19 December 2022

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

Interim Results for the six months ended 30 September 2022

Thruvision Group plc (AIM: THRU), the specialist provider of 'safe distance' people-screening technology to the international security market, announces unaudited results for the six months ended 30 September 2022 (the first half of the Group's 2023 financial year – H1 2023).

Key Highlights

- Revenue was up 41% to £2.8 million (H1 2022: £2.0 million).
- Two strategically important and larger than anticipated orders received from US Customs and Border Protection (CBP) worth £8.7 million[1] ($9.7 million).
- Despite challenging economic conditions for retailers, Profit Protection product revenue for H1 was unchanged at £1.0 million (H1 2022: £1.0 million) with good order intake since 1 October from a combination of existing and new customers.
- The Group's operating loss was £1.9 million (H1 2022: loss of £2.0 million) and gross margin was 49% (H1 2022: 49%). The Group's Adjusted EBITDA[2] loss was £1.6 million (H1 2022: loss of £1.6 million).
- The Group is currently on track to achieve its objective of breaking even at Adjusted EBITDA this financial year for the first time.
- Cash balance as at 30 September 2022 was £1.1 million (31 March 2022: £5.4 million), with cash at 15 December 2022 of £4.3 million.

[1] CBP US$ orders have been translated at the 30 September $:£ closing exchange rate of 1.12 throughout this announcement.

Continuing operations	**H1 2023 Unaudited £m**	H1 2022 Unaudited £m	Change
Statutory measures:			
Revenue	**2.8**	2.0	+41%
Gross profit	**1.4**	1.0	+41%
Gross margin	**49%**	49%	-
Operating loss	**(1.9)**	(2.0)	+6%
Loss before tax	**(1.9)**	(2.0)	+5%
Alternative measures:			
Adjusted overheads[2]	**(3.2)**	(2.8)	(13%)
Adjusted EBITDA[2]	**(1.6)**	(1.6)	+1%
Adjusted loss before tax[2]	**(1.8)**	(1.9)	+1%

[2] Alternative performance measures ('APMs') are used consistently throughout this announcement and are referred to as 'adjusted'. These are defined in full and reconciled to the reported statutory measures in the Appendix.

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

"With our unique offering and the traction we have gained in our two core markets, Customs and Profit Protection, we expect to deliver strong growth and achieve our objective of breaking even this financial year. With over 100 of our highest-performance cameras being deployed by US Customs and Border Protection (CBP) over the coming months and with a multi-year purchasing framework now in place, we expect further growth with this key customer over the coming years as it starts a full rollout of our technology. This significant opportunity, together with demand from other customs agencies and our growing base of Profit Protection customers should give us a profitable revenue base from which we can now build the Group."

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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

Important information

This announcement may include statements that are, or may be deemed to be, “forward-looking statements” (including words such as “believe”, “expect”, “estimate”, “intend”, “anticipate” and words of similar meaning). By their nature, forward-looking statements involve risk and uncertainty since they relate to future events and circumstances, and actual results may, and often do, differ materially from any forward-looking statements. Any forward-looking statements in this announcement reflect management’s view with respect to future events as at the date of this announcement. Save as required by applicable law, the Company undertakes no obligation to publicly revise any forward-looking statements in this announcement, whether following any change in its expectations or to reflect events or circumstances after the date of this announcement.

Half year report
for the six months ended 30 September 2022

Chairman's Statement

The Group saw trading momentum build through the period, despite a worsening economic backdrop, culminating in the receipt of two strategically important orders from US Customs and Border Protection (CBP), via our US Government contracting partner, totalling £8.7 million ($9.7 million). Revenue for the period was £2.8 million, representing growth of 41% versus the comparable period last year (H1 2022: £2.0 million), with our Customs and Profit Protection markets accounting for almost the entirety of this figure. In October, on receipt of the second order from CBP, CBP order backlog stood at £7.4 million ($8.3 million), and further non-CBP orders totalling £1.3 million have been received since. We expect to deliver most, if not all, of this order backlog during the second half of the financial year.

