

Transense Technologies plc

Interim Results

For the six months ended
31 December 2020



Company Background

Transense (AIM: TRT) is a developer of specialist wireless sensor systems used to enable real-time data gathering and monitoring.

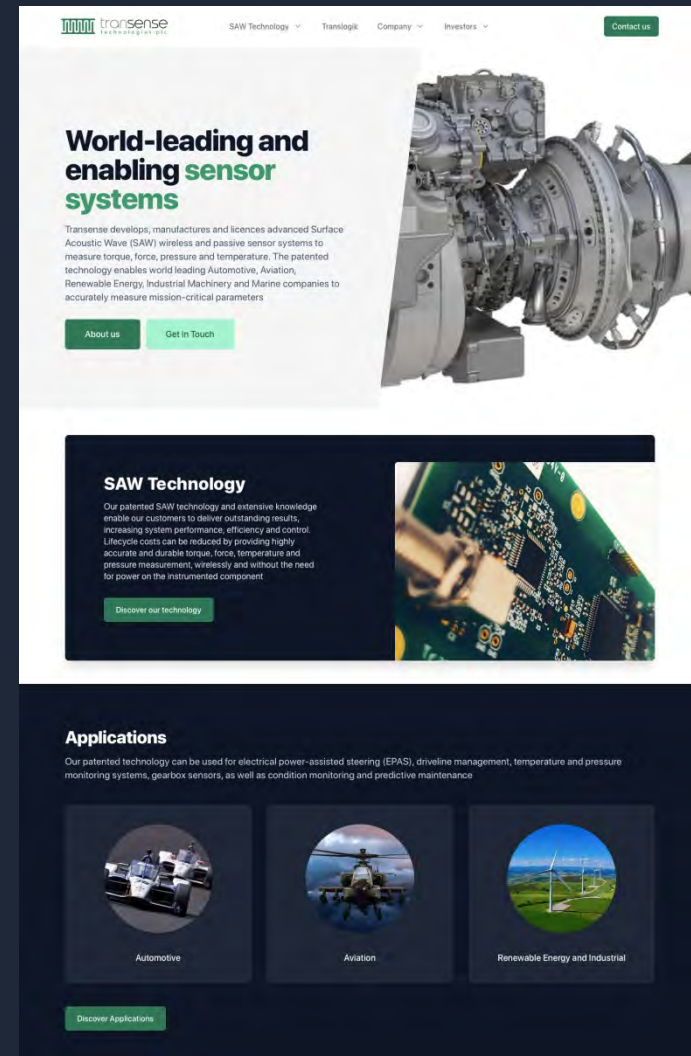
Surface Acoustic Wave (SAW) sensors are wireless and battery-less, and are used in the real-time measurement of torque, temperature and pressure to improve power, performance and efficiency. This patent-protected technology offers significant advantages over alternative measurement tools, and is particularly targeted towards performance optimisation, condition monitoring and predictive maintenance across a range of sectors.

The Translogik probe range comprises highly accurate tyre testing equipment which enables rapid data capture aimed at fleet managers and tyre service providers.

The iTrack technology, (previously part of the Translogik range) used for monitoring the tyre and vehicle performance of heavy duty off-road vehicles, was licensed to Bridgestone Corporation for a ten year term commencing in June 2020.

Highlights

- Maiden results since iTrack licence completed
- Threefold increase in revenues from continuing operations
- Good progress in iTrack installations with momentum building
- Strong growth in Translogik probe sales
- SAW commercial activity stepped up
- Profitable at EBITDA and After Tax earnings levels
- Net cash at period end exceeded £1m
- Capital reduction approved with distributable reserves of £0.53m

