

The information contained within this announcement is deemed by the Company to constitute inside information pursuant to Article 7 of EU Regulation 596/2014 as it forms part of UK domestic law by virtue of the European Union (Withdrawal) Act 2018 as amended.

22 February 2023

**Transense Technologies plc**  
("Transense" or the "Company")

**Interim Results & Investor Presentation**

Transense Technologies plc, the developer of specialist sensor systems, reports its unaudited Interim Results for the six months ended 31 December 2022. The Company continued to deliver robust growth in revenues and profitability in line with the Board's expectations, and reports further strengthening in current trading and a positive outlook.

**Financial Highlights:**

- Revenue increased by 37% to £1.64m (FY22 H1: £1.20m)
- EBITDA up 80% to £0.36m (FY22 H1: £0.20m)
- Profit before taxation up threefold to £0.26m (FY22 H1: £0.08m)
- Earnings per share of 2.50 pence (FY 22 H1: 0.69 pence)
- Net cash at 31 December 2022 of £0.63m (30 June 2022: £1.05m); cash at 17 February 2023 has increased to £1.28m
- Accelerated growth in revenue and profitability since period end

**Surface Acoustic Wave (SAW) highlights:**

- Increased pipeline of potential SAW customer engagements to 40 at February 2023 (September 2022: 24)
- Signed Memorandum of Understanding with Parker Meggitt; work progressing
- Gained external verification of significant efficiency improvements in electric motor control
- Commenced funded development project with major Tier One aerospace client
- Passed gateway review to Phase 2 of UK's Advanced Propulsion Centre grant funded development programme

**Commenting on the results and prospects, Executive Chairman of Transense, Nigel Rogers, said:**

*“Transense continues on its upward trajectory, with significant growth across all three income streams. Trading since the period end has been strong, and the pipeline development across the business, especially in SAW, gives us every reason to be confident in the future.”*

**Investor Presentation: 4pm today, Wednesday 22 February 2022**

Nigel Rogers (Executive Chairman), Melvyn Segal (Chief Financial Officer) and Ryan Maughan (Business Development Director) will provide a presentation on the Company and its Interim Results at 4pm today, Wednesday 22 February 2023. The presentation will be hosted through the digital platform Investor Meet Company.

To attend the presentation, investors can sign up to Investor Meet Company for free and select to meet Transense Technologies plc via the following link: <https://www.investormeetcompany.com/transense-technologies-plc/register-investor>. Investors who have already registered and selected to meet the Company will automatically be invited to the presentation.

Questions can be submitted before the event to [transense@walbrookpr.com](mailto:transense@walbrookpr.com), or in real time during the presentation via the "Ask a Question" function.

This Interim Results report will not be posted to shareholders but will be available on the Company's website later today along with the investor presentation.

**For further information please visit [www.transense.com](http://www.transense.com) or contact:**

**Transense Technologies plc**

Nigel Rogers (Executive Chairman)  
Melvyn Segal (CFO)

Via Walbrook PR

**Allenby Capital (Nominated Adviser and Broker)**

Jeremy Porter/George Payne (Corporate Finance)  
Tony Quirke (Sales and Corporate Broking)

Tel: +44 (0)20 3328 5656

**Walbrook PR**

Tom Cooper/Nick Rome/Joe Walker

Tel: +44 (0)20 7933 8780  
[Transense@walbrookpr.com](mailto:Transense@walbrookpr.com)

**Notes to Editors:**

Transense is headquartered in Oxfordshire, UK and its shares are traded on AIM, a market operated by the London Stock Exchange (AIM: TRT). The Company develops and supplies wireless sensor technology and systems, and currently has three business segments:

**SAW** - patent protected Surface Acoustic Wave sensor technology that provides real time measurement of torque, temperature, pressure and strain, and is used to improve efficiency, performance, safety and sustainability of propulsion systems and machinery. Current focus is the development of a pipeline of high calibre customers and collaborative partnerships for a variety

of applications in electric drives, aerospace, industrial machinery (including off-highway and robotics) and high performance automotive sectors.

**Translogik** - smart, connected commercial vehicle tyre inspection equipment, used by vehicle fleets to more easily gather and maintain accurate tyre safety and condition data; and,

**iTrack** - a tyre monitoring system for off-highway vehicles, licensed exclusively to Bridgestone Corporation, the world's largest tyre producer, under a ten-year deal expiring in 2030.

