

22 November 2021

Thruvision Group plc

(“Thruvision” or the “Group”)

Interim Results for the six months ended 30 September 2021

Thruvision (AIM: THRU), the specialist provider of ‘safe distance’ people-screening technology to the international security market, announces its unaudited results for the six months ended 30 September 2021.

Key Highlights

- Revenue for the six months ended 30 September 2021 was £2.0 million (H1 2021: £4.7 million).
- Trading since 30 September has strengthened significantly and confidence about H2 trading is strong.
- Profit Protection revenue grew by 50% to £1.0 million in the first half (H1 2021: £0.65 million) and a further £1.7 million of orders have since been received.
- Since the end of H1 we have received a major order from Tesco, the leading UK retailer, following its decision to deploy Thruvision at scale across its UK distribution network.
- Last year’s large H1 sale to US Customs and Border Protection (CBP) was not repeated this year but strong engagement during H1 supports confidence of expected order-flow in H2.
- Transportation Security Administration (TSA) accreditation testing continued after the Covid-19 hiatus.
- The Group’s EBITDA loss was £1.6 million (H1 2021: breakeven) and gross margin of 49% (H1 2021: 48%)
- Cash balance at 30 September 2021 was £4.1 million (31 March 2021: £7.3 million), with cash at 19 November 2021 of £4.0 million.

Commenting on the results, Colin Evans, Chief Executive of Thruvision, said:

“We have seen steadily building momentum since the spring, with continued strong performance in our Profit Protection market in particular. We are delighted to add Tesco to our growing list of major users and are pleased with the increasing traction we are seeing with retailers in Europe and the US. We have been very active helping US Customs and Border Protection (CBP) respond to the rapid increase in immigration levels on the southern border and anticipate future orders as a result. We are increasingly confident that both Profit Protection and CBP can deliver strong growth over the short to medium term, and that we are well positioned to benefit from the ongoing recovery in the global aviation sector. As a result, we remain confident of achieving growth in full year revenue and an improvement in our cash position in H2.”

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About Thruvision

Thruvision is the leading provider of safe distance, people security screening technology. Using patented passive terahertz technology, Thruvision is uniquely capable of detecting metallic and non-metallic threats including weapons, explosives and contraband items that are hidden under clothing, at distances between 3m and 10m. Addressing the growing need for safe, fast and effective security, Thruvision completely removes the need for physical “pat-downs” and has been vetted and approved by the US Transportation Security Administration for surface transportation. Operationally deployed in 20 countries around the world, Thruvision is used for aviation and transportation security, retail supply chain loss prevention, facilities and public area protection and customs and border control. The company has offices near Oxford and Washington DC.

www.thruvision.com

Half year report

for the six months ended 30 September 2021

Chairman's Statement

The Group’s trading momentum has continued to build strongly this financial year, particularly in Profit Protection, although first half revenue of £2.0 million (H1 2021: £4.7 million, H2 2021: £2.0 million) was reduced due to sales slipping into early

H2 as described in the Trading Update of 7 October. Last year's H1 comparator included material revenue of £2.9 million from a US CBP order which was not repeated in H1 this year although we do anticipate further order flow from this customer in H2. Encouragingly, we have already added a further £1.7 million of Profit Protection orders since the end of September.

Profit Protection revenue grew by 50% over H1 and, as with previous periods, this growth continues to come from both existing customers, including ASOS, JD Sports and Next as they open new distribution centre capacity, and from new customers attracted by our success at existing installations. We are particularly pleased that since the end of H1, Tesco has become the latest major UK retailer to invest in a substantial rollout following a pilot programme that demonstrated a strong return on investment. We are encouraged by progress in both the US and Europe where we have invested in further sales capacity in the last six months. This progress has convinced us that our Profit Protection revenues are now set on a long-term growth path.

In our Customs segment, the absence of CBP orders in H1 reduced our headline revenue, but we are increasingly confident about the scale of the opportunity with this important customer. With growing immigration pressure on the US southern border, many of our existing installed units have been redeployed to meet this challenge and we have worked closely with CBP to effect this. This close engagement has revealed the significant value our solution provides, and we are increasingly confident of a further significant expansion of Thruvision deployments by CBP over the next year.