Customs

After successful pilot deployments in the summer of 2021, the two CBP awards are an important milestone in the Group's strategic development. Once delivered, CBP will have deployed over 100 of our latest, high-performance cameras at land border crossings and international airports where they will be used to check travellers for contraband. One of the awards was made as the first purchase under a framework purchasing agreement that CBP put in place during the period. This agreement provides the mechanism through which CBP can fulfil its publicly stated intention, as reported in our April 2022 update, to acquire significant further "passive body scanners" in the period to September 2026.

Strategic adoption by CBP clearly assists our broader sales efforts with other international Customs agencies. We received an order for a sixth tranche of cameras from an existing Asian Customs agency customer in November and we have several live opportunities with other agencies where we expect to see progress in 2023.

Profit Protection

Almost all retail organisations we speak to report a rising level of employee theft, potentially connected to the rapidly increasing cost of living being felt in most global markets. Therefore, while the economic situation has become increasingly challenging for our Profit Protection customers, we have seen an encouraging take-up of our new "WalkTHRU" screening lane solution which we pioneered with Next and for which we recently won a retail industry award. This solution comprises two cameras along with our AI algorithm to significantly increase the throughput rate. This allows 100% of employees to be screened quickly and effectively thereby maximizing deterrence and delivering a strong return on investment, with one major UK retailer calculating a payback within six months of deploying Thruvision products.

Given employee theft is increasingly problematic and with a growing list of flagship customers addressing the problem with our solution, we remain confident that a combination of existing customers buying more, and new retailers / third party logistics (3PL) companies signing up will allow us to maintain our performance in this market in the short term and return to growth as economic conditions recover.

People

I am delighted to welcome Victoria Balchin, our new Chief Financial Officer, who started with us in October 2022. Victoria brings significant relevant experience to the Group. She qualified as a chartered accountant with PwC and has held a number of finance roles with British Sky Broadcasting Group plc, SABMiller plc, Spectris plc and Brüel & Kjær Vibro, a Spectris business headquartered in Germany. Victoria's appointment means that two of the five members of the Board are now female.

After 12 years of service with the Group our Company Secretary, John Woollhead, informed the board of his intention to retire at the end of December. John has been a first-class and trusted colleague for almost 20 years, and we will greatly miss his wise counsel and good humour. John will be replaced by Hannah Platt, a chartered accountant who qualified with EY and who has held a range of commercial and company secretarial positions.

Outlook

The Group is entering a new phase in its development. With the strategically significant purchasing framework with CBP now in place and a material order backlog built for our second half, we expect to deliver strong growth and achieve our objective of breaking even this financial year.

Looking forward, the growing interest across our key markets together with the enthusiasm with which our latest products have been received by customers, gives us confidence that profitable revenue growth will continue beyond the current period.

Strategic Update

Thruvision technology addresses the growing international need to screen individuals for weapons, contraband or other illicit items that might be concealed in their clothing. By operating at a distance of around 3 metres from the person being screened, Thruvision cameras are a very fast, flexible and effective way of detecting non-metallic items in particular. Unlike airport body scanners, Thruvision allows a security guard to see the concealed item, meaning the need to physically touch the individual being screened is removed.

These important competitive differentiators mean that Thruvision has achieved critical mass in our two key markets – Customs and Profit Protection, where we help reduce theft from retail warehouses. In both markets, items being concealed are almost always non-metallic – typically drugs and cash in Customs, and a wide range of fashion, tobacco, alcohol, beauty and electronic products in Retail. This means metal detectors (either walk-through or handheld) do not work at all, and airport body scanners are simply too slow and cumbersome to be effective in the very busy border control and retail warehouse markets.

Given our growing, well-known "flagship" customer base in both markets, we are now firmly established as a mainstream solution, and we will continue to proactively invest in further sales resource to drive growth. We remain engaged in the Aviation market and in Entrance Screening but expect to see only modest revenue in these markets in the short to medium term.