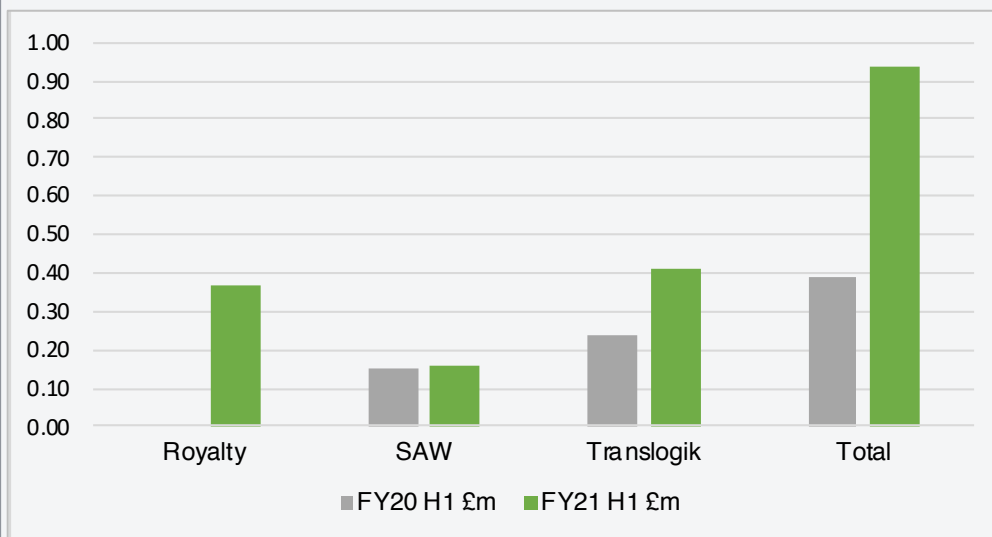


Financial Review

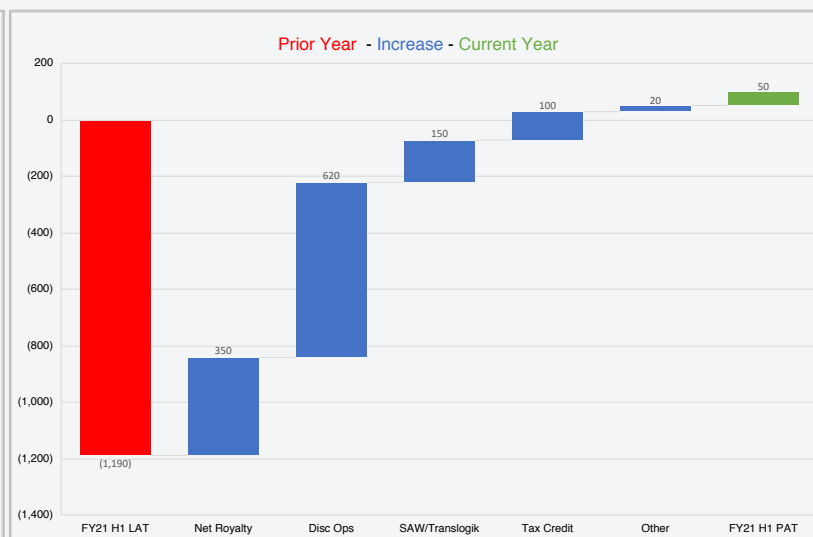
Melvyn Segal, CFO

Financial results in charts

Revenue Summary FY20 and FY21



Bridge from FY20 H1 LAT to FY21 H1 PAT



Earnings of 0.29 pence per share (FY20H1: loss of 3.49 pence)