In our third key market, Aviation, traffic levels are starting to recover, and we continue to progress through the TSA accreditation process. Although this has been a slow and often frustrating process, contactless security remains a priority for the global aviation industry, and we remain well placed to meet this need when accredited and as the global aviation industry recovers.

Thanks to the hard work and determination of our staff, the business has come through the pandemic well, albeit with our growth trajectory delayed, and we are now confident that the worst effects of Covid-19 are behind us. Our other major recent concern relates to the well-publicised supply chain issues disrupting much of industry and our team has worked hard to mitigate its impact on our business. I am pleased to report that our supplies of essential components have been largely protected and that our key supplier relationships remain very strong.

Outlook

With Profit Protection performing strongly, growing confidence about our strategic prospects with CBP and continued improvements in broader international market conditions, we remain confident of achieving growth in full year revenue and an improvement in our cash position in H2 as the business returns to its pre-pandemic growth trajectory.

Strategic Update

Thruvision addresses the growing international need to safely, quickly and comprehensively security screen individuals for weapons, contraband or other illicit items that might be concealed in their clothing. As reported previously, the pandemic has seen many organisations look to replace metal detectors and airport body scanners given they both require physical contact between security guards and individuals to resolve alarms. By operating at a physically distant range of several metres, Thruvision cameras completely remove the need for physical searches.

With this important differentiator and our growing flagship customer list, we believe we have now established ourselves in the mainstream international security market. Our Profit Protection market in the UK, US and Europe is recovering strongly from Covid-19, international customs agencies are very active again as borders reopen, and the recovery of the global aviation industry is now underway.

Business Review

Profit Protection

Our Profit Protection market continues to be driven by the rapid growth in online retailing and home delivery services. Theft by employees in distribution centres of easy-to-conceal, high value items such as fashion apparel, cosmetics, electronics, alcohol and tobacco continues to be a significant problem which many retailers struggle to address.

Order-flow has steadily picked up since the end of the spring lockdown in the UK. Against full year Profit Protection revenue of £2.0 million in FY 2021, we recorded £1.0 million of revenue in the first half and have added £1.7 million of new orders since the end of September. This performance has come from a number of customers including Next, Boots, JD Sports, ASOS, THG, Clipper and CEVA either adding units to new or upgraded distribution centres or upgrading old Thruvision models to our latest LPC product family, designed specifically for the Profit Protection market. We are particularly pleased that since the end of H1 Tesco has become the latest major UK retailer to invest in a substantial rollout following an initial pilot programme that demonstrated a strong return on investment.

In addition to the UK, we have installed units in The Netherlands, Germany, Ireland, Poland and the US in the period and our new sales teams covering Eastern Europe, Western Europe and the US are making excellent progress in building the broader sales pipeline.

Half year report (continued)

for the six months ended 30 September 2021

Customs

This is a well-established Thruvision market, where our ability to detect predominantly non-metallic, prohibited items such as cash and drugs at all types of border checkpoint means we have no direct competition. We have equipment in service with nine international customs agencies, but CBP represents, by some distance, our single largest opportunity in this market.

Although we did not receive any orders from CBP in the first half (H1 2021: CBP order value £3.8 million), the Chief Privacy Officer for US Department of Homeland Security approved Thruvision's operational use by CBP and we have trained over 700 officers in the last few months. We have partnered with one of CBP's major equipment providers and as a result have made the Thruvision product range available for purchase via the US Government Services Administration (GSA) purchasing portal. Given the mounting pressure on the southern border with Mexico in particular, we are seeing strong operational demand for further units, and we are increasingly confident that we will see further significant order-flow from CBP, via our chosen partner in this area, in H2 and beyond.

Our interactions with a number of other customs agencies in Asia, the Gulf, and UK Border Force have increased as borders have re-opened, and we therefore foresee a growing opportunity in the broader customs market beyond CBP.

