

Thruvision Group plc

Interim results to 30 September 2021

THRUVISION
PEOPLE-SCREENING

22 November 2021



Headlines

Steadily building momentum since the spring, with continued strong performance in our Profit Protection market. This, plus very active engagement with US Customs and Border Protection (CBP), means we are increasingly confident about achieving growth in FY revenue and beyond

- ✓ Revenue of £2.0 million (H1 2021: £ 4.7 million), with EBITDA loss of £1.6 million (H1 2021: breakeven)
- ✓ Trading since 30 September has strengthened significantly and confidence about H2 trading is high
- ✓ 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 in H1 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

FY22 Interims Income Statement

Strong Profit Protection growth in the first half with £ 1.7 million of further PP sales closed since end of H1. H1 FY20 included £ 2.9 million of CBP revenue that was not repeated this half

Interims Income Statement £ million	H1 FY22	H1 FY21	Change
Revenue	2.0	4.7	(2.7)
Gross Profit	1.0	2.3	(1.3)
Gross Margin	49%	48%	1.0%
Total overhead expenses	(2.5)	(2.2)	(0.3)
EBITDA*	(1.6)	(0.0)	(1.6)

* Excludes Share Option charges, Depreciation & FX

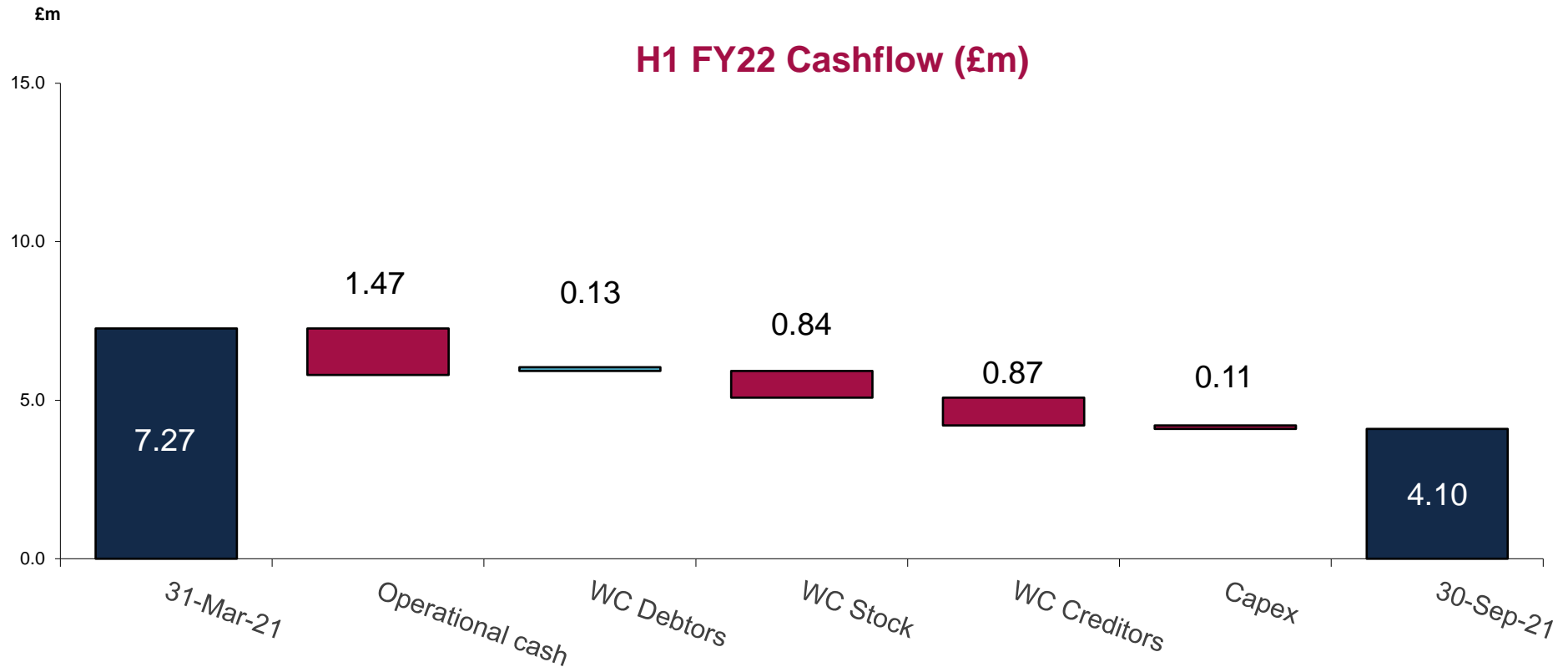
Overhead costs

- ▼ **Overheads** - Overheads increased by 14% to £2.5 million compared to the corresponding period in FY21. This was due to investment to drive growth in the US and Europe which was offset by reduced international travel as a result of the lockdowns.
