

20 November 2023

Thruvision Group plc

Interim Results

Thruvision Group plc (AIM: THRU, “Thruvision” or the “Group”), the leading provider of walk-through security technology, today announces unaudited results for the six months ended 30 September 2023 (H1 of 2024 financial year – H1 2024).

Highlights

- Revenue grew 28% to £3.5 million (H1 2023: £2.8 million) driven mainly by:
 - Customs market revenue growing 16% to £2.0 million (H1 2023: £1.7 million) underpinned by a major contract win with a new Asian customer.
 - Entrance security market seeing renewed demand with revenue increasing to £0.8 million (H1 2023: £0.04 million).
- Adjusted gross margin¹ up 5.0pp to 53.9% (H1 2023: 48.9%) helped by particularly positive pricing mix.
- Adjusted EBITDA loss¹ reduced slightly to £1.4 million (H1 2023: loss £1.6 million).
- Cash balance at 30 September 2023 was £2.4 million (31 March 2023: £2.8 million).
- £3.2 million (gross) equity fund raising on 26 October 2023 from Pentland Group amongst other investors to support continued investment in sales and marketing capability and delivering key new software functionality as well as providing additional working capital flexibility and strengthening the balance sheet.
- Pentland Group, owner of numerous consumer brands and majority shareholder in one of the Group’s longest-standing customers, JD Sports, has subsequently increased its strategic shareholding to 10%.

	H1 2024 Unaudited £m	H1 2023 Unaudited £m	Change
Adjusted measures¹:			
Adjusted gross profit	1.9	1.4	+41%
Adjusted gross margin	53.9%	48.9%	+5.0pp
Adjusted EBITDA loss	(1.4)	(1.6)	+11%
Adjusted loss before tax	(1.6)	(1.8)	+11%
Statutory measures:			
Revenue	3.5	2.8	+28%
Gross profit ²	1.6	1.1	+47%
Gross margin ²	45.7%	39.8%	+5.9pp
Operating loss	(1.6)	(1.9)	+18%
Loss before tax	(1.6)	(1.9)	+17%

¹ 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.

² As restated see note 5 in the interim financial statements.

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

“Our proven track record in a number of international markets has allowed us to deliver a resilient performance despite the US Customs setback that we reported in October. In addition to further new Customs agency wins elsewhere, we have seen a marked pick-up in activity in our Entrance Security market, driven by heightened geopolitical tension. To capitalise fully on this, we are accelerating our appointment of new Value-Added Resellers to broaden our reach geographically.

“Given JD Sports’ history as a long-term Thruvision customer, Pentland Group’s strategic investment provided a clear endorsement of the value of our technology, particularly for the retail market. This strengthening of the balance sheet, combined with our order backlog and healthy sales pipeline, gives us confidence that we will grow strongly into the second half and beyond.”

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About Thruvision

Thruvision is the leading developer, manufacturer and supplier of walk-through security technology. Its technology is deployed in more than 20 countries around the world by government and commercial organisations in a wide range of security situations, where large numbers of people need to be screened quickly, safely and efficiently. Thruvision's patented technology is uniquely capable of detecting concealed objects in real time using an advanced AI-based detection algorithm. The Group has offices and manufacturing capabilities in the UK and US.

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.

Interim report

Headlines

The Group demonstrated a resilient performance in the six-month period to 30 September 2023. The business performed well and benefited from increasing demand from a broader base of customers, mainly as a result of a deteriorating security environment globally.

Revenue grew by 28% to £3.5 million (H1 2023: £2.8 million), with an order backlog at 30 September of £1.0 million expected to be delivered in the third quarter. Cash at 30 September 2023 was £2.4 million (31 March 2023: £2.8 million).

In particular, we saw increased international government activity, including initial orders from two new Customs agencies and renewed focus on improving entrance security across government and non-government customers. We continued to make good progress in R&D ahead of a planned new product launch later this financial year.

Broader US Federal budget challenges meant that, as we reported in October, CBP did not place an anticipated order by the end of the first half. We remain engaged with them to ensure that they derive maximum value from our technology and are in a position to resume purchasing when the current border crisis allows.