Business Review

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 £8.7 million ($9.7 million) in September 2022. The first of these orders, totalling £2.4 million ($2.7 million), was to complete the process of upgrading CBP's existing fleet of 60 cameras to our latest high definition 16-channel variant. Half of this first order was delivered in H1 with the balance to be delivered in H2.

The second order, for £6.3 million ($7.0 million), was the first to be 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. The order size is larger than we had originally 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. The 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 £12.5 million ($14.0 million) from CBP in the US Government's last financial year (1 October 2021 to 30 September 2022).

Other orders received in this second half include an order from an existing Asian Customs agency customer for a sixth tranche of cameras to be delivered in the second half. We successfully beat Chinese competition to this award. We continue to engage with several other international Customs agencies (some existing customers, others new) who are interested in acquiring Thruvision products for contraband detection.

Profit Protection

The economic situation has become increasingly challenging for retailers as the year has progressed and has resulted in our Profit Protection product revenue for H1 being unchanged at £1.0 million (H1 2022: £1.0 million). Encouragingly however, existing Profit Protection customers have continued to expand and upgrade their Thruvision fleets. This is because they now fully understand the in-year return on investment that can be achieved by deploying our technology. As discussed in the Chairman's Statement, we are seeing strong interest in our latest "WalkTHRU" lane which we have now sold to existing customers, Next and JD Sports in the UK, and a new customer in the US, Saks Fifth Avenue.

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 signed a global supply framework agreement with a second major global 3PL, which is headquartered in Germany. We have delivered a WalkTHRU solution to one of this 3PL's high profile sites in the UK and are discussing further deployments over the next few months with them.

Aviation

While our solutions can be used for employee security screening in airports in the US, passenger security screening is highly regulated and requires accreditation. We started this process with the US Transportation Security Administration (TSA) before the pandemic and, after significant delays, testing has now recommenced. Such accreditation would enable the use of our solutions for passenger security screening in US airports. We are seeing modest renewed demand from US airports for employee security screening.

Entrance Security

Our key differentiator in this market is the ability to process high visitor throughput rates and reliably detect mass casualty threats such as military assault rifles and person-borne bomb vests. We are seeing modest renewed interest, principally from the Middle East although this is unlikely to become a reliable revenue stream for the business.

Product Range

We are delighted with the uptake of our AI detection algorithm, which is branded "Dynamic Detection". This has been included in the latest cameras provided to CBP for Customs applications, and it is enhancing the operational performance on our new WalkTHRU lane described above. We continue to invest in further image processing capabilities which we expect to add as software upgrades to our camera range in calendar 2023, further weighting the value of our solution towards software rather than purely hardware.

Supply chain

Despite well-documented global supply chain issues, we have worked hard with our specialist Terahertz component suppliers to maintain surety of supply of the very specific and even unique components we require. Like others, we have been fully exposed to global shortages of more mainstream electronics but have managed this situation effectively by holding higher than normal levels of inventory to mitigate delivery risk. Our ability to manufacture using our US-based partner is now proven and is playing a significant role in delivering the major CBP orders received in September and October of this year.

People

Group headcount remained level at 47 during the period.

Half year report
for the six months ended 30 September 2022

Financial review

Summary

Revenue for the six months ended 30 September 2022 was £2.8 million (H1 2022: £2.0 million; FY 2022: £8.4 million). H1 2023 contained a single large order from US Customs and Border Protection (CBP) resulting in revenue of £1.3 million in the period which did not occur in H1 2022. Gross margin remained level with the prior period at 49% (H1 2022: 49%; FY 2022: 47%).

Operating loss in the period was £1.9 million (H1 2022: loss of £2.0 million; FY 2022: loss of £1.9 million).

Cash as of 30 September 2022 was £1.1 million (31 March 2022: £5.4 million), with cash at 15 December 2022 of £4.3 million. The majority of the reduction in cash during H1 relates to increases in our inventory balance to support delivery of expected orders in H2 partly driven by targeted additional inventory held for certain components where lead times were becoming more uncertain.