For further information please contact [transense@walbrookpr.com](mailto:transense@walbrookpr.com)

## **Transense Technologies plc – Interim Results for the half year ended 31 December 2022**

### **Chairman’s statement**

It is pleasing once again to report healthy results, with increased revenue and profits across all areas of the business, and the achievement of further important milestones in building the longer term value proposition from our SAW technology.

### **Business strategy**

The business strategy of the Company remains to develop innovative sensing solutions across a range of applications, which are commercialised either through the launch of products and services to customers or by forming strategic alliances with partner organisations. Value is realised through a combination of commercial income, royalties, licensing income and capital gains on disposals.

### **Business review**

#### ***iTrack royalty income***

iTrack royalty income for the period amounted to £0.97m, which represented an increase of 47% compared with the equivalent period last year (FY22 H1: £0.66m). During the six months ended 31 December 2022, the iTrack installed base grew at a more modest rate than had previously been experienced, with the annualised royalty run rate in Sterling terms increasing by nearly 25% in the last 12 months, to reach £1.97m per annum (31 December 2021: £1.57m). The Board considers this reduced rate of growth to be principally attributable to delays in implementation by end users, however, the sales pipeline at the end of the period was strong. This was evidenced by the conversion of two major accounts towards the end of the period which are currently in the process of installing iTrack.

#### ***Surface Acoustic Wave (SAW)***

There are clear signs of increasing traction in the commercialisation of SAW technology. During the period SAW revenues (including grant income) more than doubled to £0.17m (FY22 H1: £0.07m). The pipeline of potential customers and partners has increased substantially since last year’s final results were reported in September 2022, and now stands at 40 (September 2022: 24). Our activities are focused on four key target market sectors:

##### *Aerospace*

Aerospace applications have been generating interest where torque measurement is required in several applications across the sector. Our SAW technology continues to offer advantages over other technologies due to its accuracy, robustness and compact size and weight, the benefits of which will be to improve efficiency, safety, pilot control and engine reliability.

Under the non-exclusive licence agreed in 2016, GE Aviation’s testing of the first T901 engine under the ITEP programme has been very successful, with the engine accumulating more than 100 hours of run time with impressive performance and condition. A second engine build is under preparation and this unit will enter testing in 2023. We are continuing to support the development phase of GE’s Hybrid Electric Altitude Testbed flight demonstrator (HEAT) programme, and our technology is under consideration for other engine development work.

During the period, the Company entered a Memorandum of Understanding (MoU) with Meggitt SA, now Parker Meggitt, part of the Parker Hannifin Corporation, with the shared aim to enter into a licensing agreement prior to 31 December 2023 covering one or more fields of use in aerospace. Good progress has been made already and the preparation phase of this work is complete, enabling engagement with potential customers in the second half of our financial year.

We are also free to continue to engage independently with a number of leading Original Equipment Manufacturers (OEM) and Tier One (T1) technology providers to explore potential aerospace applications during this phase of the MoU. There is significant interest across a broad range of applications, extending beyond engines to other areas including, for example, actuation and braking systems. Since the period end, we have commenced a paid feasibility study with another major T1 to evaluate the potential use of SAW, with early-stage discussions underway with a number of potential customers to identify further similar projects. The Company is now actively engaged with a combined total of 10 aerospace OEMs and T1s each at various stages of testing, assessment and discussions.

#### *Electric motors and drives (EMD)*

The electric motor and drive systems market is a large and rapidly growing sector due to the widespread electrification of vehicles and the desire to improve range and performance. Transense SAW technology can enable the direct measurement of output torque to improve performance, efficiency, and safety in electric motor drive systems.

Transense successfully passed the stage gate assessment process to enter the second phase of the UK's Advanced Propulsion Centre TDAP (Technology Developer Accelerator Programme). Our aims for this stage are:

- Continued market engagement, working with automotive OEMs and Tier 1 and 2 suppliers to help them understand the benefits of SAW technology. The Company has increased engagement to 18 organisations in this sector, with opportunities beginning to progress through to customer funded trials and design-in projects, and is working to increase this in the second half of the financial year;
- Characterising the benefits of SAW sensing technology in an electric motor drive system. The Company commissioned a simulation study by expert consultancy Drive System Design Ltd. The first 2 stages of this study are complete and show strong potential to achieve significant improvements in efficiency and performance by using active torque feedback in the electric motor control system;
- Developing the manufacturing and calibration processes to demonstrate improved capability, reduced costs and a clear route to higher volumes. The Company has identified a plan of work and the internal and external resources required to deliver it; and
- Developing the supply chain for key components to secure a clear route to higher volumes.