- ▼ **Engineering** – new VP Software to lead further software related improvements including AI developments
- ▼ **Sales & Marketing** – investment to target growth in our European and US profit protection markets
- ▼ **Property, Administration, PLC & Management** – modest increase driven by corporate structure tidy-up fees

Overhead costs * £ million	H1 FY22	H1 FY21
Engineering	(0.8)	(0.7)
Sales & Marketing	(0.9)	(0.8)
Property & administration	(0.2)	(0.2)
PLC & Management	(0.6)	(0.5)
Total	(2.5)	(2.2)

* Excludes Share Option charges, Depreciation & FX

Cash bridge



- ▼ Debtor balance at 30 September 2021 ~ £1m
- ▼ Cash balance as at 19 November 2021 - £4.0m with debtors due of ~ £2m
- ▼ Stock increase to support expected orders

Review of our market focus

We continue to respond quickly to the changing market conditions in which we are operating

PROFIT PROTECTION

Reducing staff theft from warehouses by up to 80%



Strong increase in interest given booming online sales, with increasing focus on staff safety, as well as theft reduction

INVESTMENT DELIVERING INCREASED GROWTH

CUSTOMS

Checking travellers for concealed contraband



Accelerating progress activity levels much higher as strengthening borders becomes urgent issue again

KEY OPPORTUNITIES RECOVERING WITH REVENUES EXPECTED IN H2

AVIATION

Deterring attacks on aircraft and airports



Starting to recover although some way from normality. Industry increasingly interested in contactless security