Revenue

Revenue was £2.8 million in the six months to 30 September 2022 (H1 2022: £2.0 million, FY 2022: £8.4 million) and has been split between our two principal activities (product revenue and support and development revenue) as below:

	6 months ended 30 September 2022 £’000	6 months ended 30 September 2021 £’000	Year ended 31 March 2022 £’000
Product	**2,364**	1,622	7,667
Support and Development	**407**	340	694
Total	**2,771**	1,962	8,361

The principal growth driver for the business is product 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. Product revenue is split further by sector below:

Product revenue by sector	**6 months ended 30 September 2022 £’000**	6 months ended 30 September 2021 £’000	Year ended 31 March 2022 £’000
Profit Protection	**992**	982	3,505
Customs	**1,370**	198	3,404
Aviation	**-**	128	131
Entrance Security	**2**	314	627
Total	**2,364**	1,622	7,667

Gross Margin

Gross margin remained level with the comparable period at 49% (H1 2022: 49%, FY 2022: 47%) and higher than the full year results.

	6 months ended 30 September 2022 £’000	6 months ended 30 September 2021 £’000	Year ended 31 March 2022 £’000
Revenue	**2,771**	1,962	8,361
Gross Profit	**1,356**	961	3,902
Gross margin %	**49%**	49%	47%

Financial review (continued)

Administrative expenses

We continue to invest in sales and marketing activities relating to Profit Protection in the US, whilst further investing in our engineering, manufacturing capability and software development. Administrative expenses increased by 9% to £3.2 million with adjusted overheads up by 13% to £3.2 million compared to the prior period. Administrative expenses include share-based payment charges, but these are excluded from adjusted overheads. Adjusted overheads as a proportion of sales were 115% (H1 2022: 144%; FY 2022: 74%) reflecting the growth and phasing of revenue and continued tight control of overheads.

Sales and marketing expenditure increased by £82k with additional headcount and travel to support growth in our European and US Profit Protection markets.

Engineering costs, include Manufacturing and R&D costs, increased by £146k as a result of increased headcount in our software team as we look to scale up and increase our product offerings going forward.

Management and PLC costs increased driven by one-off costs relating to the CFO replacement, higher insurance costs and professional fees.

Adjusted overheads are analysed as follows:

	6 months ended 30 September 2022 £'000	6 months ended 30 September 2021 £'000	Year ended 31 March 2022 £'000
Engineering	**902**	756	1,690
Sales and marketing	**1,065**	983	2,006
Property and administration	**209**	224	502
Management	**597**	338	708
PLC costs	**354**	240	693
Depreciation and amortisation	**268**	285	561
Foreign exchange (gains) / losses	**(203)**	1	(6)
Adjusted overheads*	**3,192**	2,827	6,154

** Alternative performance measures ('APMs') are used consistently throughout this report and are referred to as 'adjusted'. These are defined in full and reconciled to the reported statutory measures in the Appendix.*

Loss from continuing operations

The loss from continuing operations in the period was £1.9 million (H1 2022: loss of £1.9 million; FY 2022: loss of £1.7 million). Adjusted loss before tax was £1.8 million (H1 2022: £1.9 million; FY 2022: loss of £2.3 million).

Balance sheet

Cash and cash equivalents at 30 September 2022 were £1.1 million (H1 2022: £4.1 million, FY 2022: £5.4 million), with the principal impacts in the period being the loss recorded of £1.8 million as well as the £2.7 million net working capital outflow as set out in the cashflow statement on page 12.

Movements in working capital were as follows:

- Trade and other receivables increased, driven by the timing of sales, resulting in a £1.8 million outflow in the half year. Included in trade and other receivables of £3.8m at 30 September 2022 was £2.4 million relating to CBP, the cash for which was received during October and November.
- Increased inventory to support expected orders in H2 FY 2023 as well as forward purchases of key electronic components resulted in a £0.9 million outflow during in the period.
- £0.3 million decrease in deferred revenue balances, as revenue deferred as at 31 March 2022 was recognised as income during the period.
- An increase in trade and other payables resulted in an inflow of £0.3 million. Trade creditors increased due to the timing of stock purchases in the period.