The process improvement and supply chain activity also has benefits for the exploitation of SAW technology in other sectors.

#### *Industrial machinery*

Industrial machinery covers a huge range of applications from off-highway construction and agricultural equipment to manufacturing and warehouse robots. Torque and force sensing is already used today in some industrial machinery applications such as collaborative robots. The demand to improve machine performance and increase automation is leading to requirements for more capable sensing systems not possible with conventional sensing technology. SAW technology can create

robust and reliable smart components with improved sensing functionality that can be integrated into advanced machines and systems to provide highly accurate sensing.

Transense has increased engagement to 11 industrial machinery manufacturers with opportunities beginning to progress through to customer funded trials and design-in projects, thanks to increased awareness of the technology and its capabilities. Transense is also seeing regular new enquiries from industrial machinery manufacturers. The Company will continue to promote the technology and its benefits to this market and develop opportunities with leading OEMs and T1s in this sector.

#### *Performance automotive*

The performance automotive market continues to offer a high-profile proving ground for our SAW technology which may subsequently be adopted in mainstream vehicles. There is strong overlap with EMD as high volume performance vehicles are increasingly being developed using an electric drivetrain.

Our five-year Joint Collaborative Agreement (JCA) with McLaren Applied in premium motor sport, signed in September 2021, delivered increased revenue in the period as SAW technology extended beyond the IndyCar race series into Le Mans Daytona hybrid (LMDh), with pleasing results and positive feedback. Opportunities to augment the reach into other race series and beyond into high performance road cars are under consideration, as well as seeking opportunities in other McLaren Applied niche markets.

#### **Pipeline development**

The Company has implemented a pipeline management process to create visibility of opportunities and their stage of development, divided into the four key focus markets above (aerospace, electric motors and drives, industrial machinery, and performance automotive). Opportunities are qualified against agreed criteria and progressed accordingly.

The Company has created marketing assets aimed at communicating the benefits of the technology in key applications in the focus markets. As well as an increased online presence, the Company has attended several key trade shows and conferences. This targeted marketing approach has yielded significantly improved quality and quantity of inbound enquiries. Due to this success, the Company will continue online content creation and promotion activity and also increase the number of physical events attended in the next period.

The number of potential customers engaged, from active enquiry through to contract, at February 2023 (September 2022) was as follows:

	Aerospace	Electric motors and drives	Industrial machinery (incl OTR & Agric)	Performance automotive	Total
Stage 4 - Contracted	1 (1)	0 (0)	0 (0)	1 (1)	2 (2)
Stage 3 - Contract under negotiation	1 (1)	0 (0)	0 (0)	0 (0)	1 (1)
Stage 2 - In development	2 (1)	1 (1)	1 (1)	0 (0)	4 (3)
Stage 1 - Active enquiry	6 (4)	17 (10)	10 (4)	0 (0)	33 (18)
<b>Total</b>	<b>10 (7)</b>	<b>18 (11)</b>	<b>11 (5)</b>	<b>1 (1)</b>	<b>40 (24)</b>

The substantial increase in the number of potential customers engaged from 24 to 40 is encouraging, and endorses the relevance of SAW technology in our key target markets. It must be recognised that progressing this initial interest into funded development activity can take time, as it is dependent upon commercial and engineering support within customer organisations as well as budget allocation and approval. Accordingly, we must continue to be realistic when assessing the likelihood and timing of recurring revenue generation from these activities. Once converted, however, there are realistic prospects of long term success deriving from delivering a unique solution that can offer high value outcomes for our customers and partners.

### ***Translogik tyre monitoring probes***

The modular TLGX Series range currently offers four levels of probe technology, offering progressively enhanced features at a variety of price points, and has now replaced the original TLG Generation One probe.

The TLGX Series provides extremely accurate, reliable and instant tyre data, ranging from simple tread depth readings through to the TLGX4, which provides tread depth and the facility to read RFID tags and tyre pressure sensors remotely. The range is principally aimed towards service providers, systems integrators and fleet managers in the truck and bus sector. The product range is designed to be compatible with the tyre management systems of most of the world's leading tyre producers.