Strategic update

Our strategy is to build on our market-leading position as a developer, manufacturer and supplier of walk-through security technology. We aim to become a mainstream provider to, and increase our market-share in, a number of growing and established international markets. The continued investment in improving our patented AI-enhanced Terahertz (THz) imaging technology will maintain our significant competitive advantage.

The increased geopolitical instability around the world has added further impetus to the Entrance Security market where organisations are looking for proven capability to detect weapons and explosives. This market was somewhat dormant through COVID, but our strong brand and proven capability has meant we have seen growing interest and demand in the last few months.

Retailers continue to manage a wide range of conflicting priorities, including the challenging economic backdrop which is impacting their investment plans. Our recently published UK-focused research, undertaken with Retail Economics, shows retail theft is forecast to be £7.9bn this year with some 40% of this attributable to employees. We continue to focus on retailers who recognise that Thruvision offers an effective and easy to install way to reduce, and deter, employee theft while providing an attractive in-year return on investment.

We are seeing continued interest from Customs agencies internationally. This is driven by the ongoing focus on border control and migration management and counter-narcotics operations.

Given the increasing awareness of our unique technology and growing demand from an increasing number of countries, we have accelerated the process of appointing Value-Added Resellers (VARs) to support the international opportunities and our widening geographical footprint across Europe, Middle East and Asia.

Strategic investor and fund raising

On 26 October 2023, the Group raised £3.2 million gross in new equity to support its continued investment in sales and marketing capability and delivering key new software functionality as well as providing additional working capital flexibility and strengthening the balance sheet.

After starting discussions earlier in the summer, Pentland Group became a strategic investor in the Group through this fund-raising. JD Sports, which is majority owned by Pentland Group, was one of Thruvision's earliest customers and remains a strong advocate of our technology. Pentland Group's strategic investment is a clear endorsement of our capabilities and demonstration of the value of our technology, particularly for the retail market.

Current trading and outlook

Business performance is resilient and demonstrating good levels of non-CBP growth. With geopolitical risks driving a strong bounce-back performance in our Entrance Security market, and continued strategic progress in Retail Distribution, our unique technology is being successfully used by a growing number of major international organisations.

As we outlined on 2 October 2023, the anticipated order from CBP was not awarded in September which reduced our expectations for the Group's full year revenue.

However, the recent strengthening of the balance sheet, combined with our order backlog and healthy sales pipeline, gives us confidence that we will grow strongly into the second half and beyond.

Operational review

We operate in four distinct markets where there is the need to detect, quickly and reliably, a range of different items being concealed in clothing. These markets are driven by different factors and protect us against changing political and economic circumstances.

Customs

Our Customs market revenue grew by 16%, underpinned by a major contract win with a new Asian customer and another from a new Central American customs agency, maintaining our momentum in this global market. In addition, we are expecting further orders in H2 with existing Asian customers who are intending to augment and/or upgrade their existing fleets of Thruvision units.

Retail Distribution

In Retail Distribution, the Group added new customers including GXO, the global logistics provider, and TD Synnex, a global technology provider. We continue to receive orders from existing customers in the UK and Europe and expand our sales pipeline with new names in the US. With a new product launch planned later this year, we expect to see further upgrading by existing customers moving forward.

On 13 November 2023, Thruvision and Retail Economics published a report which forecast that the overall theft would cost UK retailers some £7.9bn this year, with employee theft accounting for some 40% of this total. Around two thirds of those interviewed in the survey believe that over the past decade the opportunity for crime in DCs has accelerated and 70% state that they have seen an increase in organised crime activities in DCs.

Our technology specifically addresses this major problem for retailers and we expect this report to stimulate further interest in Thruvision given the proven, rapid return on investment that we can demonstrate.

Entrance Security

Given the general deterioration in the international security situation, we have seen increased interest and sales activity in VIP locations, prisons, critical national infrastructure sites, natural resources and high security buildings. This interest is driven by the heightened threat, once more, of weapons and explosives being brought into facilities, and the fact that Thruvision is recognised as a fully proven means of detecting such items at a safe distance.

We secured new customers in Africa and Asia and have seen further order flow from existing Middle East customers in H1 and since the period end. The current level of sales enquiries suggest that this is set to continue into the second half.

