RNS Number : 2992B
Tan Delta Systems PLC
30 September 2025

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')

Interim results for the six months ended 30 June 2025

Tan Delta (AIM:TAND), a leading provider of intelligent monitoring and maintenance systems for commercial and industrial equipment, announces its financial results for the six months ended 30 June 2025 ('H1 2025' or 'the Period').

Financial highlights:

- Revenue £0.5m (H1 2024: £0.7m), due to conversion of trial-to-rollout taking longer than anticipated
- Gross profit margins remain strong at 61% (H1 2024: £61%), due to consistent sales product mix
- Loss before tax of £0.8m (H1 2024: loss of £0.5m), due to higher administrative costs driven by extensive trial and customer evaluation activities
- Cash of £2.0m as at 30 June 2025 (H1 2024: £3.6m), with no debt
- Management expects FY25 revenue to be not less than £1.0 million

Customer highlights:

- Pipeline has increased nearly two fold to circa £64m (31 December 2024: £35m), demonstrating continued strong interest in Tan Delta products
- 17 active trials underway (31 December 2024: 20)
- 216 worldwide distributors (31 December 2024: 201)

Operational highlights:

- Resources directed towards supporting and converting 17 active customer trials
- Core technology certified by TuV and strategic investments made to embed more intelligence, enabling broader application across fluids

Chris Greenwood, CEO of Tan Delta, comments:

"In general, adoption of our solutions by customers is taking considerably longer than expected resulting in disappointing financial results during the Period. However, over the year a great deal of progress has been made developing both existing and new prospects with no shortage of interest from customers to pro-actively engage with us. We end the Period with no debt, £2.0m of cash, 216 distributors, 17 active trials and visible forward sales opportunities worth approximately £64.0m which I hope to start seeing convert. Whilst I recognise and apologise for the frustration of the slow financial progress operational activity and prospects are stronger than ever boding well for the future."

For further enquiries:

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Chris Greenwood, CEO

John Higginbottom, CFO & COO

Zeus (Nominated Adviser & Broker) **Tel: +44 (0) 203 829 5000**

James Hornigold, David Foreman, Ed Beddows (Investment Banking)

Nick Searle (Sales)

Chairman Statement

Slower than expected conversions of trials into rollouts by customers has resulted in a disappointing financial performance during the first half, with revenues of £0.5m (H1 2024: £0.7m) generating a loss before tax of £0.8m (H1

2024: £0.5m). Gross profit margin is maintained at 61%. Operating costs have been tightly controlled, although have increased due to the increased operational activity arising from the considerable sales and customer evaluation activities that are ongoing. As at the year end, the Company had no debt and cash of £2.0m, and inventory levels of £0.7m to support expected sales conversions.

Whilst conversion into sustained rollouts has been much slower than expected, market interest in our range of real time oil condition monitoring (RT-OCM) has continued to increase as reflected by regular new inquiries, 17 active evaluation trials and visible qualified sales opportunities worth circa £64.0m. Our focus is on supporting these leading customers to complete their trials and the process of planning how to implement RT-OCM across their equipment estates and thus the commencement of material sales for us.

Operational

Due to the level of interest and trials operationally we have primarily been focused on supporting these rather than new product developments. However, of note has been the positive reaction to the certification of our core technology and sensor capabilities by TuV, the world's largest independent test and certification organisation. This is important as it provides independent validation of our core technology and its exceptional oil analysis performance upon which the quality of our data and the benefits that interest our customer so much are based. In parallel, we have undertaken some strategic investment embedding more intelligence into our products such that customers are provided with a wider range of actionable insights on their equipment as well as enabling its use on a wider range of fluids such as dielectric fluids used in battery and insulation systems.

Sales

As previously stated, the process of adoption by customers has been significantly slower than expected. We believe this to be for two reasons, firstly due to customers being highly interested in the insight and benefits our RT-OCM can provide, but also initially sceptical and requiring validation that our sensors can produce the information and insight we claim, and secondly understanding how to physically and operationally implement RT-OCM across their estates within existing equipment management programs. The adoption of RT-OCM is a significant long-term commitment from these customers and thus this combination has resulted in a significant and growing backlog of opportunities, but an extended sales cycle and slower than expected sales.