Revenue from Translogik probes increased by 11% to £0.52m (FY22 H1: £0.47m), with gross margin increasing to 57% from 54% of revenue as the new range becomes fully established.

The global shortage of electronic components has been a challenge, but due to our ability to act quickly to adopt innovative design changes, product availability has not impacted sales and we are confident that we have sufficient inventories to meet the strong current pipeline of demand for the second half of the year.

We are also experiencing increased enquiries from fleet management system software providers who are recognising the qualities of our probe, enabling them to provide a fully digital fleet management

system which provides improved efficiency, audit trail and meets increasingly demanding regulatory standards around the world.

## Financial review

### Financial results

Revenues for the six months increased by 37% to £1.64m (FY22 H1: £1.20m).

Royalty income generated by iTrack technology increased by 47% to £0.97m (FY22 H1: £0.66m). The installed base increased by 195% since inception of the contract. The annualised royalty run rate at 31 December 2022 was £1.97m, 207% higher than the opening US Dollar run rate in June 2020, or in Sterling terms a similar increase of 209%. Translogik probe revenues increased by 11% to £0.52m, with improved margins the gross profit has increased by 16%.

SAW revenues doubled to £0.14m for the period (FY22 H1: £0.07m). Whilst SAW activities continue to incur a net loss, the Board is satisfied that it is appropriate to continue to allocate capital to developing this business in recognition of the prospects of future commercial success.

Operating expenses in the period increased to £1.18m (FY22 H1: £0.90m). The year on year increase mainly reflects increased salary costs as a result of additional head count in the SAW team, and a net foreign exchange loss resulting from forward contracts purchased to hedge the iTrack royalty income at \$1.23 to £1 during the first half of the year. The contracted rates for the second half are \$1.17 to £1, and at current exchange rates these are expected to generate a foreign exchange gain in the second half of the financial year.

EBITDA increased by 82% to £0.36m (FY22 H1: £0.20m), and net profit before taxation was £0.26m (FY22 H1: £0.08m). After recognition of deferred tax, the net profit after taxation attributable to shareholders was £0.40m (FY22 H1: £0.11m) and earnings per share amounted to 2.50 pence (FY22 H1: 0.69 pence).

### Key performance indicators (KPI)

The Board considers the following to be the key performance indicators for the Company:

	FY 2023	FY 2022	
	Interim (unaudited)	Interim (unaudited)	Full Year (audited)
Revenue (£m)	1.64	1.20	2.63
iTrack royalty run rate growth YoY (in USD)	15%	122%	46%
Translogik probe revenue growth YoY	11%	15%	14%
SAW revenue growth YoY	100%	(36)%	28%
EBITDA (£m)	0.36	0.20	0.52
EPS (pence)	2.50	0.69	0.96



Available cash balances (£m)	0.63	1.07	1.06
Distributable reserves (£m)	1.45	0.74	1.20
Average share price in period (pence)	72.9	99.3	85.5

### ***Cash flow and financial position***

Net cash inflow from operating activities before movements in working capital amounted to £0.42m (FY22 H1: £0.24m). There was a planned net investment in working capital which totalled £0.59m in the period, the largest proportion being in support of inventory build for Translogik probes, and the generation of increased receivables from both iTrack and Translogik. The Company also funded the repurchase of treasury shares amounting to £0.15m during the period.

Net cash balances at the end of the period stood at £0.62m (30 June 2022: £1.07m). The net investment in working capital peaked around the period end, and will unwind through the first quarter of 2023. The net cash balance at 17 February 2023 increased to £1.28m, which reflects the post period collection of receivables (including iTrack royalties for the final quarter of calendar year 2022) and the settlement of the related foreign exchange forward contract.

The Board has assessed the financial and operational needs of the business over the next twelve months, taking into account a range of contingencies, and the Directors are satisfied that the Company has access to adequate sources of finance. Accordingly, the Board considers that the Company will have sufficient resources to continue in operational existence for the foreseeable future, and has adopted the going concern basis of accounting.

### **Capital allocation and distribution policy**

The Company's share price over the period rose from 62.5p on 1 July 2022 to a peak of 95.5p on 30 November 2022 and closed the period on 31 December 2022 at 87.5p. The recent share price as at 20 February 2023 stood at 93.0p.

Capital is allocated by the Board with the aim of maximising long term shareholder returns. Profits generated from iTrack and Translogik are first applied to meet the Company's unallocated overhead expenses and net investment in the continuing development of the SAW business. It is anticipated that a surplus will be generated from these trading activities, which will be allocated to the retention of earnings in the business for long term investment, and for distribution to shareholders.