Encouraged by this broadening demand, we are accelerating the rate at which we sign-up regional VARs, focusing on those that new team members have worked with successfully in the past. This ensures that we can be confident that these new partners bring strong relationships with organisations we wish to focus on and excellent technical capability in terms of supporting our equipment in the field once deployed.

Aviation

With a formal change in US Government policy now in progress, US airports are soon to be required to upgrade their approach to the security screening of staff as they go to work on the "airside" of an airport. Although in the early stages of development, this opportunity is expected to mature over the next two years and, based on the four years of operational experience we have gained with Seattle Tacoma International Airport, we are very well placed to provide approved technology to meet this requirement.

Although we have an established solution for security screening of employees in airports in the US, we require formal US Government Transportation Security Administration accreditation to compete with airport body scanners for the passenger screening market. We started this process in 2020 and, after several COVID-related delays, it has now restarted. Some further progress has been made although this remains a protracted process.

Product R&D and Intellectual Property ('IP')

We remain on track to launch our next generation camera range early in 2024. This will provide an upgraded hardware platform in addition to new software functionality which will be offered on a chargeable annual licence basis.

Financial review

Summary

Revenue for the six months ended 30 September 2023 was up 28% to £3.5 million (H1 2023: £2.8 million) principally driven by significant growth in Entrance Security sales. On a constant currency basis revenue was up 29%.

Adjusted EBITDA loss improved by 11% or £0.2 million to £1.4 million (H1 2023: loss £1.6 million), with adjusted gross profit growth up £0.5 million to £1.9 million (H1 2023: £1.4 million) more than offsetting overheads which were up, as planned, by £0.3 million.

Adjusted gross margin improved by 5pp to 53.9% (H1 2023: 48.9%) driven by a pricing mix benefit. Statutory gross margin was up 5.9pp to 45.7%. Operating loss was £1.6 million (H1 2023: loss £1.9 million).

Cash as at 30 September 2023 was £2.4 million (31 March 2023: £2.8 million), with cash as at 17 November 2023 of £4.3 million. Trade and other receivables were £2.9 million (31 March 2023: £4.3 million) and reflect the receipt of all outstanding balances at 31 March from CBP during the period offset by recent sales. Cash and the balance sheet more generally have been strengthened following the fundraise on 26 October 2023.

Revenue

Revenue is split between the two principal activities below:

	6 months ended 30 September 2023 £'000	6 months ended 30 September 2022 £'000	Year ended 31 March 2023 £'000
Product	3,404	2,364	11,782
Support and Development	141	407	638
Total	3,545	2,771	12,420

Revenue is split by market sector and geographical region below:

	6 months ended 30 September 2023 £'000	6 months ended 30 September 2022 £'000	Year ended 31 March 2023 £'000
Revenue by market sector			
Retail Distribution	799	1,025	2,429
Customs	1,978	1,699	9,165
Aviation	6	12	246
Entrance Security	762	35	580
Total	3,545	2,771	12,420

	6 months ended 30 September 2023 £'000	6 months ended 30 September 2022 £'000	Year ended 31 March 2023 £'000
Revenue by geographical region			
UK and Europe	974	990	2,249
Americas	235	1,759	9,223
Rest of World	2,336	22	948
Total	3,545	2,771	12,420

Revenue was adversely impacted by translational exchange as the GBP depreciated against the US\$ and decreased revenue by approximately £0.03 million, compared to the prior year average exchange rate. This resulted in constant currency growth in revenue of 29% and reported revenue growth of 28%.

Gross profit

Adjusted gross profit improved by £0.5 million with a volume impact of £0.3 million and mix impact of £0.2 million.

Adjusted gross margin improved by 5.0pp to 53.9% (H1 2023: 48.9%) and reflected the positive price mix. Statutory gross margin was 5.9pp higher at 45.7% (H1 2023: 39.8%) also reflecting operational leverage.