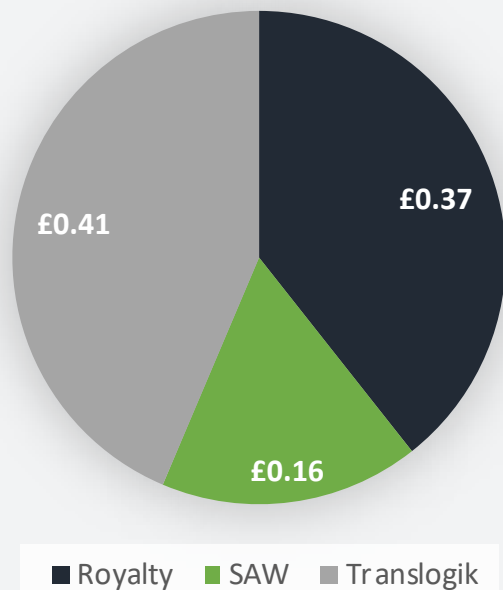
Note: SAW revenue includes grant income of £48,000 (FY20 H1: £118,000)

Note: Full P & L set out in appendix

Segmental analysis

Revenue by Segment

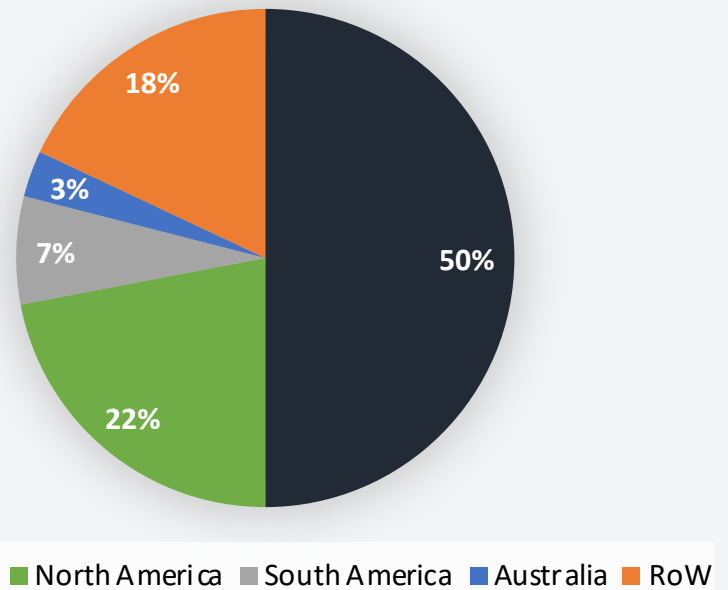
**FY21 H1
Revenue by Segment £m**



Note: SAW revenue includes grant income of £48,000

Revenue by Territory

**FY21 H1
Revenue by territory**



Note: excludes royalty income from iTrack

Financial position & cash

Balance Sheet Summary

	Dec-20	Jun-20
	£'000	£'000
Non Current Assets	1,063	1,134
Working Capital	276	(174)
Cash	1,050	1,193
iTrack Deal	0	259
Lease Liability	(136)	(229)
Net Assets	2,253	2,183

Note: Full BS & CF set out in appendix

Cash Flow Summary

	Six months ending Dec 2020 £'000
Net profit after taxation	48
Adjustments	30
Operating cash flow before WC	78
Movements in working capital	(511)
Taxation	176
Net cash used in operations	(335)
Capex	(32)
Proceeds on disposal	1,236
Repayment of loans	(976)
Interest & leases	(36)
Net cash outflow	(143)

Post balance sheet capital reduction

	Jan-21 £'000	Dec-20 £'000
Non-current Assets	1,055	1,063
Working Capital	(12)	276
Cash	1,318	1,050
Lease liability	(140)	(136)
Net Assets	2,221	2,253
Share Capital	1,631	5,451
Share Premium	-	2,591
Distributable Reserves	525	(5,852)
Other Reserves	65	63
Shareholders Funds	2,221	2,253

Business Review

Nigel Rogers, Executive Chairman

iTrack royalty income

- Installed base up 15% in first six months
- Indications of global key account conversions
- Launch of Mastercore™ tyres underway
- See promotional materials at <https://www.futureofmobility.bridgestone/mastercore/1>
- Clear signs of growing momentum in H2

SAW technology (near term)