In April 2022, the Company commenced a share buyback programme and in the prior financial year acquired 434,000 treasury shares at an average price of 70 pence per share. In the period to 31 December 2022 a further 170,027 shares were purchased at an average price of 89 pence per share, resulting in the Company holding 604,027 treasury shares at an average price of 75 pence per share at the period end.

The Board has authority from shareholders to continue the programme to acquire up to 500,000 further shares for treasury to continue to offset the dilutive impact of share awards to Directors and employees in due course, and where market conditions deem such action to be appropriate.

The Board has also previously indicated an intention to consider commencing the payment of dividends and will provide further guidance around the end of this financial year.

## **Current trading and outlook**

Trading in the month following the period end has seen both SAW and Translogik deliver strong revenues. There are indications that the iTrack royalty pipeline should return to higher growth in calendar 2023. Overall, the Board's outlook for the remainder of this year is positive and the Directors expect the Company to meet its expectations for the financial year.

Looking further forward, the Board is greatly encouraged by the depth and quantity of engagement with leading companies across the four key high growth market sectors for SAW. These interactions give us continued optimism that we can forge lasting partnerships and fulfil the undoubted potential that our technology demonstrates.

### **Nigel Rogers**

Executive Chairman

22 February 2023

Transense Technologies plc

Condensed Statement of Comprehensive Income

	Half year to 31 Dec 22 (Unaudited) £'000	Half year to 31 Dec 21 (Unaudited) £'000	Full year to 30 Jun 22 (Audited) £'000
<b>Continuing operations</b>			
Revenue	1,638	1,203	2,632
Cost of sales	(227)	(217)	(398)
<b>Gross profit</b>	<b>1,411</b>	<b>986</b>	2,234
Operating expenses	(1,180)	(898)	(1,970)
<b>Operating profit</b>	<b>231</b>	<b>88</b>	264
Financial expense/income	2	(6)	(12)
Other income	24	-	16
<b>Profit before taxation</b>	<b>257</b>	82	268
Taxation	142	32	609
<b>Profit for the period from continuing operations</b>	<b>399</b>	114	877
<b>Earnings per share (pence)</b>	<b>2.50</b>	0.69	5.36

**Transense Technologies plc**  
**Condensed Statement of Financial Position**

	<b>31 Dec 22</b>	31 Dec 21	30 Jun 22
	<b>(Unaudited)</b>	(Unaudited)	(Audited)
	<b>£'000</b>	£'000	£'000
<b>Non current assets</b>			
Property, plant and equipment	<b>159</b>	201	167
Intangible assets	<b>645</b>	731	671
Deferred tax	<b>787</b>	68	645
	<b>1,591</b>	1,000	1,483
<b>Current assets</b>			
Inventory	<b>315</b>	108	88
Corporation tax receivable	-	71	-
Trade and other receivables	<b>1,300</b>	731	1,133
Cash and cash equivalents	<b>625</b>	1,071	1,055
	<b>2,240</b>	1,981	2,276
<b>Total assets</b>	<b>3,831</b>	2,981	3,759
<b>Current liabilities</b>			
Trade and other payables	<b>(363)</b>	(269)	(560)
Lease liabilities	<b>(63)</b>	(63)	(65)
<b>Total liabilities</b>	<b>(426)</b>	(332)	(625)
<b>Non current liabilities</b>			
Lease liabilities	<b>(7)</b>	(75)	(42)

	<u>                    </u>	<u>                    </u>	<u>                    </u>
<b>Total liabilities</b>	<b>(433)</b>	<b>(407)</b>	<b>(667)</b>
	<u>                    </u>	<u>                    </u>	<u>                    </u>
<b>Net assets</b>	<b>3,398</b>	<b>2,574</b>	<b>3,092</b>
<b>Capital and reserves</b>			
Share capital	<b>1,644</b>	1,644	1,644
Share premium	<b>65</b>	65	65
Treasury Shares	<b>(455)</b>	-	(303)
Share based payments	<b>239</b>	122	180
Retained profit	<b>1,905</b>	743	1,506
<b>Shareholders' funds</b>	<b>3,398</b>	<b>2,574</b>	<b>3,092</b>

Transense Technologies plc

Condensed Statement of Changes in Equity (Unaudited)