	6 months ended 30 September 2023 £'000	6 months ended 30 September 2022 £'000	Year ended 31 March 2023 £'000
Revenue	3,545	2,771	12,420
Adjusted gross profit	1,912	1,356	6,401
Adjusted gross margin	53.9%	48.9%	51.5%
Statutory gross profit	1,621	1,104	5,837
Statutory gross margin	45.7%	39.8%	47.0%

Administrative expenses

Administrative expenses increased by 6% to £3.2 million with overheads up by 13% to £3.0 million. As well as overheads, administrative expenses include share-based payment charges or credits, depreciation and amortisation and impairment of intangible assets. Overheads as a proportion of sales were 86% (H1 2023: 98%; 2023: 49%) reflecting the growth and phasing of revenue and continued tight control.

Higher sales and marketing expenditure was impacted by higher sales commission resulting from the growth in orders. Management costs decreased with one-off CFO replacement costs in the prior period, whilst PLC costs were up due to higher insurance costs. Property and administration costs were higher resulting mainly from additional finance team headcount supporting growth in the business.

Adjusted overheads are analysed as follows:

	6 months ended 30 September 2023 £'000	6 months ended 30 September 2022 £'000	Year ended 31 March 2023 £'000
Sales and marketing	1,122	1,085	2,215
Engineering	607	589	1,270
Management	466	666	1,135
PLC costs	414	354	829
Property and administration	307	191	417
Bonus	47	20	458
Foreign exchange losses / (gains)	81	(203)	(198)
Overheads	3,044	2,702	6,126
Depreciation and amortisation	205	238	569
Share based payment (credit) / charge	(72)	51	96
Impairment of intangible assets	-	-	36
Administrative expenses	3,177	2,991	6,827

Loss before and after tax and loss per share

Adjusted loss before tax of £1.6 million improved by 11% (H1 2023: loss £1.8 million) with statutory loss before tax of £1.6 million improving by 17% (H1 2023: loss £1.9 million).

Statutory loss after tax improved by 18% to a loss of £1.5 million with the adjusted loss after tax of £1.6 million improving by 11% (H1 2023: loss £1.8 million).

The loss per share and adjusted loss per share were 1.01 pence and 1.06 pence respectively (H1 2023: loss per share and adjusted loss per share of 1.23 pence and 1.19 pence respectively) and reflected the movements in adjusted and statutory loss after tax.

Cash flow

The decrease in cash and cash equivalents of £0.4 million to £2.4 million at 30 September 2023 (30 September 2022: £1.1 million, 31 March 2023: £2.8 million) was driven by an operating cash outflow before working capital of £1.4 million partly offset by a net working capital inflow of £1.0 million and an R&D tax credit received of £0.4m together with investing outflows and financing outflows of £0.2 million each.

Movements in working capital in the period were:

- Trade and other receivables decreased by £1.5 million, principally driven by cash received from CBP of £2.7 million.
- Increased inventory to support order backlog to be delivered in the second half of the year resulted in a £0.3 million outflow.
- A decrease in trade and other payables resulted in an outflow of £0.2 million. Trade creditors decreased due to the timing of stock purchases.

On 26 October 2023, the Group completed a placing of 13,617,021 new ordinary shares of 23.5 pence per share raising £3.2 million of gross proceeds. The net proceeds of the placing will be used for continued investment in the Group's sales and marketing capability and delivering key new software functionality. It will also provide the Group with additional working capital flexibility and strengthen the Group's balance sheet.

Other

A limited programme of share purchases by the Thruvision plc EBT commenced on 1 April 2023 with the purpose of partly satisfying future employee exercises of share options. During the period 455,029 shares in the Group were purchased by the EBT for total consideration of £119,000.

Consolidated income statement

		6 months ended 30 September 2022 Unaudited £'000	6 months ended 30 September 2022 ⁽¹⁾ Unaudited £'000	Year ended 31 March 2023 Audited £'000
	Notes			
Revenue	2	3,545	2,771	12,420
Cost of sales		(1,924)	(1,667)	(6,583)
Gross profit		1,621	1,104	5,837
Administrative expenses		(3,177)	(2,991)	(6,827)
Operating loss		(1,556)	(1,887)	(990)
Financial income		25	11	26
Finance costs		(37)	(16)	(15)
Loss before tax		(1,568)	(1,892)	(979)
Taxation credit		86	89	174
Loss for the period		(1,482)	(1,803)	(805)
Loss per share				
Loss per share – basic and diluted	3	(1.01p)	(1.23p)	(0.55p)

All operations are continuing.