FOCUS ON TSA ACCREDITATION - POSITION FOR INVESTMENT RECOVERY

ENTRANCES / TRANSPORT

Protecting travellers & visitors from terrorism

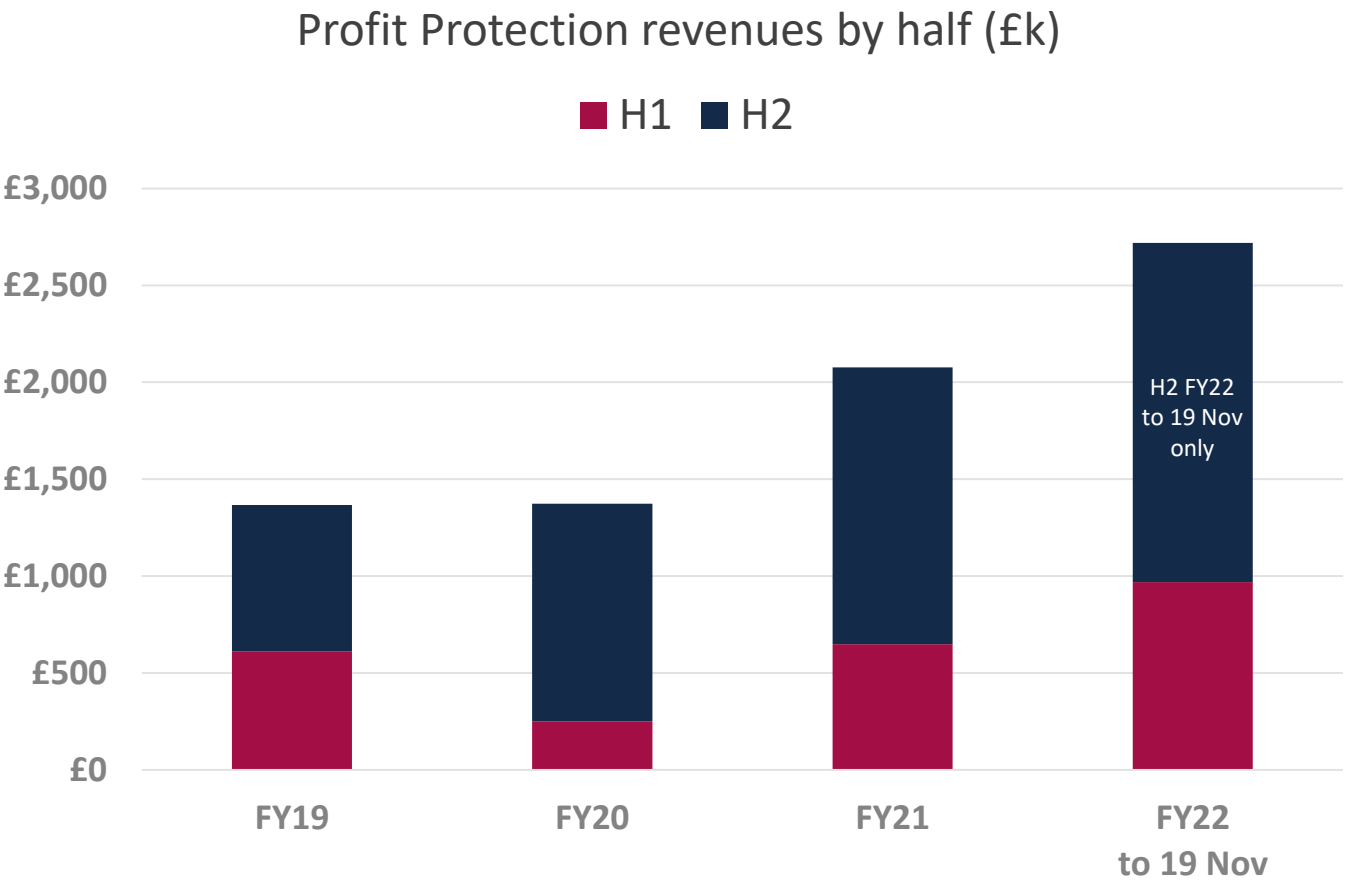


Market remains fragmented with little focus in most areas on counter-terrorism

LIMITED FOCUS - ADOPT REACTIVE POSTURE ONLY

Sustainable growth in Profit Protection

With our investment in sales and marketing, our growth rate is accelerating



Sustainable growth in Profit Protection

Growth in our customers and their delivery partners, plus major customers like Tesco, means we are becoming *de facto* market standard for employee exit security

	US	UK	EU
H1	 	       	  
H2	 	   	  
Location of units sold so far in FY22			

Significant progress with CBP

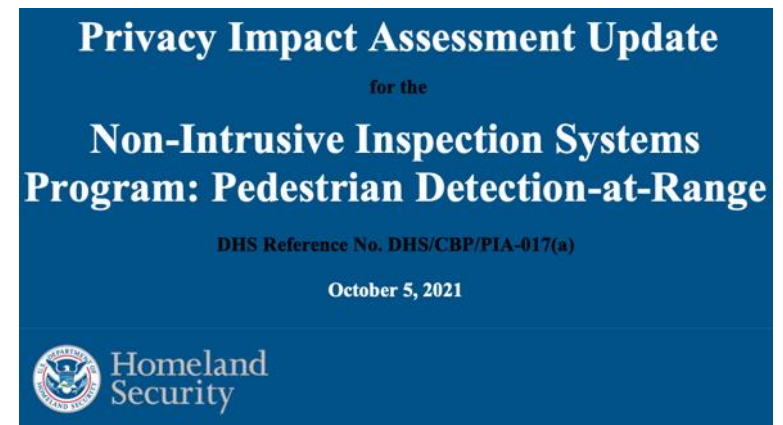
Close recent engagement has revealed significant value of our solution, and we are increasingly confident of a further significant expansion of Thruvision deployments by CBP over the next year

CBP update

- ✓ DHS Chief Privacy Officer approval for Thruvision operational use with over 700 CBP officers now trained
- ✓ Deployed at 10 different locations covering both Ports of Entry and Immigration Processing centres on southern border, with major airport deployment imminent
- ✓ Purchasing routes for CBP now in place