	Share capital	Share premium account	Share based payments	Retained earnings	Treasury Shares	Total equity
	£'000	£'000	£'000	£'000	£'000	£'000
<b>Balance at 1 July 2021</b>	1,631	-	82	629	-	2,342
<b>Comprehensive income for the year:</b>						
Profit for the year	-	-	-	877	-	877
Share based payment	-	-	98	-	-	98
Warrants exercised	13	65	-	-	-	78
Treasury Shares	-	-	-	-	(303)	(303)
<b>Balance at 30 June 2022</b>	<b>1,644</b>	<b>65</b>	<b>180</b>	<b>1,506</b>	<b>(303)</b>	<b>3,092</b>
<b>Comprehensive income for the period</b>						
Profit for the period	-	-	-	399	-	399
Share based payment	-	-	59	-	-	59
Treasury Shares	-	-	-	-	(152)	(152)
<b>Balance at 31 December 2022</b>	<b>1,644</b>	<b>65</b>	<b>239</b>	<b>1,905</b>	<b>(455)</b>	<b>3,398</b>

**Transense Technologies plc**  
**Condensed Statement of Cash Flows**

	<b>Half year to 31 Dec 22 (Unaudited) £'000</b>	Half year to 31 Dec 21 (Unaudited) £'000	Full year to 30 Jun 22 (Audited) £'000
<b>Cash flow from operating activities</b>			
<b>Profit for the period</b>	<b>399</b>	<b>114</b>	<b>877</b>
Adjustments for:			
Taxation	<b>(142)</b>	<b>(32)</b>	<b>(609)</b>
Net financial expense/income	<b>(2)</b>	<b>6</b>	<b>12</b>
Depreciation of property, plant and equipment	<b>47</b>	<b>43</b>	<b>88</b>
Amortisation and impairment of intangible assets	<b>58</b>	<b>65</b>	<b>155</b>
Share based payments	<b>59</b>	<b>40</b>	<b>98</b>
<b>Operating cash flows before movements in working capital</b>	<b>419</b>	<b>236</b>	<b>621</b>
Change in receivables	<b>(167)</b>	<b>(167)</b>	<b>(569)</b>
Change in payables	<b>(197)</b>	<b>9</b>	<b>300</b>
Change in inventories	<b>(227)</b>	<b>(35)</b>	<b>(15)</b>
<b>Cash used in operations</b>	<b>(172)</b>	<b>43</b>	<b>337</b>
Taxation recovered	<b>-</b>	<b>-</b>	<b>71</b>
<b>Net cash (used)/generated in operations</b>	<b>(172)</b>	<b>43</b>	<b>408</b>
<b>Cash flows from investing activities</b>			
Acquisition of property, plant & equipment	<b>(39)</b>	<b>(33)</b>	<b>(44)</b>
Acquisition of intangible assets	<b>(32)</b>	<b>(25)</b>	<b>(56)</b>
<b>Net cash used in investing activities</b>	<b>(71)</b>	<b>(58)</b>	<b>(100)</b>

### Cash flows from financing activities

Warrants exercised	-	78	78
Treasury shares	(152)	-	(303)
Interest paid	2	(6)	(12)
Payment of lease liabilities	(37)	(31)	(62)
<b>Net cash (used)/generated for financing activities</b>	<b>(187)</b>	<b>41</b>	<b>(299)</b>
Net (decrease)/increase/ in cash and cash equivalents	(430)	25	9
Cash and cash equivalents at beginning of period	1,055	1,046	1,046
<b>Cash and cash equivalents at end of period</b>	<b>625</b>	<b>1,071</b>	<b>1,055</b>

### Notes to the Interim results for the six months to 31 December 2021

#### 1. Reporting Entity and Basis of Preparation

Transense Technologies plc (“the Company”) is a company incorporated in the United Kingdom under the Companies Act 2006. These condensed interim financial statements are presented in pounds sterling, rounded to the nearest thousand.

The financial statements of the Group are available upon request from the Company’s registered office or at [www.transense.com](http://www.transense.com)

#### 2. Going Concern

The Board has considered the financial position and future plans of the Company and is satisfied that the Company will have adequate resources to continue in operational existence for the foreseeable future. Accordingly, these interim financial statements have been prepared on a going concern basis.

#### 3. Accounting policies

The Condensed Financial Statements for the half yearly report for the six months ended 31 December 2022 have been prepared using accounting policies and methods of computation consistent with those set in Transense Technologies plc’s Annual Report and Financial Statements for the year ended 30 June 2022. There has been no change to any accounting policy since the date of that report.