- GE ITEP on plan for First Engine To Test in 2021 Q4
- Full scale production by 2026
- Expanding scope of motorsport applications
- Development of EPAS for niche Off Road recreational vehicles progressing



SAW technology (mid/longer term)

- Aviation: Expansion of usage into alternative platforms and engine formats
- Move towards niche volume hi-performance road cars
- Move towards mid-volume, high value OTR applications

SAW technology (early stage)

- Rail safety applications
- Predictive maintenance of critical infrastructure
- Condition monitoring of high value lease assets



Translogik Probe range

- Revenues up 71% to £0.41m
- Broad geographic coverage – greater than 95% export from UK
- New TL-GX range launch successful
- Industry standard: bought by 3 of the top 4 tyre manufacturers
- Poised for continued growth

The advertisement features a large, dark image of a truck's front end. In the top left corner, the logo for 'TAtyres & accessories' is displayed, with 'TA' in a red and white stylized font. To the right of the logo, the text 'December 2020' is visible. Below the logo, the ISSN number 'ISSN: 0041-4859' is printed. The main headline reads 'MAXIMISE TYRE LIFE AND PERFORMANCE WITH TRANSLOGIK'. Below this, a smartphone is shown displaying the Translogik website. In the bottom right corner, a black Translogik TLGX probe is shown. The Translogik logo is prominently displayed in the center, with the text 'INTRODUCING THE NEW TRANSLOGIK TLGX SERIES' below it. At the very bottom, the text 'THE ULTIMATE MODULAR TYRE INSPECTION TOOL' is written. Contact information is provided at the bottom left: '+44 (0) 1869 238380', 'sales@trans-logik.com', and 'www.trans-logik.com'.

TAtyres & accessories
ISSN: 0041-4859
December 2020
The magazine for tyre and wheel professionals

MAXIMISE TYRE LIFE AND PERFORMANCE WITH TRANSLOGIK

translogik
INTRODUCING THE NEW TRANSLOGIK TLGX SERIES
THE ULTIMATE MODULAR TYRE INSPECTION TOOL

+44 (0) 1869 238380 sales@trans-logik.com www.trans-logik.com

Outlook

- Business and prospects transformed since June
- iTrack royalty building momentum at or above plan
- Translogik well placed for continuing growth
- SAW revitalised:
 - New management and commercial input
 - Focus on near term break-even target
 - Building mid-long term value potential
- Balanced approach to investment in the business versus future returns for shareholders
- Prospects at an all time high



Appendices

Transense Technologies plc Condensed Consolidated Statement of Comprehensive Income

	Half year to 31 Dec 20 (Unaudited) £'000	Half year to 31 Dec 19 (Unaudited) £'000	Full Year 30 Jun 20 (Audited) £'000
Continuing operations			
Revenue	895	271	603
Cost of sales	(200)	(97)	(271)
Gross profit	695	174	332
Administrative expenses	(790)	(862)	(1,703)
Operating loss	(95)	(688)	(1,371)
Financial income	-	4	5
Financial expense	(6)	(4)	(17)
Other income	48	118	118
Loss before taxation	(53)	(570)	(1,265)
Taxation	101	-	175
Profit/(loss) for the period from continuing operations	48	(570)	(1,090)
Loss for the period from discontinued operations	-	(620)	(1,452)
Profit/(loss) for the period	48	(1,190)	(2,542)
Other comprehensive income:			
Exchange difference on translating foreign operations	-	18	-
Other comprehensive income for the period	-	18	-
Total comprehensive income/(expense) for the period attributable to the equity holders of the parent	48	(1,172)	(2,542)

Appendices

Segmental Analysis - Performance Summary

Half Year to 31 Dec 2020	IT Royalties	SAWSense	Probes	Admin	Total
	£'000	£'000	£'000	£'000	£'000
Turnover	374	113	408	-	895
GP	374	109	212	-	695
Administrative expenses	-	(384)	(60)	(244)	(688)
Other Income	-	48	-	-	48
EBITDA	374	(227)	152	(244)	55
Depreciation and amortisation	(22)	(78)	(2)	-	(102)
Finance expenses	-	(6)	-	-	(6)
Profit/(loss) before taxation	352	(311)	150	(244)	(53)
Taxation	50	51	-	-	101
Profit/(loss) after taxation	402	(260)	150	(244)	48