Other agencies

- ✓ Several other new international Customs agencies remain in the pipeline



Right : Deployment at Port of Entry in California

Progress in Aviation, with opportunity undiminished

Formal TSA accreditation testing underway with returning interest in our contactless search capability

Update

- ✓ TSA accreditation continues
- ✓ Continuing positive user feedback from both Seattle and LaGuardia airports – both continued to use Thruvision through pandemic giving us confidence in reliability of our equipment
- ✓ Expecting new “Detection-at-Range” category of security equipment to be established

CASE STUDY

THRUVISION
PEOPLE-SCREENING

SEA
Seattle-Tacoma International Airport

How Seattle-Tacoma International Airport uses new people screening technology for “Safe Distance – No Pat Down” airport employee screening

The Challenge: Improving Airport Employee Security in the COVID-19 Era

The largest airport serving the Pacific Northwest, Seattle-Tacoma International Airport (SEA) is one of the busiest airports in the country, serving over 80 million passengers in 2019 and serving as a gateway for international travel.

It is also a major employer. In 2019, the airport had 24,000 direct and indirect employees, and provided a total of approximately 40,000 direct jobs through the different employers operating on-site.

Because many employees have access to secure areas of the airport, its security team conducts screening of airport employees to ensure staff do not bring prohibited items into the secure areas of the airport, and to detect theft and smuggling. However, the need for security must be balanced against the need for employees to do their jobs efficiently, while also addressing staff health and safety requirements, especially in the era of COVID-19.

The Need for Effective, High Throughput, “Safe Distance” Screening

Prior to the outbreak of COVID-19, one of the most common methods of screening airport employees was the use of hand-held metal detectors or “wands.” This technique always had disadvantages for employees and airport staff – it was slow, intrusive, and ineffective at detecting non-metallic items.

But with employee health and safety a top SEA priority, such “close proximity” searches created various problems. There is no practical way to use hand-held metal detectors while maintaining CDC recommended social distancing guidelines. As a result, SEA needed a contactless technology that reduced the risk of COVID-19 transmission, without sacrificing security or operational effectiveness.

Solution: Thruvision’s Safe Distance, “No Pat Down” Airport Employee Screening Technology

SEA considered multiple vendors to address its needs before selecting Thruvision’s safe distance, stand-off people screening technology.

“Our goal is to improve security in the most efficient manner based on COVID-19 restrictions,” said Terence Mohr, SEA Airport Manager Aviation Security. “This technology meets our requirements to quickly detect any concealed items while respecting physical distancing of up to six feet.”

SAFE ▼ FAST ▼ PROVEN

Safe Distance Security

CUSTOMER PROFILE

THRUVISION
PEOPLE-SCREENING

B **LaGuardia**

How Terminal B at LaGuardia Airport Enhanced Staff Safety and Security With Innovative “Safe Distance – No Pat Down” Screening Technology

The Challenge: Improving Airport Employee Security in the COVID-19 Era

Terminal B at LaGuardia Airport (LGA) is one of the nation’s busiest hubs for air travel. Prior to COVID-19, it processed over 15 million passengers, and it was home to scores of retail businesses and thousands of airport employees and airport staff – it was slow, intrusive, and ineffective at detecting non-metallic items.

Although invisible to the traveling public, screening of airport employees is an important security requirement. Airports need to ensure that staff do not bring prohibited items into the secure areas of an airport, and detect theft and smuggling. However, the need for security must be balanced against staff health and safety requirements, especially in the era of COVID-19.

But with employee health and safety foremost on management’s mind, such “close proximity” searches were now also seen as an unacceptable risk. LGA needed to implement a contactless technology that improved airport security and employee productivity, while reducing the risk of COVID-19 transmission.

LaGuardia’s New Terminal B and The Need for Effective, Safe Distance Screening

The new Terminal B at LaGuardia, currently operated by LGA, is one of the largest and most ambitious airport development projects ever. Valued at \$6.1 billion (including \$4 billion in construction value), the Terminal B development is the largest public-private partnership in US aviation history.

The redesigned facility is at the leading edge of airport design worldwide and incorporates numerous innovations to improve passenger and employee satisfaction, including in areas related to health and safety, which have become especially important in light of the COVID-19 pandemic.