#### 4. Segmental analysis

Revenue by region	Half year to 31 Dec 22	Half year to 31 Dec 21	Full year to 30 Jun 22
	(Unaudited)	(Unaudited)	(Unaudited)
	£'000	£'000	£'000
North America	219	211	323
South America	89	64	123
Australia	23	18	41
UK & Europe	275	226	387
Rest of the World	57	24	109
Royalty Income	975	660	1,557
<b>Total</b>	<b>1,638</b>	<b>1,203</b>	<b>2,540</b>

Half Year to 31 Dec 2022	IT Royalties £'000	SAW £'000	Probes £'000	Admin £'000	Total £'000
Turnover	975	143	520	-	1,638
Gross profit	975	138	298	-	1,411
Operating costs	-	(582)	(78)	(415)	(1,075)
EBITDA*	975	(444)	220	(415)	336
Depreciation and amortisation	(22)	(57)	-	(26)	(105)
Other Income	-	24	-	-	24
Finance expenses/income	-	2	-	-	2
<b>Profit/(loss) before taxation</b>	<b>953</b>	<b>(475)</b>	<b>220</b>	<b>(441)</b>	<b>257</b>
Taxation	-	-	-	142	142
<b>Profit/(loss) after taxation</b>	<b>953</b>	<b>(475)</b>	<b>220</b>	<b>(299)</b>	<b>399</b>

Half Year to 31 Dec 2021	IT Royalties £'000	SAW £'000	Probes £'000	Admin £'000	Total £'000
Turnover	660	73	470	-	1,203

Gross profit	660	70	256	-	986
Operating costs	-	(411)	(62)	(317)	(790)
EBITDA*	660	(341)	194	(317)	196
Depreciation and amortisation	(22)	(57)		(29)	(108)
Finance expenses	-	-	-	(6)	(6)
Profit/(loss) before taxation	638	(398)	194	(352)	82
Taxation	5	6	-	21	32
Profit/(loss) after taxation	643	(392)	194	(331)	114

Year to 30 June 2022	IT Royalties £'000	SAW £'000	Probes £'000	Admin £'000	Total £'000
Turnover	1,557	200	875	-	2,632
Gross profit	1,557	193	484	-	2,234
Operating costs	-	(871)	(126)	(729)	(1,726)
Other income	-	16	-	-	16
EBITDA*	1,557	(662)	358	(729)	524
Depreciation and amortisation	(44)	(142)	-	(58)	(244)
Finance expenses	-	-	-	(12)	(12)
Profit/(loss) before taxation	1,513	(804)	358	(799)	268
Taxation	-	-	-	609	609
Profit/(loss) after taxation	1,513	(804)	358	(190)	877

*\*Earnings before interest, tax, depreciation and amortisation*

*Note: The presentation of segmental information has been changed in the current period. The Directors have determined that it is more appropriate to include premises and other establishment costs in Central Overheads rather than in SAW activity as previously stated. Prior period information has been restated to be consistent with the current period.*

## 5. Corporation tax and deferred tax

The Company has approximately £23m of Corporation Tax losses which, subject to agreement by HM Revenue and Customs, are available for offset against future profits of the same trade. There is no expiry date for tax losses, however, there is an annual restriction of £5m plus half of the surplus above £5m. As the Company moved into profitability, Deferred Tax was recognised for the first time in the full years accounts to 30 June 2021 by recognising a credit relating to FY22 estimated results. In the accounts for the year to 30 June 2022, the Deferred Tax credit was extended to reflect the estimated results for the following 24 months and the credit in these Interim accounts has been calculated on a consistent basis looking ahead 24 months.

The deferred tax charge and credit in H1 reflects the charge reversing the credit for the pre tax profit in H1 and an additional credit reflecting the forecast pre tax profits for the full year FY23, FY24 and 6 months of FY25. This policy reflects the fact that the Company now has a trend of underlying profitability.

## 6. Earnings per share

	<b>31 December 2022</b>	<b>31 December 2021</b>	<b>30 June 2022</b>
	<b>Shares</b>	<b>Shares</b>	<b>Shares</b>
Weighted average number of shares in the period	15,962,643	16,402,998	16,365,640
<b>Basic and diluted Earnings per share</b>	2.50p	0.69p	5.36p