⁽¹⁾ As restated see note 5 to the interim financial statements.

Consolidated statement of comprehensive income

	6 months ended 30 September 2023 Unaudited £'000	6 months ended 30 September 2022 Unaudited £'000	Year ended 31 March 2023 Audited £'000
Loss for the period attributable to owners of the parent	(1,482)	(1,803)	(805)
Other comprehensive loss – items that may be subsequently reclassified to profit or loss:			
Exchange differences on retranslation of foreign operations	(24)	(45)	(50)
Total comprehensive loss attributable to owners of the parent	(1,506)	(1,848)	(855)

Consolidated statement of financial position
at 30 September 2023

	Note	30 September 2023 Unaudited £'000	30 September 2022 Unaudited £'000	31 March 2023 Audited £'000
Assets				
Non-current assets				
Property, plant and equipment		1,210	962	1,173
Other intangible assets		116	140	109
		1,326	1,102	1,282
Current assets				
Inventories		3,895	4,772	3,639
Trade and other receivables		2,851	3,813	4,342
Current tax receivable		81	302	375
Cash and cash equivalents		2,372	1,091	2,810
		9,199	9,978	11,166
Total assets		10,525	11,080	12,448
Current liabilities				
Trade and other payables		(2,493)	(2,399)	(2,690)
Lease liabilities		(132)	(158)	(121)
Provisions		(102)	(206)	(107)
		(2,727)	(2,763)	(2,918)
Net current assets		6,472	7,215	8,248
Non-current liabilities				
Trade and other payables		(54)	(69)	(72)
Lease liabilities		(557)	(449)	(604)
Provisions		(38)	(38)	(38)
		(649)	(556)	(714)
Total liabilities		(3,376)	(3,319)	(3,632)
Net assets		7,149	7,761	8,816
Equity				
Share capital	4	1,474	1,472	1,472
Share premium		352	308	325
Capital redemption reserve		163	163	163
Translation reserve		(13)	16	11
Retained earnings		5,173	5,802	6,845
Total equity attributable to owners of the Company		7,149	7,761	8,816

Consolidated statement of changes in equity (unaudited)

	Share capital £'000	Share premium £'000	Capital redemption reserve £'000	Translation reserve £'000	Retained earnings £'000	Total equity £'000
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
Shares issued	-	17	-	-	-	17
Share based payment charge	-	-	-	-	45	45
Transactions with shareholders	-	17	-	-	45	62
Profit for the period	-	-	-	-	998	998
Other comprehensive expense	-	-	-	(5)	-	(5)
Total comprehensive (loss)/income	-	-	-	(5)	998	993
At 31 March 2023	1,472	325	163	11	6,845	8,816
Shares issued	2	27	-	-	-	29
Purchase of own shares	-	-	-	-	(119)	(119)
Share based payment credit	-	-	-	-	(71)	(71)
Transactions with shareholders	2	27	-	-	(190)	(161)
Loss for the period	-	-	-	-	(1,482)	(1,482)
Other comprehensive loss	-	-	-	(24)	-	(24)
Total comprehensive loss	-	-	-	(24)	(1,482)	(1,506)
At 30 September 2023	1,474	352	163	(13)	5,173	7,149