Other

It is intended that a limited programme of share purchases by the Thruvision plc EBT will be undertaken over the next 12 months with the purpose of partly satisfying future employee exercises of share options.

Half year report
for the six months ended 30 September 2022

Consolidated income statement

	Note	**6 months ended 30 September 2022 Unaudited £'000**	6 months ended 30 September 2021 Unaudited £'000	Year ended 31 March 2022 Audited £'000
Revenue	2	**2,771**	1,962	8,361
Cost of sales		**(1,415)**	(1,001)	(4,459)
Gross profit		**1,356**	961	3,902
Administrative expenses		**(3,243)**	(2,965)	(5,788)
Operating loss		**(1,887)**	(2,004)	(1,886)
Finance revenue		**11**	10	17
Finance costs		**(16)**	(7)	(20)
Loss before tax		**(1,892)**	(2,001)	(1,889)
Income tax		**89**	87	231
Loss for the period from continuing operations		**(1,803)**	(1,914)	(1,658)
Discontinued operations				
Loss from discontinued operation (net of tax)		**-**	(33)	-
Loss for the period		**(1,803)**	(1,947)	(1,658)
Basic and diluted loss per share – continuing operations	3	**(1.23p)**	(1.31p)	(1.14p)

Consolidated statement of comprehensive income

	6 months ended 30 September 2022 Unaudited £'000	6 months ended 30 September 2021 Unaudited £'000	Year ended 31 March 2022 Audited £'000
Loss for the period from continuing operations	**(1,803)**	(1,914)	(1,658)
Loss for the period from discontinued operations	**-**	(33)	-
Loss for the period attributable to owners of the parent	**(1,803)**	(1,947)	(1,658)
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	**(45)**	2	(6)
Total comprehensive loss attributable to owners of the parent	**(1,848)**	(1,945)	(1,664)

Half year report
for the six months ended 30 September 2022

Consolidated statement of financial position
at 30 September 2022

	Note	**30 September 2022 Unaudited £'000**	30 September 2021 Unaudited £'000	31 March 2022 Audited £'000
Assets				
Non-current assets				
Property, plant and equipment		**962**	910	1,175
Other intangible assets		**140**	42	79
		1,102	952	1,254
Current assets				
Inventories		**4,772**	5,257	3,868
Trade and other receivables		**3,813**	1,316	1,982
Current tax recoverable		**302**	270	210
Cash and cash equivalents		**1,091**	4,097	5,441
		9,978	10,940	11,501
Total assets		**11,080**	11,892	12,755
Equity and liabilities				
Attributable to owners of the parent				
Equity share capital	4	**1,472**	1,458	1,466
Share premium		**308**	47	201
Capital redemption reserve		**163**	163	163
Translation reserve		**16**	69	61
Retained earnings		**5,802**	7,769	7,554
Total equity		**7,761**	9,506	9,445
Non-current liabilities				
Other payables		**518**	259	600
Provisions		**38**	38	38
		556	297	638
Current liabilities				
Trade and other payables		**2,557**	1,849	2,494
Provisions		**206**	240	178
		2,763	2,089	2,672
Total liabilities		**3,319**	2,386	3,310
Total equity and liabilities		**11,080**	11,892	12,755

Consolidated statement of changes in equity (unaudited)

