six months ended 31 May 2019

	Six months ended 31 May 2019 Unaudited	Six months ended 31 May 2018 Unaudited
	$000s	$000s
Profit for the period	**2,389**	153
Foreign exchange difference arising on consolidation	**(226)**	(415)
Other comprehensive expense	**(226)**	(415)
Total comprehensive income/(loss) for the period	**2,163**	(262)

Consolidated Balance Sheet

As at 31 May 2019

Assets	**As at 31 May 2019 Unaudited $000s**	As at 31 May 2018 Unaudited $000s	As at 30 November 2018 Audited $000s
Non-current assets			
Property, plant and equipment	**559**	684	534
Intangible assets	**52,901**	58,147	54,734
Deferred tax assets	**707**	744	716
Other receivables	**423**	409	402
	54,590	59,984	56,386
Current assets			
Inventories	**3,281**	4,315	3,633
Trade and other receivables	**11,589**	17,388	20,290
Cash and cash equivalents	**19,326**	15,049	20,310
	34,196	36,752	44,233
Total assets	**88,786**	96,736	100,619
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	**(14,539)**	(12,241)	(14,420)
Other reserves	**30,122**	30,122	30,122
Retained earnings	**21,671**	16,836	24,146
Total equity	**70,893**	68,356	73,487
Liabilities			
Current liabilities			
Trade and other payables	**14,916**	25,062	24,226
Corporation tax payable	**673**	12	393
	15,589	25,074	24,619
Non-current liabilities			
Trade and other payables	**14**	-	-
Provisions	**1,321**	1,768	1,318
Deferred tax liability	**969**	1,538	1,195
	2,304	3,306	2,513
Total liabilities	**17,893**	28,380	27,132
Total equity and liabilities	**88,786**	96,736	100,619

Consolidated Cash Flow Statement

For the six months ended 31 May 2019

	Notes	**Six months ended 31 May 2019 Unaudited**	Six months ended 31 May 2018 Unaudited
		$000s	$000s
Cash flows from operating activities			
Cash generated from operations	6	**6,273**	5,166
Net corporation tax paid		**(66)**	-
Net cash generated from operating activities		**6,207**	5,166
Cash flows from investing activities			
Expenditure on intangible assets		**(1,819)**	(2,239)
Purchase of property, plant and equipment		**(77)**	(112)
Interest received		**51**	54
Net cash used in investing activities		**(1,845)**	(2,297)
Cash flows from financing activities			
Proceeds from exercise of employee share options		**-**	93
Dividends paid		**(5,336)**	(5,220)
Net cash used in financing activities		**(5,336)**	(5,127)
Net decrease in cash and cash equivalents		**(974)**	(2,258)
Cash and cash equivalents at start of the period		**20,310**	17,386
Effects of exchange rate fluctuations on cash held		**(10)**	(79)
Cash and cash equivalents at end of period		**19,326**	15,049

Notes to the interim condensed consolidated financial information
Six months ended 31 May 2019

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 consolidated financial statements have been prepared using accounting policies based on International Financial Reporting Standards (IFRS and IFRIC Interpretations) issued by the International Accounting Standards Board ("IASB") as adopted for use in the EU. They do not include all disclosures that would otherwise be required in a complete set of financial statements and should be read in conjunction with the 30 November 2018 ('2018') Annual Report. The financial information for the half years ended 31 May 2019 and 31 May 2018 does not constitute statutory accounts within the meaning of Section 434 (3) of the Companies Act 2006 and both periods are unaudited.

The annual financial statements of Amino Technologies Plc ('the group') are prepared in accordance with IFRS as adopted by the European Union. The statutory Annual Report and Financial Statements for 2018 have been filed with the Registrar of Companies. The Independent Auditors' Report on the Annual Report and Financial Statements for the year ended 30 November 2018 was unqualified, did not draw attention to any matters by way of emphasis and did not contain a statement under 498(2) - (3) of the Companies Act 2006.

The Group has applied the same accounting policies and methods of computation in its interim consolidated financial statements as in its 2018 annual financial statements, except for those that relate to new standards and interpretations effective for the first time for periods beginning on (or after) 1 December 2018, and will be adopted in the 2018 financial statements. New standards impacting the Group that will be adopted in the annual financial statements for the year ended 30 November 2018, and which have given rise to changes in the Group's accounting policies are:

- IFRS 9 Financial Instruments; and
- IFRS 15 Revenue from Contracts with Customers

Details of the impact of these two standards are given below. 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 have a material impact on the Group.

IFRS 9 Financial Instruments

IFRS 9 has replaced IAS 39 Financial Instruments: Recognition and Measurement. The impairment provision on financial assets measured at amortised cost (such as trade and other receivables) have been calculated in accordance with IFRS 9's expected credit loss model, which differs from the incurred loss model previously required by IAS 39. This has not resulted in a change to the impairment provision at 1 December 2018.