Consolidated statement of cash flows

	6 months ended 30 September 2023 Unaudited £'000	6 months ended 30 September 2022 Unaudited £'000	Year ended 31 March 2023 Audited £'000
Operating activities			
Loss after tax	(1,482)	(1,803)	(805)
Adjustments for:			
Taxation credit	(86)	(89)	(174)
Financial income	(25)	(10)	(26)
Finance costs	37	16	15
Depreciation of property, plant and equipment	227	258	619
Profit on disposal of property, plant & equipment	-	(10)	(10)
Amortisation of intangible assets	9	10	20
Impairment of intangible assets	-	-	36
Share-based payment (credit) / charge	(72)	51	96
Operating cash outflow before changes in working capital and provisions	(1,392)	(1,577)	(229)
Decrease / (increase) in trade and other receivables	1,491	(1,811)	(2,360)
Increase in inventories	(256)	(904)	(183)
(Decrease) / increase in trade and other payables	(191)	26	321
(Decrease) / increase in provisions	(5)	28	(71)
Cash utilised in operations	(353)	(4,238)	(2,522)
Net income taxes received	380	-	-
Net cash inflow / (outflow) from operating activities	27	(4,238)	(2,522)
Investing activities			
Purchase of property, plant & equipment	(241)	(26)	(37)
Purchase of intangible assets	(18)	(70)	(86)
Proceeds from disposal of property, plant and equipment	-	11	11
Interest received	25	10	26
Net cash outflow from investing activities	(234)	(75)	(86)
Financing activities			
Proceeds from issues of shares	29	93	130
Purchase of own shares	(119)	-	-
Payments on principal portion of lease liabilities	(93)	(81)	(180)
Other finance costs	(12)	-	-
Interest paid on lease liabilities	(23)	(4)	(15)
Net cash outflow from financing activities	(218)	(89)	(65)
Net decrease in cash and cash equivalents	(425)	(4,305)	(2,673)
Cash and cash equivalents at beginning of the period	2,810	5,441	5,441
Effect of foreign exchange rate changes	(13)	(45)	42
Cash and cash equivalents at end of the period	2,372	1,091	2,810

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 2023 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 2023.

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 20 July 2023 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 2023 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 2023 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 2023.

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 2023 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 £1.6 million (H1 2023: £1.9 million; FY 2023: £1.0 million). As at 30 September 2023 the Group had net current assets of £6.5 million (30 September 2022: £7.2 million; 31 March 2023: £8.2 million) and cash and cash equivalents of £2.4 million (30 September 2022: £1.1 million; 31 March 2023: £2.8 million).

The Board has reviewed cash flow forecasts for the period up to and including 31 December 2024. 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, other than delivery of existing backlog, 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 2024 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, sales and marketing, property and administration, management and PLC costs, with the split of costs as shown in the Financial Review on page 6.

Analysis of revenue by customer

There have been two (H1 2023: two; FY 2023: one) individually material customer(s) (each comprising in excess of 10% of revenue) during the period. These customers individually represented £1,885k and £440k of revenue (H1 2023: £1,335k and £415k, FY 2023: £8,268k).

The Group's revenue by market sector, geographical location and type is detailed below:

Revenue by market sector	6 months ended 30 September 2023 £'000	6 months ended 30 September 2022 £'000	Year ended 31 March 2023 £'000
Retail Distribution	799	1,025	2,429
Customs	1,978	1,699	9,165
Aviation	6	12	246
Entrance Security	762	35	580
Total	3,545	2,771	12,420

Revenue by geographical location	6 months ended 30 September 2023 Unaudited £'000	6 months ended 30 September 2022 Unaudited £'000	Year ended 31 March 2023 Audited £'000
UK and Europe	974	990	2,249
Americas	235	1,759	9,223
Rest of World	2,336	22	948
Total	3,545	2,771	12,420

Revenue by type	6 months ended 30 September 2023 £'000	6 months ended 30 September 2022 £'000	Year ended 31 March 2023 £'000
Product	3,404	2,364	11,782
Support and Development	141	407	638
Total	3,545	2,771	12,420

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

	30 September 2023 Unaudited £'000	30 September 2022 Unaudited £'000	31 March 2023 Audited £'000
UK	1,110	1,037	1,027
United States of America	216	65	255
Total	1,326	1,102	1,282

Notes to the financial statements (continued)

2. Segmental information (continued)

The Group's revenue by type is detailed below:

	6 months ended 30 September 2023 Unaudited £'000	6 months ended 30 September 2022 Unaudited £'000	Year ended 31 March 2023 Audited £'000
Revenue recognised at point in time	3,507	2,398	11,888
Revenue recognised over time – extended warranty and support revenue	38	373	532
	3,545	2,771	12,420

3. Loss per share

	6 months ended 30 September 2023 Unaudited	6 months ended 30 September 2022 Unaudited	Year ended 31 March 2023 Audited
Loss after tax (£'000)	(1,482)	(1,803)	(805)
Weighted average number of shares	147,292,757	147,097,721	147,138,774
Basic and diluted loss per share (pence)	(1.01p)	(1.23p)	(0.55p)

The inclusion of potential Ordinary Shares arising from LTIPs and EMI Options would be anti-dilutive. Basic and diluted loss per share has therefore been calculated using the same weighted number of shares for each period.