Given the level of inquiries and sales opportunity backlog we have not needed to undertake any marketing and our sales and technical support teams are focused on responding to inquiries. Today we have 17 active trials underway, some of which are with very large multi-national equipment owners/operators, several of which are scheduled to complete during H2 and lead to some initial phased rollouts. Each trial is a significant investment and commitment for each customer and also for Tan Delta and is only embarked upon following extensive discussions and proposals such that each has a clear timeline and outcome objective. As of the date of this report we are satisfied that these trials are proceeding well.

Other notable sales activities have been our new agreement with Shell Marine which targets deployment on thousands of vessels in the coming years, global distribution agreement with Fuchs SE, one of the world's largest lubricant distributors, a distributor agreement with Core Arabia in Saudi Arabia. One of the trials underway is with the world's largest online retail logistics company who wishes to monitor certain critical assets within their warehouses to detect any issues and pinpoint optimal maintenance periods. We have recently successfully completed the initial proof of concept phase and are now proceeding into a wider multi-site trial which if successful could lead to a global rollout. The customer has hundreds of sites worldwide, each having thousands of individual assets, with up to 40% of these considered critical. This is an example of the very significant, but slow-moving opportunities that we are developing and is underpinned by the exceptional capabilities of our core RT-OCM technology.

Outlook

We expect the remainder of this financial year to continue to reflect the recent past with significant market interest and the progressive completion of existing trials, but minimal, if any, material sales conversions resulting in expected revenues of not less than £1.0m for FY25. However, we do expect to see the completion of the trials, along with greater market validation of our solution, to drive a sustained uptick trend in sales during the next financial year and onward into the future.

Notes to editors

Tan Delta is an industrial-tech business that enables operators of commercial and industrial equipment reduce operating and maintenance costs and improve reliability. Our business is built around our unique proprietary core sensor technology that analyses lubrication oil in real time generating data rich with insight which with the application of analytics converts into actionable information for equipment operators that can enable oil consumption and associated cost savings of up to 50%. Our customers include operators of all types of equipment that rely upon engines and gearboxes, from the largest ships to mining trucks, generators, and wind turbines, applicable applications are ubiquitous and worldwide.

www.tandeltasystems.com

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE SIX MONTHS ENDED 30 JUNE 2025

	Unaudited 6 months ended 30-Jun-25 £	Unaudited 6 months ended 30-Jun-24 £	Audited 12 months ended 31-Dec-24 £
Revenue	**526,005**	657,425	1,215,328
Cost of sales	**(206,079)**	(253,756)	(460,990)
Gross profit	**319,926**	403,669	754,338
Other operating income	**-**	-	-
Distribution costs	**-**	-	-
Administrative expenses	**(1,152,744)**	(1,022,133)	(2,091,389)
(Loss) Profit from operations			
Adjusting items	**-**	**-**	(36,905)
Excluding adjusting items	**(832,818)**	(618,464)	(1,300,146)
(Loss) / Profit from operations	**(832,818)**	(618,464)	(1,337,051)
Interest expense	**(995)**	(1,409)	(2,612)

Interest Income	48,872	90,310	166,260
(Loss) / Profit before tax			
Adjusting items	-	-	(36,905)
Excluding adjusting items	**(784,941)**	(529,562)	(1,136,497)
(Loss) /Profit before tax	**(784,941)**	(529,562)	(1,173,402)
Taxation	-	-	5,682
(Loss) / Profit for the period attributable to equity holders of the Company	**(784,941)**	(529,562)	(1,167,720)
Other comprehensive income			
Total other comprehensive income	-	-	-
Total comprehensive (loss) / profit for the period attributable to equity holders of the Company	**(784,941)**	(529,562)	(1,167,720)
Basic and diluted earnings per share (£)	(0.01)	(0.01)	(0.02)