Aviation

Global aviation is starting to recover as governments and airline operators establish various Covid-19 management protocols, with the reopening of UK / US travel the latest example. Our primary focus remains moving through the TSA accreditation process where slow but positive progress has been made. We are seeing a pick-up in enquiry rates from airlines and airports both in the US and the UK where our contactless detection capability is recognised as a key differentiator. We expect "Detection at Range" (as described by TSA) to become a formalised equipment category, alongside existing airport body scanners and metal detections, in due course.

Other

The entrance security and surface transportation markets remain a lower priority for us at this time. Nevertheless, a number of recent, fatal workplace shootings in the US have resulted in some of our retail customer prospects also expressing interest in our products enabling "dual-use" deployments covering both outgoing theft and incoming firearms detection.

We have also seen increasing interest and some early sales into two new niche markets. In the Prisons market, we have sold units to both Australia and The Netherlands where authorities are aiming to use our technology to disrupt the flow of contraband within prisons. Within the natural resources sector, we are seeing interest from mining and mineral processing businesses which are concerned about the theft of a range of items including precious metals and blasting explosives. In both these markets, no other technology provides the detection performance and flexibility of deployment that Thruvision can achieve.

Product Range

We launched fully our extended product range during the early part of H1. Using our modular hardware architecture, we are now using different software functionality to meet the specific needs of each of our different markets. We have recently launched our AI-based "Dynamic Detection" algorithm, developed to meet aviation accreditation requirements, to the Profit Protection market. This will enable faster employee screening which will, in many cases, strengthen the business case to invest in Thruvision technology.

Manufacturing

Our manufacturing capability remains robust, and our principal suppliers have traded well through the pandemic. We are only seeing supply-chain issues in generic components such as power supplies and PCs, which we have been able to manage effectively to date. It remains our intention to assemble products for the US market in that country and, with modest further investment in manufacturing capacity, we expect to complete the outsourcing of US assembly and test of our cameras to our Florida-based partner in the remainder of this year. This will have the added benefit of scaling-up our production capacity and our business resilience.

People

Overall headcount remained constant at 42 during the period as the Group reduced administrative support but strengthened its US team and grew the Profit Protection sales team in Europe. We also added a new VP Software to continue to develop our product range through further software innovation.

Half year report (continued)

for the six months ended 30 September 2021

Financial review

Financial results

During the six months ended 30 September 2021, revenues were £2.0 million (H1 2021: £4.7 million, FY 2021: £6.7 million). H1 2021 contained a single order from US Customs and Border Protection (CBP) resulting in revenue of £2.9 million in the period which did not recur in H1 2022, although further orders from CBP are anticipated in H2 2022. Gross margin increased slightly from the prior period to 49% (H1 2021: 48%, FY 2021: 48%), where the mix of units sold, and unit pricing were similar.

The Group EBITDA loss was £1.6 million (H1 2021: breakeven, FY 2021 loss of £1.5 million). Operating loss in the period was £2.0 million (H1 2021: loss of £0.5 million), FY 2021: loss of £2.8 million).

Cash at 30 September 2021 was £4.1 million (31 March 2021: £7.3 million), with cash at 19 November 2021 of £4.0 million. Some £0.8 million of this reduction in cash during H1 relates to increases in our stock balance to support expected orders in H2.

Financial summary

	6 months ended	6 months ended	12 months ended
	30-Sep-21	30-Sep-20	31-Mar-21
	Unaudited	Unaudited	Audited
	£'000	£'000	£'000
Revenue	1,962	4,653	6,700
Cost of sales	(1,001)	(2,397)	(3,486)
Gross Profit	961	2,256	3,214
EBITDA	(1,580)	12	(1,501)
Depreciation and amortisation	(285)	(245)	(518)
Share based payments (LTIP)	(138)	(177)	(409)
FX gains/(losses)	(1)	(92)	(329)
Operating profit / (loss)	(2,004)	(502)	(2,757)
Finance revenue	10	11	22
Finance costs	(7)	(11)	(21)
Profit / (Loss) before tax	(2,001)	(502)	(2,756)
Income tax	87	108	266
Profit / (Loss) for the period / year from continuing operations	(1,914)	(394)	(2,490)
Discontinued operations			
Profit/(loss) from discontinued operations (net of tax)	(33)	41	2
Profit / (Loss) for the period / year	(1,947)	(353)	(2,488)

Half year report (continued)

for the six months ended 30 September 2021

Key Performance Indicators (“KPIs”)

The Group considers the following to be the relevant KPIs which track the trading performance and position of the business.