IFRS 15 Revenue from Contract with Customers

IFRS 15 has replaced IAS 18 Revenue and IAS 11 Construction Contracts as well as various Interpretations previously issued by the IFRS Interpretations Committee, noting the Company has adopted a fully retrospective approach, meaning that the cumulative impact of the adoption has been recognised in retained earnings as at 1 December 2017 and the comparatives have been restated. There is no material impact on any revenue stream for the Group, noting the following as it relates to the Group's revenue streams:

The table below shows the main revenue recognition differences for each performance obligation under IAS 18 and IFRS 15:

Performance obligation	IAS 18	IFRS 15
Devices, integrated software and associated accessories	On delivery of the goods	No change As noted in the CFO report, c.90% of the Group's revenues in the six months to 31 May 2019 were derived from the sale of devices incorporating integrated Amino software and associated accessories
License revenues (perpetual)	On transfer of the economic benefit of the license to the customer	When control of the software has passed to the customer – a change in terminology only with no change in amounts recognised for the Group
License revenues (recurring), support and maintenance and hosting services	Over the period in which the license or service is provided on a straight line basis	No change
Bespoke development services	Percentage of completion method by reference to work performed	At a point in time when control of the bespoke development has passed to the customer; this may result in revenue being recognised at a later stage
Professional services billed on a time and materials basis	As work performed	No change

Going Concern
The consolidated financial statements have been prepared on a going concern basis. In reaching their assessment, the directors have considered a period extending at least 12 months from the date of approval of this half-yearly financial report. This assessment has included consideration of the forecast performance of the business for the foreseeable future, the cash and financing facilities available to the Group, and the repayment terms in respect of the Group's borrowings.

The Board of Directors approved this interim report on 8 July 2019.

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 2019 Unaudited $000s	Six months ended 31 May 2018 Unaudited $000s
North America	**17,273**	20,382
Latin America	**5,095**	6,900
EMEA	**11,181**	13,368
Rest of the World	**1,085**	528
	34,634	41,178

4 Exceptional items

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

	Six months ended 31 May 2019 Unaudited $000s	Six months ended 31 May 2018 Unaudited $000s
Credit relating to royalty costs recognised in prior years and subsequently negotiated	**(523)**	(224)
Subtotal cost of sales	**(523)**	(224)
Redundancy and associated costs	**840**	1,612
Aborted acquisition costs	**-**	338
Subtotal operating expenses	**840**	1,950
Total exceptional items	**317**	1,726

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 the release of royalty costs recognised in prior years and subsequently renegotiated. Exceptional income comprises material amounts outside the course of normal trading activities.

5 Earnings per share

	Six months ended 31 May 2019	Six months ended 31 May 2018
	Unaudited	Unaudited
	$000s	$000s
Profit attributable to shareholders	**2,389**	153
Profit attributable to shareholders excluding exceptional items, share-based payments and amortisation of acquired intangibles and associated taxation	**4,392**	3,769
	Number	Number
Weighted average number of shares (Basic)	**72,832,502**	72,624,967
Weighted average number of shares (Diluted)	**73,530,593**	73,396,708
Basic earnings per share (cents)	**3.28**	0.21
Diluted earnings per share (cents)	**3.25**	0.21
Adjusted basic earnings per share (cents)	**6.03**	5.19
Adjusted diluted earnings per share (cents)	**5.97**	5.14

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. The Group has only one category of dilutive potential ordinary share options: those share options where the exercise price is less than the average market price of the Company's ordinary shares during the year.

The profit attributable to shareholders excluding exceptional items is derived by adding back exceptional items, share-based payments and amortisation of acquired intangibles of $2,229,000 (2018: $3,925,000), disclosed on the face of the consolidated income statement, and subtracting the tax effect thereon $226,000 (2018: $309,000).

6 Cash generated from operations

	Six months ended 31 May 2019 Unaudited	Six months ended 31 May 2018 Unaudited
	$000s	$000s
Profit/(loss) before tax	**2,513**	(156)
Net finance (income)/charges	**(51)**	32
Amortisation charge	**3,622**	4,352
Depreciation charge	**(25)**	216
Loss on disposal of property, plant & equipment	**15**	-
Share based payment charge	**472**	652
Exchange differences	**(32)**	205
Decrease/(increase) in inventories	**352**	(30)
Decrease/(increase) in trade and other receivables	**8,701**	(2,155)
Increase in provisions	**2**	-
(Decrease)/increase in trade and other payables	**(9,296)**	2,050
Cash generated from operations	**6,273**	5,166

Adjusted operating cash flow before exceptional cash outflows was $8,143k (H1 2018 $6,429k) and is reconciled to cash generated from operations as follows:

	Six months ended 31 May 2019 Unaudited	Six months ended 31 May 2018 Unaudited
	$000s	$000s
Adjusted operating cashflow	**8,143**	6,429
Redundancy and associated costs	**(1,565)**	(1,214)
Aborted acquisition costs	**-**	(49)
Escrow release paid to employees	**(305)**	-
Cash generated from operations	**6,273**	5,166

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

6 Cash generated from operations (continued)

	Six months ended 31 May 2018	Six months ended 31 May 2018
	Unaudited	Unaudited
	$000s	$000s
Adjusted EBITDA	**6,849**	6,822
Adjusted operating cashflow conversion %	***119%***	*94%*
Exceptional items	**(317)**	(1,726)
Share based payment charge	**(472)**	(652)
EBITDA	**6,060**	4,444
Operating cashflow conversion %	***104%***	*116%*

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 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.