STATEMENT OF FINANCIAL POSITION AS AT 30 JUNE 2025

	Unaudited As at 30-Jun-25 £	Unaudited Restated As at 30-Jun-24 £	Audited As at 31-Dec-24 £
Non-current assets			
Intangible assets	**84,777**	128,934	111,928
Right of use asset	**53,537**	80,306	66,922
Property, plant and equipment	**69,120**	82,339	73,923
	207,434	291,579	252,773
Current assets			
Inventories	**693,726**	505,770	733,136
Trade and other receivables	**297,694**	308,151	309,619
Cash and cash equivalents	**2,035,777**	3,617,957	3,083,552
	3,027,196	4,431,878	4,126,307
Total assets	**3,234,631**	4,723,457	4,379,080
Current liabilities			
Trade and other payables	**169,433**	244,273	514,936
Short term lease liability	**28,647**	27,802	28,221
	198,080	272,075	543,157
Non-current liabilities			
Long term lease liability	**29,518**	58,165	43,949
	29,518	58,165	43,949
Total liabilities	**227,598**	330,239	587,106
Net assets	**3,007,033**	4,393,218	3,791,974
Equity attributable to equity holders of the Company			
Ordinary share capital	**73,224**	73,224	73,224
Share premium account	**5,482,198**	5,445,293	5,482,198
Retained earnings	**(2,548,389)**	(1,125,299)	(1,763,448)
Total equity	**3,007,033**	4,393,218	3,791,974

STATEMENT OF CHANGES IN EQUITY FOR THE SIX MONTHS ENDED 30 JUNE 2025

	Share	Share premium	Restated	Retained	Other

	Note	Share capital	premium account	Other reserves	earnings / losses	Other reserves
		£	£	£	£	£
Restated Balance at 1 January 2024		**73,224**	**5,426,204**	**19,089**	**(595,737)**	**4,922,780**
Ordinary share capital		-	-	-	-	-
Comprehensive income:						
Loss for the period		-	-	-	(529,562)	(529,562)
Share option costs		-	-	-	-	-
Unaudited Balance at 30 June 2024		**73,224**	**5,426,204**	**19,089**	**(1,125,299)**	**4,393,218**

	Note	Share capital	Share premium account	Other reserves	Retained earnings / losses	Total equity
		£	£	£	£	£
Balance at 1 July 2024		**73,224**	**5,426,204**	**19,089**	**(1,125,299)**	**4,393,218**
Ordinary share capital		-	-	-	-	-
Comprehensive income:				-		-
Loss for the period		-	-	-	(638,149)	(638,149)
Share option costs		-	-	36,905	-	36,905
Audited Balance at 31 December 2024		**73,224**	**5,426,204**	**55,994**	**(1,763,448)**	**3,791,974**

	Note	Share capital	Share premium account	Other reserves	Retained earnings / losses	Total equity
		£	£	£	£	£
Balance at 1 January 2025		**73,224**	**5,426,204**	**55,994**	**(1,763,448)**	**3,791,974**
Ordinary share capital		-	-	-	-	-
Comprehensive income:				-		
Loss for the period		-	-	-	(784,941)	(784,941)
Share option costs		-	-	-	-	-
Unaudited Balance at 30 June 2025		**73,224**	**5,426,204**	**55,994**	**(2,548,389)**	**3,007,033**

An adjustment was made in FY 2023 to correct an over expense to the share option reserve. Share option costs had been recognised incorrectly for the full year (£76,907) instead of recognising share option charges for five months (£19,089) since they were issued in August 2023. This resulted in the loss for the year 31 December 2023 decreasing by £57,818, with the closing balance of the share option reserve also decreasing by this amount to a revised closing balance of £19,089.