Appendices

Transense Technologies plc Condensed Consolidated Statement of Financial Position

	31 Dec 20 (Unaudited) £'000	31 Dec 19 (Unaudited) £'000	30 Jun 20 (Audited) £'000
Non current assets			
Property, plant and equipment	248	909	290
Intangible assets	815	1,033	844
	<u>1,063</u>	<u>1,942</u>	<u>1,134</u>
Current assets			
Inventory	61	730	63
Corporation tax receivable	100	-	175
Trade and other receivables	403	988	1,677
Cash and cash equivalents	1,050	1,519	1,193
	<u>1,614</u>	<u>3,237</u>	<u>3,108</u>
Total assets	<u>2,677</u>	<u>5,179</u>	<u>4,242</u>
Current liabilities			
Trade and other payables	(225)	(1,290)	(854)
Borrowings	-	-	(976)
Lease liabilities	(63)	(59)	(61)
Provisions	-	(50)	-
Total liabilities	<u>(288)</u>	<u>(1,399)</u>	<u>(1,891)</u>
Non current liabilities			
Lease liabilities	(136)	(204)	(168)
Total liabilities	<u>(424)</u>	<u>(1,603)</u>	<u>(2,059)</u>
Net assets	<u>2,253</u>	<u>3,576</u>	<u>2,183</u>
Capital and reserves			
Share capital	5,451	5,451	5,451
Share premium	2,591	2,591	2,591
Share based payments	63	41	41
Translation reserve	-	41	-
Accumulated loss	(5,852)	(4,548)	(5,900)
Shareholders' funds	<u>2,253</u>	<u>3,576</u>	<u>2,183</u>

Appendices

Transense Technologies plc Condensed Consolidated Statement of Cash Flows

	Half year to 31 Dec 20 (Unaudited) £'000	Half year to 31 Dec 19 (Unaudited) £'000	Full year to 30 Jun 20 (Audited) £'000
Cash flow from operating activities			
Loss for the period	48	(1,190)	(2,542)
Adjustments for:			
Taxation	(101)	-	(171)
Loss on disposal of trade and assets	-	-	72
Net financial expense	6	-	9
Depreciation of property, plant and equipment	43	211	538
Loss on disposal of fixed assets	-	-	18
Amortisation and impairment of intangible assets	60	216	504
Share based payments	22	-	-
Operating cash flows before movements in working capital	78	(763)	(1,572)
Change in receivables	37	(199)	(177)
Change in payables	(628)	583	477
Change in inventories	2	(164)	(582)
Cash used in operations	(511)	(543)	(1,854)
Taxation recovered/(paid)	176	-	(4)
Net cash used in operations	(335)	(543)	(1,858)
Cash flows from investing activities			
Interest received	-	4	8
Acquisition of property, plant & equipment	(1)	(300)	(764)
Acquisition of intangible assets	(31)	(303)	(513)
Proceeds from disposal of trade and assets (net of cash)	1,236	-	772
Net cash used in investing activities	1,204	(599)	(497)
Cash flows from financing activities			
Loans advanced	-	-	1,585
Loans repaid	(976)	-	(609)
Interest paid	(6)	(4)	(17)
Payment of lease liabilities	(30)	-	(58)
Net cash used for financing activities	(1,012)	(4)	901
Net decrease in cash and cash equivalents	(143)	(1,146)	(1,454)
Unrealised currency translation gain	-	18	-
Cash and cash equivalents at beginning of period	1,193	2,647	2,647
Cash and cash equivalents at end of period	1,050	1,519	1,193