	6 months ended	6 months ended	12 months ended
	30-Sep-21	30-Sep-20	31-Mar-21
	£'000	£'000	£'000
Financial KPIs			
Revenue	1,962	4,653	6,700
Average revenue per unit sold *	73	72	67
Gross Profit	961	2,256	3,214
Gross Margin	49%	48%	48%
Overheads **	(2,827)	(2,538)	(5,282)
EBITDA profit / (loss)	(1,580)	12	(1,501)

* Average revenue per unit has been recalculated from the figures presented in previous financial periods. The above comparative data now excludes warranty and support revenue which is separately analysed out below.

** Overheads exclude the share-based payment charge as well as foreign exchange gains and losses. See Overheads table on page 6 for further detail.

Non-financial KPIs	6 months	6 months	12 months
	30-Sep-21	30-Sep-20	31-Mar-21

No of units sold	22	58	84
Number of staff at end of period	42	39	42

Revenue

Thruvision revenues were £2.0 million in the six months to 30 September 2021 (H1 2021: £4.7 million, FY 2021: £6.7 million). Revenues has been split between our three principle activities (unit sales, warranty and support revenue and research and development revenues) as below.

Unit volumes of 22 (H1 2021: 58 units, FY 2021: 84 units) were achieved in the period despite challenges presented by Coronavirus and the continuing weakness in the Aviation and Customs sectors. 19 of these units were in Profit Protection (H1 2021: 11 units, FY 2021: 36 units).

Revenue	6 months	6 months	12 months
	30-Sep-21	30-Sep-20	31-Mar-21
	£'000	£'000	£'000
Units	1,607	4,149	5,666
Warranty and support	300	349	836
Development	55	155	198
Total	1,962	4,653	6,700

The principal growth driver for the business is unit sales and, while we expect to continue to be awarded customer funded development contracts, we do not expect this to form a material proportion of revenues in the future.

Half year report (continued)

for the six months ended 30 September 2021

Gross Profit Margin

Gross margin increased marginally to 49% in the year (H1 2021: 48%, FY 2021: 48%) principally due to warranty and support revenue making up a higher proportion of total revenue than in the comparative periods.

Gross Margin	6 months	6 months	12 months
	30-Sep-21	30-Sep-20	31-Mar-21
	£'000	£'000	£'000
Revenue	1,962	4,653	6,700
Gross Profit	961	2,256	3,214
Gross margin %	49%	48%	48%

Administrative expenses

Overheads increased by 11.4% to £2.8 million compared to the corresponding period in FY21. This was mainly due to investment to drive growth in the US and Europe Profit Protection markets which was partly offset by reduced international travel as a result of the lockdown.

Sales and marketing expenditure increased by £163k to target growth in our European and US profit protection markets.

Engineering costs include Manufacturing and R&D costs which have increased as a result of additional recruitment in our software department as we look to scale up and increase our product offerings going forwards.

Administrative expenses	6 months	6 months	12 months
	30-Sep-21	30-Sep-20	31-Mar-21
	£'000	£'000	£'000
Engineering	756	688	1,403

Sales and marketing	983	820	1,718
Property and administration	224	220	469
Management	338	321	642
PLC costs	241	244	532
Depreciation and amortisation	285	245	518
Overheads	2,827	2,538	5,282
Share based payments (LTIP)	138	177	409
Foreign exchange losses/(gains)	1	92	329
Total administration costs	2,966	2,807	6,020

Loss from continuing operations

Losses from continuing operations in the period were (£1.9 million) (H1 2021: (£0.4 million), FY 2021: (£2.5 million)) including share-based payments.