	Ordinary share capital £'000	Share premium £'000	Capital redemption reserve £'000	Translation reserve £'000	Retained earnings £'000	Total equity £'000
At 31 March 2021	1,458	47	163	67	9,578	11,313
Share based payment charge	-	-	-	-	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
Shares issued	8	154	-	-	-	162
Share based payment credit	-	-	-	-	(504)	(504)
Transactions with shareholders	8	154	-	-	(504)	(342)
Profit for the period	-	-	-	-	289	289
Other comprehensive expense	-	-	-	(8)	-	(8)
Total comprehensive (loss)/income	-	-	-	(8)	289	281
At 31 March 2022	1,466	201	163	61	7,554	9,445
Shares issued	6	107	-	-	-	113
Share based payment charge	-	-	-	-	51	51
Transactions with shareholders	6	107	-	-	51	164
Loss for the period	-	-	-	-	(1,803)	(1,803)
Other comprehensive loss	-	-	-	(45)	-	(45)
Total comprehensive loss	-	-	-	(45)	(1,803)	(1,848)
At 30 September 2022	**1,472**	**308**	**163**	**16**	**5,802**	**7,761**

Consolidated statement of cash flows

	6 months ended 30 September 2022 Unaudited £'000	6 months ended 30 September 2021 Unaudited £'000	Year ended 31 March 2022 Audited £'000
Operating activities			
Loss for the period	**(1,803)**	(1,947)	(1,658)
Adjustments:			
Depreciation of property, plant and equipment	**258**	278	546
Amortisation of intangible assets	**10**	7	15
Share-based payment charge/(credit)	**51**	138	(366)
Profit on disposal of property, plant & equipment	**(10)**	-	-
Finance income	**(10)**	(10)	(17)
Finance costs	**16**	7	20
Taxation credit	**(89)**	(87)	(231)
Working capital movements:			
(Increase) / decrease in trade and other receivables	**(1,811)**	126	(540)
(Increase) / decrease in inventories	**(904)**	(838)	551
Increase / (decrease) in trade and other payables	**348**	(487)	305
Increase in provisions	**28**	65	3
Decrease in deferred revenue	**(322)**	(460)	(683)
Transfer from property, plant and equipment to inventory	**-**	25	70
Cash utilised in operations	**(4,238)**	(3,183)	(1,985)
Tax received	**-**	197	399
Net cash outflow from operating activities	**(4,238)**	(2,986)	(1,586)
Investing activities			
Purchase of property, plant & equipment	**(26)**	(111)	(187)
Purchase of intangible assets	**(70)**	-	(46)
Proceeds from disposal of property, plant and equipment	**11**	-	-
Interest received	**10**	10	17
Net cash outflow from investing activities	**(75)**	(101)	(216)
Financing activities			
Proceeds from issues of shares	**93**	-	162
Payments on principal portion of lease liabilities	**(81)**	(82)	(168)
Interest paid on lease liabilities	**(4)**	(7)	(13)
Net cash inflow / (outflow) from financing activities	**8**	(89)	(19)
Net decrease in cash and cash equivalents	**(4,305)**	(3,176)	(1,821)
Cash and cash equivalents at beginning of the period	**5,441**	7,268	7,268
Effect of foreign exchange rate changes on cash and cash equivalents	**(45)**	5	(6)
Cash and cash equivalents at end of the period	**1,091**	4,097	5,441

Notes to the financial statements

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 2022 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 2022.

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 29 September 2022 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 2022 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 2022 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 2022.

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 2022 Annual Report available on the Group's website: www.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 £1.9 million (H1 2022: £2.0 million; FY 2022: £1.9 million). As at 30 September 2022 the Group had net current assets of £7.2 million (30 September 2021: £8.9 million; 31 March 2022: £8.8 million) and net cash reserves of £1.1 million (30 September 2021: £4.1 million; 31 March 2022: £5.4 million). Additionally cash and cash equivalents were £4.3 million as at 15 December 2022.

The Board has reviewed cash flow forecasts for the period up to and including 31 December 2023. 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 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 31 December 2023 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)

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 7.

Analysis of revenue by customer

There have been two (H1 2022: three, FY 2022: two) individually material customer(s) (each comprising in excess of 10% of revenue) during the period. These customers individually represented £1,335k and £415k of revenue (H1 2022: £359k, £206k and £200k, FY 2022: £3,740k and £1,059k).