LGA’s choice of Thruvision technology for Terminal B demonstrates a commitment to building a safer new “contactless” security checkpoint that is purpose-designed for the post COVID-19 world.

Ready to learn more?
Contact Kevin Gramer
the President of Thruvision America
kevin.gramer@thruvision.com

Visualizing the threat

SAFE ▼ FAST ▼ PROVEN

New potential markets emerging

Driven by Covid-19, new markets for Thruvision emerging in markets where contactless detection of non-ferrous concealments is becoming more important

▼ Prisons

- Ongoing issue of preventing contraband being moved around within prisons
- Initial sales to Australian and Dutch authorities

▼ Natural Resources




















- A number of new opportunities involving employee exit screening
- Looking for precious metals, explosives and other items that ferrous metal detectors are poor at detecting

Right : Thruvision being used for random and unpredictable search inside prisons



Left : Thruvision being used for employee search in the natural resources sector, where precious metals, explosives and other items are being stolen

Continuing product development supporting growth

Camera Family		Markets	Update	
 Tactical Awareness Camera			Core Customs market product with increased detection performance and higher framerate of new TAC16 product driving market interest	 
 Loss Prevention Camera			Range covers 4-, 8-, and 16-channel versions, with customers willing to pay more for performance of higher spec systems	 
 Check Point Camera			Flagship product progressing through TSA accreditation process but also gaining traction in Profit Protection for high throughput employee exit security checks	 
 High Throughput Camera			New, multi-lane product starting to generate interest but fuller market recovery needed	

Summary ...

With Profit Protection performing strongly and increasing clarity about our strategic prospects with CBP, we remain confident of achieving growth in full year revenue as the business returns to its pre-pandemic growth trajectory

- ✓ **Profit Protection, a potentially huge market** – now growing strongly and sustainably with investment in Europe and US starting to pay back
- ✓ **CBP, a significant opportunity** – current operational pressure driving enterprise-scale demand to fill “Pedestrian Detection-at-Range” capability gap
- ✓ **Focus on TSA accreditation** - our contactless detection capability making us increasingly relevant as global aviation continues its recovery
- ✓ **Successful product innovation** - driving interest and sustaining margins, with impact of supply chain challenges being effectively managed

Support slides

Highly effective detection performance

Reliably detects metallic and non-metallic item as small as 3cm x 3cm



Thruvision sees a person's body "heat" through clothing. Concealed items block that heat allowing the camera to see them



Thruvision quickly and reliably detects prohibited metallic and non-metallic threat items



THRUVISION
PEOPLE-SCREENING

“Safe Distance” Security

Coronavirus pandemic means customers now looking at how they can completely remove the need for physical “pat-downs”



Unsafe and ineffective
current search procedure



Effective “Safe Distance”
security screening
using Thruvision screening








3 plus metres

THRUVISION
PEOPLE - SCREENING










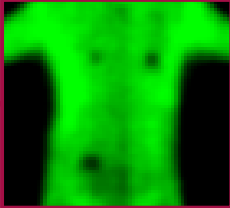









Completely Safe ... the science

Innovative new “body heat” video camera technology



					
Wavelength	120 mm	1.2 mm	0.01 mm	0.0005 mm	0.000001 mm
Technology type	Active	Passive	Passive	Passive	Active
Example	Airport scanner	THRUVISION PEOPLE-SCREENING	IR camera	Video camera	X-Ray scanner

Our product range

Camera Family		Markets	Features	
 Tactical Awareness Camera			VariView Variable, user-selectable field-of-view for increased operational flexibility and detection performance	 
 Loss Prevention Camera			SloScan User variable scan speed for enhanced detection performance and clear detection of objects as small as 2 cm x 2 cm	 
 Check Point Camera			DynamicDetection Advanced, AI-based concealed item detection designed to meet international aviation security accreditation standards	 
 High Throughput Camera			MultiLane User selectable field-of-view for simultaneous screening up to four lanes of walking people	



Colin Evans

Chief Executive

colin.evans@thruvision.com

Thruvision Limited
121 Olympic Avenue
Milton Park
Abingdon
Oxon, OX14 4SA
t: +44 (0) 1235 425400
www.thruvision.com