STATEMENT OF CASH FLOWS FOR THE SIX MONTHS ENDED 30 JUNE 2025

	Note	Unaudited 6 months ended 30-Jun-25	Unaudited 6 months ended 30-Jun-24	Audited 12 months ended 31-Dec-24
		£	£	£
Cash flows from operating activities				
Loss / Profit before Tax		(784,941)	(529,562)	(1,173,402)
Adjustments for non-cash/non-operating items:				
Depreciation		10,997	12,519	25,230
Amortisation of intangible assets		27,151	24,714	51,911
Amortisation of right of use assets		13,384	13,384	26,769
Taxation		-	-	5,682
Tax paid / received		-	-	-
Share Options Costs		-	-	36,905
Loss / Profit on disposal of plant and equipment		-	-	-

and equipment				
Interest income		(48,872)	(90,310)	(166,261)
Interest expense		995	1,409	2,612
Operating cash flows before movements in working capital		(781,286)	(567,847)	(1,190,554)
(Increase) / decrease in inventories		39,411	(140,445)	(367,803)
(Increase) / decrease in trade and other receivables		11,926	(33,512)	(34,975)
Increase / (decrease) in trade and other payables		(345,503)	(221,563)	49,096
Net cash (used in) / generated from operating activities		(1,075,452)	(963,367)	(1,544,236)
Cash flows from investing activities				
Investments in Property & Equipment		(6,195)	(39,178)	(43,473)
Investments in Intangible assets		-	(9,811)	(20,003)
Net cash from / (used in) investing activities		(6,195)	(48,989)	(63,476)
Cash flows from financing activities				
Issuance /(repayment) of debt		-	-	-
Issuance /(repayment) of lease		(15,000)	(15,000)	(30,000)
Issuance / (repayment) of equity		-	-	-
Proceeds from investments in Bank		48,872	90,310	166,261
Net cash from / (used in) financing activities		33,872	75,310	136,261
Net increase / (decrease) in cash and cash equivalents		(1,047,775)	(937,046)	(1,471,451)
Cash and cash equivalents at the beginning of the period		3,083,552	4,555,003	4,555,003
Cash and cash equivalents at the end of the period	10	2,035,777	3,617,957	3,083,552

Notes to the condensed interim financial statements

1. General information

The interim financial statements were approved by the Board of Directors on the 29th of September 2025.

2. Basis of preparation

The interim financial statements of the Company are for the six months ended 30 June 2025.

The financial statements were prepared under International Financial Reporting Standards ('IFRS'). The six months comparative figures were unaudited and prepared in accordance to International Financial Reporting Standards ('IFRS') and the provisions of the Companies Act 2006.

The condensed interim financial statements for H1 2025 do not include all the information and disclosures required in the annual financial statements and have not been audited or reviewed by an auditor pursuant to the Auditing Practices Board guidance on Review of Interim Financial Information. However, selected explanatory notes are included to explain events and transactions that are significant for an understanding of the changes in the Company's financial position and performance in the period.

The condensed interim financial statements for H1 2025 have been prepared based on the accounting policies expected to be adopted for the year ending 31 December 2025. These accounting policies are drawn up in accordance with adopted International Accounting Standards ('IAS') and International Financial Reporting Standards ('IFRS') as issued by the International Accounting Standards Board and adopted by the EU.

AIM-listed companies are not required to comply with IAS 34 'Interim Financial Reporting' and accordingly the Company has taken advantage of this exemption.

3. Revenue from contract customers

	Unaudited 6 months ended 30-Jun-25	**Unaudited 6 months ended 30-Jun-24**	**Audited 12 months ended 31-Dec-24**
	£	**£**	**£**
United Kingdom	**111,096**	206,053	**385,068**
Europe	**165,649**	204,083	**391,350**
Rest of the World	**249,260**	247,289	**438,910**
	526,005	657,425	1,215,328

4. Adjusting items

	Unaudited 6 months ended 30-Jun-25 £	Unaudited 6 months ended 30-Jun-24 £	Audited 12 months ended 31-Dec-24 £
Share Option Costs	**-**	**-**	**(36,905)**
	-	**-**	(36,905)

5. Interest expense

	Unaudited 6 months ended 30-Jun-25 £	Unaudited 6 months ended 30-Jun-24 £	Audited 12 months ended 31-Dec-24 £
Interest on finance leases	**(995)**	(1,409)	**(2,612)**
	(995)	(1,409)	(2,612)

6. Interest income

	Unaudited 6 months ended 30-Jun-25 £	Unaudited 6 months ended 30-Jun-24 £	Audited 12 months ended 31-Dec-24 £
Interest Income	**48,872**	90,310	166,260

7. Income tax expense

£7,215 was received in H1 2025 in relation to R&D tax credits available from HMRC through the SME R&D relief scheme.