Thruvision continues to invest in sales and marketing activities, developing new markets and segments, whilst further investing in our engineering and manufacturing capacity including R&D.

Half year report (continued)

for the six months ended 30 September 2021.

Cash Flows

Cash and cash equivalents at 30 September 2021 were £4.1 million (H1 2021: £5.0 million, FY 2021: £7.3 million), with the principal movements in the period being the loss recorded in the period as well as the net £1.6 million working capital movements as per the cashflow statement on page 12.

Movements in working capital were as follows:

- £0.8 million of the reduction in cash since the start of the period relates to increases in our stock balance to support expected orders in Q3 2022.
- £0.5 million relates to a reduction in deferred revenue balances during the period, as revenues deferred as at 31 March 2021 was recognised as income in the period.
- A further net £0.4 million relates to a net decrease in trade payables, accruals and other creditors as well as provision balances. Trade creditors reduced due to the timing of stock purchases in the period.
- A reduction in Trade receivables offset the above, showing a decrease of £0.1 million in the period.

Consolidated income statement

for the six months ended 30 September 2021

		6 months ended 30 September 2021 Unaudited £'000	6 months ended 30 September 2020 Unaudited £'000	Year ended 31 March 2021 Audited £'000
Revenue	Note 2	1,962	4,653	6,700
Cost of sales		(1,001)	(2,397)	(3,486)
Gross profit		961	2,256	3,214
Administration costs		(2,966)	(2,807)	(6,020)
Other income		1	49	49
Operating loss		(2,004)	(502)	(2,757)
Finance revenue		10	11	22
Finance costs		(7)	(11)	(21)
Loss before tax		(2,001)	(502)	(2,756)
Income tax		87	108	266
Loss for the period / year from continuing operations		(1,914)	(394)	(2,490)

Discontinued operations			
(Loss)/profit from discontinued operation (net of tax)	(33)	41	2
Loss for the period / year	(1,947)	(353)	(2,488)

Adjusted loss:	3		
Loss before tax from continuing operations	(2,001)	(502)	(2,756)
Share-based payment	138	177	409
Adjusted loss before tax for the period / year from continuing operations	(1,863)	(325)	(2,347)

Consolidated statement of comprehensive income
for the six months ended 30 September 2021

	6 months ended 30 September 2021 Unaudited £'000	6 months ended 30 September 2020 Unaudited £'000	Year ended 31 March 2021 Audited £'000
Loss for the period / year from continuing operations	(1,914)	(394)	(2,490)
Profit/(loss) for the period / year from discontinued operations	(33)	41	2
Loss for the period / year attributable to owners of the parent	(1,947)	(353)	(2,488)
Other comprehensive income/(expense) from continuing operations			
Other comprehensive income that may be subsequently reclassified to profit and loss:			
Exchange differences on retranslation of foreign operations	2	-	(48)
Total comprehensive loss attributable to owners of the parent	(1,945)	(353)	(2,536)

Consolidated statement of financial position
at 30 September 2021

Note	30 September 2021 Unaudited £'000	30 September 2020 Unaudited £'000	31 March 2021 Audited £'000
Assets			
Non-current assets			
Property, plant and equipment	910	1,069	1,103
Other intangible assets	42	55	48
	952	1,124	1,151
Current assets			
Inventories	5,257	3,513	4,419
Trade and other receivables	1,316	7,479	1,442
Current tax recoverable	270	219	378
Cash and cash equivalents	4,097	5,016	7,268
	10,940	16,227	13,507
Total assets	11,892	17,351	14,658

Equity and liabilities

Attributable to owners of the parent

Equity share capital	5	1,458	1,455	1,458
Share Premium		47	-	47
Capital redemption reserve		163	163	163
Translation reserve		69	115	67
Retained earnings		7,769	11,476	9,578
Total equity		9,506	13,209	11,313

Non-current liabilities

Other payables		259	202	643
Provisions		38	38	38
		297	240	681

Current liabilities

Trade and other payables		1,849	3,733	2,489
Provisions		240	169	175
		2,089	3,902	2,664