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

	30 September 2022 Unaudited £'000	30 September 2021 Unaudited £'000	31 March 2022 Audited £'000
UK and Europe	**990**	1,033	3,508
Americas	**1,759**	693	4,445
Rest of World	**22**	236	408
	2,771	1,962	8,361

The Group's revenue by type is detailed below:

	30 September 2022 Unaudited £'000	30 September 2021 Unaudited £'000	31 March 2022 Audited £'000
Revenue recognised at point in time	**2,398**	1,662	7,718
Revenue recognised over time – extended warranty and support revenue	**373**	300	643
	2,771	1,962	8,361

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

	As at 30 September 2022 Unaudited £'000	As at 30 September 2021 Unaudited £'000	As at 31 March 2022 Audited £'000
UK	**1,037**	828	1,157
Americas	**65**	124	97
	1,102	952	1,254

Notes to the financial statements (continued)

3. Loss per share

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

Loss per share	**6 months ended 30 September 2022 Unaudited £'000**	6 months ended 30 September 2021 Unaudited £'000	Year ended 31 March 2022 Audited £'000
Loss from continuing operations attributable to ordinary shareholders	**(1,803)**	(1,914)	(1,658)
Loss from continuing and discontinued operations attributable to ordinary shareholders	**(1,803)**	(1,947)	(1,658)
Weighted average number of shares	**147,097,721**	145,779,118	145,853,091
Basic and diluted loss per share – continuing operations	**(1.23p)**	(1.31p)	(1.14p)
Basic and diluted loss per share – continuing and discontinued operations	**(1.23p)**	(1.34p)	(1.14p)

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.

4. Issued share capital

As at 30 September 2022, there were 147,165,718 Ordinary Shares in issue (30 September 2021: 145,779,118; 31 March 2022: 146,589,118).

APPENDIX – ALTERNATIVE PERFORMANCE MEASURES

Policy

Thruvision uses adjusted figures as key performance measures in addition to those reported under IFRS, as management believe these measures enable management and stakeholders to assess the underlying trading performance of the businesses as they exclude certain items that are considered to be significant in nature and/or quantum.

The alternative performance measures ('APMs') are consistent with how the businesses' performance is planned and reported within the internal management reporting to the Board. Some of these measures are used for the purpose of setting remuneration targets.

The key APMs that the Group uses include adjusted measures for the income statement together with adjusted cash flow measures. Explanations of how they are calculated and how they are reconciled to an IFRS statutory measure are set out below.

Adjusted measures

The Group's policy is to exclude items that are considered to be significant in nature and/or quantum and where treatment as an adjusted item provides stakeholders with additional useful information to better assess the period-on-period trading performance of the Group. The Group excludes certain items, which management have defined for 2023 and 2022 as:

- Share based payments charge or income

Based on the above policy, the adjusted performance measures are derived from the statutory figures as follows

a) Adjusted overheads

	6 months ended 30 September 2022 Unaudited £'000	6 months ended 30 September 2021 Unaudited £'000	Year ended 31 March 2022 Audited £'000
Administrative expenses	**(3,243)**	(2,965)	(5,788)
Add back:			
Share-based payment charge/(credit)	**51**	138	(366)
Adjusted overheads	**(3,192)**	(2,827)	(6,154)

b) Adjusted EBITDA

	6 months ended 30 September 2022 Unaudited £'000	6 months ended 30 September 2021 Unaudited £'000	Year ended 31 March 2022 Audited £'000
Statutory operating loss	**(1,887)**	(2,004)	(1,886)
Add back:			
Depreciation and amortisation	**268**	285	561
Share-based payment charge/(credit)	**51**	138	(366)
Adjusted EBITDA	**(1,568)**	(1,581)	(1,691)

c) Adjusted loss before tax

	6 months ended 30 September 2022 Unaudited £'000	6 months ended 30 September 2021 Unaudited £'000	Year ended 31 March 2022 Audited £'000
Statutory loss before tax	**(1,892)**	(2,001)	(1,889)
Add back:			
Share-based payment charge/(credit)	**51**	138	(366)
Adjusted loss before tax	**(1,841)**	(1,863)	(2,255)