8. Earnings per share

	Unaudited 6 months ended 30-Jun-25 £ per share	Unaudited 6 months ended 30-Jun-24 £ per share	Audited 12 months ended 31-Dec-24 £ per share
Earnings per share are as follows:			
Basic and diluted earnings per share	**(0.01)**	(0.01)	(0.02)
The calculations of basic and diluted earnings per share are based upon:			
(Loss) / Profit for the period attributable to the owners	**(784,941)**	(529,562)	(1,167,720)
	Number	Number	
Weighted average number of ordinary shares	**73,223,800**	73,223,800	73,223,800

The calculation of basic earnings per share is based on the results attributable to ordinary shareholders divided by the number of ordinary shares outstanding as if the bonus issue and share split had occurred at the beginning of the earliest period presented. The earnings per share calculations for the period and prior period presented are based on the new number of shares.

The number of shares in issue at the end of the period is used as the denominator in calculating basic earnings per share. As the Company is loss making the effect of instruments that convert into ordinary shares is considered anti-dilutive, hence there is no difference between the diluted and non-diluted loss per share.

9. Trade and other receivables

	Unaudited 6 months ended 30-Jun-25 £	Unaudited 6 months ended 30-Jun-24 £	Audited 12 months ended 31-Dec-24 £
Amounts falling due within one year:			
Trade receivables	**214,587**	213,948	187,978
Other receivables	**24,763**	38,491	83,987
Tax recoverable	**5,682**	7,215	12,897
Prepayments	**52,662**	48,497	24,757

	297,694	308,151	309,619

10. Cash and cash equivalents

	Unaudited 6 months ended 30-Jun-25 £	Unaudited 6 months ended 30-Jun-24 £	Audited 12 months ended 31-Dec-24 £
Cash at banks	**2,035,777**	3,617,957	3,083,552

11. Trade and other payables

	Unaudited 6 months ended 30-Jun-25 £	Unaudited 6 months ended 30-Jun-24 £	Audited 12 months ended 31-Dec-24 £
Trade payables	**65,652**	113,555	380,325
Other payables	**30,476**	60,486	30,778
Other Taxation and social security	**37,600**	29,673	29,789
Accruals	**30,003**	27,837	64,414
Deferred Income	**5,701**	12,721	9,631
	169,433	244,273	514,936

12. Borrowings and lease liabilities

	Unaudited 6 months ended 30-Jun-25 £	Unaudited 6 months ended 30-Jun-24 £	Audited 12 months ended 31-Dec-24 £
Current:			
Lease liability	**28,647**	27,802	28,221
	28,647	27,802	28,221
Non-current:			
Lease liability	**29,518**	58,165	43,949
	29,518	58,165	43,949

13. Share capital

	Unaudited 6 months ended 30-Jun-25 £	Unaudited 6 months ended 30-Jun-24 £	Audited 12 months ended 31-Dec-24 £
Allotted, called up and fully paid			
Opening share capital	**73,224**	73,224	73,224
Total	**73,224**	73,224	73,224

Called up share capital

Called up share capital represents the nominal value of shares that have been issued.

All classes of shares have full voting, dividends, and capital distribution rights.

14. Reserves

Share premium account.
This represents the excess value recognised from the issue of ordinary shares above nominal value.

Other reserves.
This represents the cumulative fair value of share options charged to the statement of comprehensive income net of the transfers to the profit and loss reserve on exercised and cancelled/lapsed options.

Retained earnings.
This represents cumulative net gains and losses less distributions made.

15. Post balance sheet events

No adjusting events have occurred between reporting date and the date of authorisation of the condensed interim report.

16. Availability

Further copies of this interim announcement are available on the Tan Delta Systems plc website, www.tandeltasystems.com.

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