Total liabilities		2,386	4,142	3,345
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Total equity and liabilities		11,892	17,351	14,658
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Consolidated statement of changes in equity

for the six months ended 30 September 2021

	Ordinary share capital £'000	Share premium £'000	Capital redemption reserve £'000	Translation reserve £'000	Retained earnings £'000	Total equity £'000
At 31 March 2020	1,455	-	163	115	11,652	13,385
Share-based payment credit	-	-	-	-	177	177
Transactions with shareholders	-	-	-	-	177	177
Loss for the period	-	-	-	-	(353)	(353)
Other comprehensive income	-	-	-	-	-	-
Total comprehensive loss	-	-	-	-	(353)	(353)
At 30 September 2020	1,455	-	163	115	11,476	13,209
Shares issued	3	47	-	-	-	50
Share-based payment credit	-	-	-	-	237	237
Transactions with shareholders	3	47	-	-	237	287
Loss for the period	-	-	-	-	(2,135)	(2,135)
Other comprehensive expense	-	-	-	(48)	-	(48)
Total comprehensive loss	-	-	-	(48)	(2,135)	(2,183)
At 31 March 2021	1,458	47	163	67	9,578	11,313
Share-based payment credit	-	-	-	-	138	138
Transactions with shareholders	-	-	-	-	138	138
Loss for the period	-	-	-	-	(1,947)	(1,947)
Other comprehensive income	-	-	-	2	-	2
Total comprehensive income/(loss)	-	-	-	2	(1,947)	(1,945)
At 30 September 2021	1,458	47	163	69	7,769	9,506

Consolidated statement of cash flows

for the six months ended 30 September 2021

	6 months ended 30 September 2021 Unaudited £'000	6 months ended 30 September 2020 Unaudited £'000	Year ended 31 March 2021 Audited £'000
Operating activities			
Loss before tax from continuing operations	(2,001)	(502)	(2,756)
Profit/(loss) before tax from discontinued operations	(33)	41	2
Loss before tax	(2,034)	(461)	(2,754)
Non-cash adjustment to reconcile loss before tax to net cash flows			
Depreciation of property, plant and equipment	278	238	504
Amortisation of intangible assets	7	7	14
Share-based payment transaction expense	138	177	409
Unrealised (losses) / gains on foreign exchange	(5)	11	5
Disposals of property, plant & equipment	25	8	103
Finance income	(10)	(11)	(22)
Finance costs	7	11	21
Working capital adjustments:			
Decrease / (increase) in trade and other receivables	126	(5,316)	956
Decrease / (increase) in inventories	(838)	158	(748)
Increase / (decrease) in trade and other payables	(479)	110	24
Increase / (decrease) in provisions	65	-	(175)
Increase / (decrease) in deferred revenue	(460)	1,380	891
Cash utilised in operations	(3,180)	(3,688)	(772)
Tax received	197	179	179
Net cash flow from operating activities	(2,983)	(3,509)	(593)
Investing activities			
Purchase of property, plant & equipment	(111)	(78)	(491)
Disposal of fixed assets	-	-	20
Interest received	10	11	22
Deferred consideration from disposal of Video Business	-	63	63
Net cash flow from investing activities	(101)	(4)	(386)
Financing activities			
Proceeds from issues of shares	-	-	50
Lease obligation repayments	(89)	(86)	(186)
Net cash flow from financing activities	(89)	(86)	(136)
Net (decrease) in cash and cash equivalents	(3,173)	(3,599)	(1,115)
Cash and cash equivalents at beginning of period / year	7,268	8,431	8,431
Effect of foreign exchange rate changes on cash and cash equivalents	2	184	(48)
Cash and cash equivalents at end of period / year	4,097	5,016	7,268

Notes to the financial statements

for the six months ended 30 September 2021

1. Accounting policies

Basis of preparation

The consolidated interim financial statements include those of Thruvision Group plc and all of its subsidiary undertakings (together "the Group") drawn up at 30 September 2021 and have been prepared in accordance with International Accounting Standard 34, "Interim Financial Reporting" ("IAS 34") as adopted for use in the European Union ("EU"). The consolidated interim financial statements have been prepared using accounting policies and methods of computation consistent with those applied in the consolidated financial statements for the period ended 31 March 2021.