4. Share capital

As 30 September 2023, there were 147,368,117 Ordinary Shares in issue (30 September 2022: 147,165,718; 31 March 2023: 147,247,239). The Thruvision Group Plc Employee Benefit Trust held 455,029 shares in the Company (30 September 2022: nil; 31 March 2023: nil).

On 26 October 2023, the Company issued 13,617,021 new Ordinary Shares of 1 penny each at a premium of 22.5 pence each as part of the placing for which gross proceeds of £3.2 million was received. Following the placing, 161,015,138 Ordinary Shares were in issue.

5. Restatement

In the audited results for the year ended 31 March 2023, gross margin was restated to correctly classify certain fixed costs and variable production overheads including production staff costs and related overheads to cost of sales from administrative expenses. The unaudited results for the six months ended 30 September 2022 have been restated accordingly to ensure comparability, with total costs reclassified from administrative expenses to cost of sales of £0.3 million. There is no impact on operating profit, basic and diluted loss per share or the Statement of Financial Position.

6. Post balance sheet events

On 26 October 2023, the Group concluded a placing of 23.5 pence per share raising £3.2 million of gross proceeds and issuing 13,617,021 new Ordinary Shares, including a significant strategic investment from Pentland Capital.

APPENDIX – ALTERNATIVE PERFORMANCE MEASURES ('APMs')

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 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, where the item is volatile in nature and cannot be directly linked to underlying trading, 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 as:

- Share based payments charge or credit
- Impairments of intangible assets

Gross profit, excluding production overheads is used to enable a like-for-like comparison of underlying sales profitability. Production overheads are excluded due to changes in product mix and investments in the production team which have improved capacity and therefore changes the labour and overhead absorption rates. This is represented by adjusted gross profit.

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

a) Adjusted gross profit

	6 months ended 30 September 2023 Unaudited £'000	6 months ended 30 September 2022 Unaudited £'000	Year ended 31 March 2023 Audited £'000
Gross profit	1,621	1,104	5,837
Add back:			
Production overheads	291	252	564
Adjusted gross profit	1,912	1,356	6,401

b) Adjusted EBITDA

	6 months ended 30 September 2023 Unaudited £'000	6 months ended 30 September 2022 Unaudited £'000	Year ended 31 March 2023 Audited £'000
Statutory operating loss	(1,556)	(1,887)	(990)
Add back:			
Depreciation and amortisation	236	268	639
Impairment of intangible assets	-	-	36
Share-based payment (credit) / charge	(72)	51	96
Adjusted EBITDA	(1,392)	(1,568)	(219)

c) **Adjusted loss before tax**

	6 months ended 30 September 2023 Unaudited £'000	6 months ended 30 September 2022 Unaudited £'000	Year ended 31 March 2023 Audited £'000
Statutory loss before tax	(1,568)	(1,892)	(979)
Add back:			
Impairment of intangible assets	-	-	36
Share-based payment (credit) / charge	(72)	51	96
Adjusted loss before tax	(1,640)	(1,841)	(847)

d) **Adjusted loss per share**

	6 months ended 30 September 2023 Unaudited £'000	6 months ended 30 September 2022 Unaudited £'000	Year ended 31 March 2023 Audited £'000
Statutory loss after tax	(1,482)	(1,803)	(805)
Add back:			
Impairment of intangible assets	-	-	36
Share-based payment (credit) / charge	(72)	51	96
Adjusted loss after tax	(1,554)	(1,752)	(673)
Weighted average number of shares	147,292,757	147,097,721	147,138,774
Statutory loss per share (pence)	(1.01)	(1.23)	(0.55)
Adjusted loss per share (pence)	(1.06)	(1.19)	(0.46)