

12 October 2022

Thruvision Group plc
("Thruvision" or the "Group")

H1 Trading Update

Thruvision (AIM:THRU), the leading provider of "safe distance" people-screening technology to the international security market, is pleased to provide an update on trading for the six months ended 30 September 2022.

Revenues for the period are expected to be £2.8 million, representing growth of 41% versus the comparable period last year (H1FY22 £2.0 million, H2FY22 £6.4 million). We currently have an order backlog for equipment totalling \$8.3 million (£7.5 million at today's rate of \$1.11, see below) and expect most, if not all, of this to be delivered to revenue during our second half. Cash as at 30 September 2022 was £1.1 million, and has since grown to stand at £3.1 million as at 11 October 2022.

Customs

As announced on 22 September and 5 October 2022, we received two strategically important orders from US Customs and Border Protection (CBP), via our US Government contracting partner, totalling \$9.7 million. The first of these orders, totalling \$2.7 million, was to complete the process of upgrading CBP's existing fleet of 60 cameras to our latest 16-channel camera variant. Half of this first order was delivered in H1 with the balance to be delivered in H2.

The second order, for \$7.0 million, was the first we received under a new framework purchasing agreement which can, in principle, allow CBP to place additional orders for a further four years up to the end of September 2026. This order further expands the CBP fleet of Thruvision equipment and is expected to broaden operational deployments into major US international airports for the first time. Although anticipated, the order size is larger than we had expected for FY23.

Our April 2022 trading update stated that CBP had made public its intentions to acquire significant numbers of additional "passive body scanners" during 2022 and beyond. This framework purchasing agreement provides a mechanism through which CBP can execute this intention. In this context, it is worth noting that in total, Thruvision received orders worth \$14.0 million from CBP in the US Government's last financial year (1 Oct 2021 to 30 September 2022).

Profit Protection

As we stated in our announcement of 22 September 2022, the economic situation has become more challenging for retailers since our April update. This has resulted in our Profit Protection equipment revenues for H1 being unchanged at £1.0 million (H1FY22 £1.0 million), despite the strong overall growth as described above.

Encouragingly, existing Profit Protection customers, who now fully appreciate the in-year return on their investment from deploying Thruvision technology, continue to expand and upgrade their Thruvision fleets. In particular, we are seeing strong interest in our latest "walkTHRU" lane which we pioneered with Next PLC, and for which we recently won a retail industry award. The lane uses two cameras and our AI algorithm to significantly increase the throughput rate, allowing 100% employee screening, thereby maximising deterrence and very materially reducing levels of theft.

Our focus on Third-Party Logistics providers (3PLs) which operate significant numbers of distribution centres has also delivered further success. In addition to CEVA, we have added a second major global 3PL, which is headquartered in Germany. This customer has placed an initial order for a dual-camera walk-through lane for a high profile site in the UK and we now expect to sign a global supply framework agreement with them. We are also discussing further deployments over the next few months with this customer.

Almost all retail organisations we speak to are reporting rising employee theft due, in large part, to the rapidly increasing cost of living. Therefore, we remain confident that a combination of existing customers who understand the return on investment and new retailers / 3PLs, who look to Thruvision's flagship customers, will allow us to maintain, if not grow, this sector over the course of this financial year.

Aviation

While the broader aviation market is steadily recovering, we saw further significant delays in the US Transportation Security Administration (TSA) accreditation process due to the after effects of COVID-related disruption. We expect accreditation testing to recommence this autumn. Such accreditation would enable the use of our solutions for passenger security screening in US airports. Modest renewed demand from US airports for employee security screening is re-emerging.

International

Although we received no orders in the period from Asia or the Middle East, we have a number of very good opportunities in play. We are seeing growing interest from a number of international customs agencies and expect to this to develop over the second half of the year in what are, inevitably, longer sales cycles.

Outlook

The Group is entering a new phase in its development. With the strategically significant purchasing framework now in place with CBP; a material order backlog in place for our second half; and the balance of opportunities we see across our various end markets, we expect to deliver strong growth this financial year.

The Board expects that the strong growth we are experiencing will allow us to achieve our objective of breaking even this financial year.

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About Thruvision

Addressing the urgent need for "safe distance" people security screening in the COVID era, Thruvision is uniquely capable of detecting metallic and non-metallic items including weapons, explosives and contraband items that are hidden under clothing, at distances between 3 and 10m. Using patented passive terahertz technology, 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 security, retail supply chain loss prevention, customs and border control, and public area security. The company has offices near Oxford, and Washington DC.

www.thruvision.com