The Group is a public limited company incorporated and domiciled in England & Wales and whose shares are quoted on AIM, a market operated by The London Stock Exchange.

All values are rounded to £'000 except where otherwise stated.

Accounting policies

The annual consolidated financial statements of the Group are prepared on the basis of International Financial Reporting Standards ("IFRS"). The consolidated interim financial statements are presented on a condensed basis as permitted by IAS 34 and therefore do not include all the disclosures that would otherwise be required in a full set of financial statements

and should be read in conjunction with the most recent Annual Report and Accounts which were approved by the Board of Directors on 9 July 2021 and have been filed with Companies House. The condensed interim financial statements do not constitute statutory accounts as defined in Section 435 of the Companies Act 2006 and are unaudited for all periods presented. The financial information for the 12-month period ended 31 March 2021 is extracted from the financial statements for that period. The auditors' report on those financial statements was unqualified and did not contain an emphasis of matter reference and did not contain a statement under section 498(2) or (3) of the Companies Act 2006.

The half year results for the current period to 30 September 2021 have not been audited or reviewed by auditors pursuant to the Auditing Practices Board guidance of Review of Interim Financial Information.

Adoption of new and revised International Financial Reporting Standards

The Group's accounting policies have been prepared in accordance with IFRS effective as at its reporting date of 30 September 2021.

Standards Issued

The standards and interpretations that are issued up to the date of issuance of the Group's interim financial statements are disclosed below. The Group has adopted these standards, if applicable, when these became effective. Further details are disclosed in the 31 March 2021 Annual Report available on the Group's website: thruvision.com

Accounting developments - new standards, amendments and interpretations issued and adopted

There were no new accounting standards or amendments requiring disclosure in the period.

Going concern

The Group's loss before tax from continuing operations for the period was £2.0 million (H1 2021: £0.5 million, FY 2021 £2.8 million). As at 30 September 2021 the Group had net current assets of £8.9 million (H1 2021: £12.3 million, FY 2021: £10.8 million) and net cash reserves of £4.1 million (H1 2021: £5.0 million, FY 2021: £7.3 million). Additionally net cash reserves were £4.0 million as at 19 November 2021.

The Board has reviewed cash flow forecasts for the period up to and including 30 November 2022. These forecasts and projections take into account reasonably possible changes in trading performance and show that the Group will be able to react as required in order to operate within the level of current funding resources, and no need for the Group to take on any debt. In order to stress test the adoption of the going concern basis, a cashflow forecast was also produced which looked at the highly unlikely scenario in which no further sales took place and certain non-discretionary areas of cash expenditure were reduced. This showed that even under this extreme condition, the Group would still have positive cash reserves as at 30 November 2022 with no need to take on external debt. The Directors therefore believe there is sufficient cash available to the Group to manage through these requirements.

As with all businesses, there are particular times of the year where the Group's working capital requirements are at their peak. However, the Group is well placed to manage business risk effectively and the Board reviews the Group's performance against budgets and forecasts on a regular basis to ensure action is taken where needed.

The Directors therefore are satisfied that the Group has adequate resources to continue operating for a period of at least 12 months from the approval of these accounts. For this reason, they have adopted the going concern basis in preparing the financial statements.

Notes to the financial statements (continued)

for the six months ended 30 September 2021

2. Segmental information

The Directors do not split the business into segments in order to internally analyse the business performance. The Directors believe that allocating overheads by department provides a suitable level of business insight. The overhead department cost centres comprise of Engineering (manufacturing and R&D), sales and marketing, property and administration, Management and PLC costs, with the split of costs as shown in the Half Year Report on page 6.

Analysis of revenue by customer

There have been three (H1 2021: one, FY 2021: one) individually material customer/s (each comprising in excess of 10% of revenue) during the period. These customers individually represented £359k, £206k and £200k of revenue (H1 2021: £2,917k, FY 2021: £3,094k).

