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Tan Delta Systems PLC
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The information communicated within this announcement is deemed to constitute inside information as stipulated under the Market Abuse Regulations (EU) No. 596/2014 as it forms part of UK domestic law by virtue of the European Union (Withdrawal) Act 2018 ("MAR"), and is disclosed in accordance with the Company's obligations under Article 17 of MAR. Upon the publication of this announcement, this inside information is now considered to be in the public domain.

Tan Delta Systems plc
("Tan Delta" or the "Company")

Trading update

Tan Delta Systems plc (AIM:TAND), a leading provider of intelligent monitoring and maintenance systems for commercial and industrial equipment announces a trading update for the year ending 31 December 2024 ("FY 2024").

Due to a delay in some specific pipeline orders the Company's financial results will be lower than market expectations, with revenue in FY 2024 expected to be approximately £1.2 million (FY 2023: £1.5 million), resulting in an estimated loss before tax of approximately £1.2 million. As at year end we expect to have cash of £3.0m, no debt, and stock of £0.7m (cost value) which has been built up in preparation for short lead time order fulfilment.

The Company has built up, and continues to grow, a significant pipeline of sales opportunities where we are working closely with customers to evaluate and plan the implementation of our real time oil analysis systems. These opportunities vary from very large equipment operators with several thousand assets, to global oil and gas majors such as Shell, multi-national equipment manufacturers such as Wartsila, to a global online retailer seeking to improve reliability on tens of thousands of conveyor gearboxes in their fulfilment warehouses. The sales process for each customer is similar, whereby there is a phase of evaluation and quantification of their specific benefits and once validated the logistics of physical implementation and integration with existing maintenance systems and processes.

In the Middle East, there are four specific opportunities with equipment operators worth in aggregate approximately 5.0 million where validation trials have been ongoing. As previously reported in our interim results, the trials and associated business cases has led to positive discussions around the rollout of our systems across their equipment estates with commensurate significant initial orders some of which were expected to be received and delivered in the current financial year. However we now believe that these will not be received in the current financial year.

Commenting on the update, Chris Greenwood, Tan Delta CEO said:

"We are disappointed not to have realised our financial ambitions this year. However, this belies the fact that we have made substantial progress with developing new and existing sales opportunities. We are working closely with customers to develop and plan their equipment maintenance strategies and implementation plans with Tan Delta real time oil analysis and intelligent equipment management at the core. I look forward to reflecting this groundwork in our future financials."

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