The Group's revenue by customer's geographical location is detailed below:

	30 September 2021 Unaudited £'000	30 September 2020 Unaudited £'000	31 March 2021 Audited £'000
UK	941	467	1,045
Americas	693	3,599	4,501
Asia Pacific	85	100	140
Europe	92	37	428

Middle East and Africa	151	450	586
	1,962	4,653	6,700

The Group's Revenue by type is detailed below:

	30 September 2021 Unaudited £'000	30 September 2020 Unaudited £'000	31 March 2021 Audited £'000
Revenue recognised at point of delivery	1,662	4,304	5,864
Revenue recognised over time – extended warranty and support revenue	300	349	836
	1,962	4,653	6,700

The Group's non-current assets by geography are detailed below:

	30 September 2021 Unaudited £'000	30 September 2020 Unaudited £'000	31 March 2021 Audited £'000
UK	828	977	1,001
Americas	124	147	150
	952	1,124	1,151

3. Adjusted loss before tax

An adjusted loss before tax measure has been presented as the Directors believe that this is a more relevant measure of the Group's underlying performance. Adjusted loss is not defined under IFRS and has been shown as the Directors consider this to be helpful for a better understanding of the performance of the Group's underlying business. It may not be comparable with similarly titled measurements reported by other companies and is not intended to be a substitute for, or superior to, IFRS measures of profit.

The net adjustments to loss before tax from continuing operations are summarised below:

	6 months ended 30 September 2021 Unaudited £'000	6 months ended 30 September 2020 Unaudited £'000	Year ended 31 March 2021 Audited £'000
Share-based payment (LTIP)	138	177	409
Total adjustments	138	177	409

4. Loss per share

The following reflects the loss and share data used in the basic and diluted loss per share calculations:

Unadjusted loss per share	6 months ended 30 September 2021 Unaudited £'000	6 months ended 30 September 2020 Unaudited £'000	Year ended 31 March 2021 Audited £'000
Loss from continuing operations attributable to ordinary shareholders	(1,914)	(394)	(2,490)
Loss from continuing and discontinued operations attributable to ordinary shareholders	(1,947)	(353)	(2,488)
Weighted average number of shares	145,779,118	145,454,118	145,515,022
Basic and diluted loss per share – continuing operations	(1.31p)	(0.27p)	(1.71p)
Basic and diluted loss per share – continuing and discontinued operations	(1.34p)	(0.24p)	(1.71p)

Adjusted loss per share	6 months ended 30 September 2021 Unaudited £'000	6 months ended 30 September 2020 Unaudited £'000	Year ended 31 March 2021 Audited £'000
Loss from continuing operations attributable to ordinary shareholders	(1,914)	(394)	(2,490)
Share-based payment	138	177	409
Adjusted (loss)/profit after tax	(1,776)	(217)	(2,081)
Weighted average number of shares	145,779,118	145,454,118	145,515,022
Basic and diluted loss per share	(1.31p)	(0.27p)	(1.71p)
Basic and diluted adjusted (loss)/profit per share	(1.22p)	(0.15p)	(1.43p)

The inclusion of potential Ordinary Shares arising from Share based payments (LTIP awards and EMI Options) would be anti-dilutive. Basic and diluted loss per share has therefore been calculated using the same weighted number of shares.

Notes to the financial statements (continued)
for the six months ended 30 September 2021

5. Issued share capital

As at 30 September 2021, there were 145,779,118 Ordinary Shares in issue (H1 2021: 145,454,118, FY 2021 145,779,118).

6. Share options

The following share awards were granted in the six-month period ended 30 September 2021:

	EMI Approved Options
Grant date	4 August 2021
Number granted	200,000
Exercise price	24.40p
Vesting period (years)	3.0

The share-based payment charge in the period amounts to £138k (H1 2021: £177k, FY 2021: £409k), with the fair value charge attributable to new awards in the period determined using a Black Scholes calculation.