



# Interim Results FY23

Six month period ended 31 December 2022

22 February 2023



### Financials:

- Continued strong revenue growth
- Trading in line with the Board's expectations
- Temporary investment in working capital to unwind in Q1 2023

### iTrack Royalty:

- Slower growth rate in calendar 2022 (26% YoY)
- Pipeline indicates return to higher growth through calendar 2023

### Translogik Tyre Products:

- Conversion to TLGX range complete
- High growth, healthy pipeline

### SAW Technology:

- Revenue more than doubled
- Increased pipeline activity
- Engagement in aerospace sector progressing well
- Credentials in electric motors and drives externally verified

	<b>FY 23 H1</b>	<b>FY 22 H1</b>	<b>Change</b>	<b>FY 22</b>
<b>Revenue</b>	<b>£1.64m</b>	<b>£1.20m</b>	<b>Up 37%</b>	£2.63m
<b>Profit Before Taxation</b>	<b>£0.26m</b>	<b>£0.08m</b>	<b>Up x 3.3</b>	£0.27m
<b>Earnings Per Share</b>	<b>2.50p</b>	<b>0.69p</b>	<b>Up x 3.6</b>	5.36p
<b>Cash &amp; Equivalents</b>	<b>£0.63m*</b>	<b>£1.07m</b>	<b>(£0.44m)</b>	£1.06m
<b>Shares bought for Treasury</b>	<b>£0.15m</b>	<b>£ Nil</b>	-	£0.30m
<b>Distributable Reserves</b>	<b>£1.45m</b>	<b>£0.74m</b>	-	£1.20m

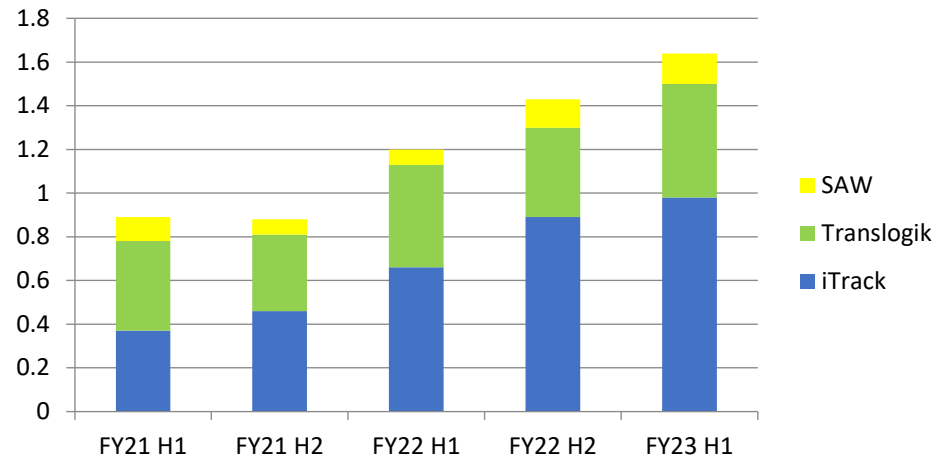
\* Cash balance subsequently increased to £1.28m at 17 February 2023

### 3. FINANCIAL HIGHLIGHTS

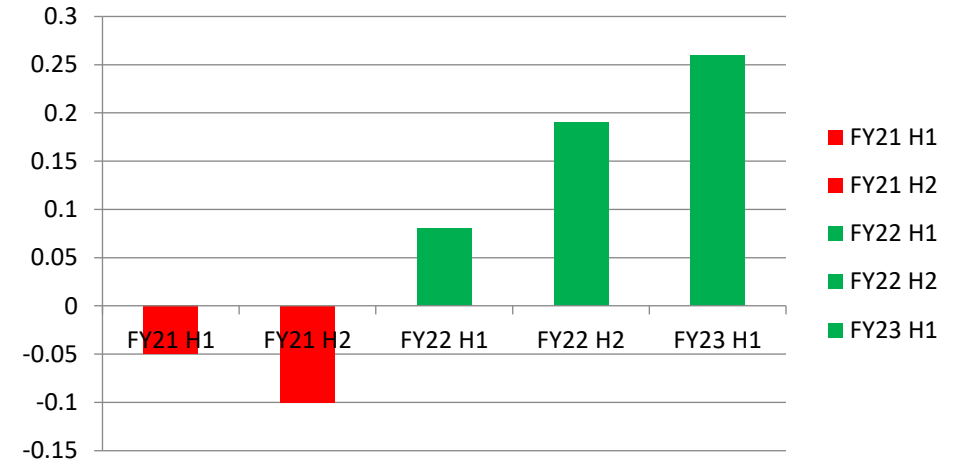
	FY 23 H1	FY 22 H1	Change	FY 22
<b>Revenue</b>	<b>£1.64m</b>	<b>£1.20m</b>	<b>Up 37%</b>	£2.63m
iTrack	£0.98m	£0.66m	Up 48%	£1.56m
Translogik	£0.52m	£0.47m	Up 11%	£0.87m
SAW	£0.14m	£0.07m	Up 100%	£0.20m
<b>Profit Before Taxation</b>	<b>£0.26m</b>	<b>£0.08m</b>	<b>Up x 3.3</b>	£0.27m
iTrack	£0.95m	£0.64m	Up 48%	£1.51m
Translogik	£0.22m	£0.19m	Up 16%	£0.36m
SAW	£(0.48m)	£(0.39m)	(Up 23%)	£(0.80m)
Central Overheads	£(0.44m)	£(0.35m)	(Up 26%)	£(0.80m)

## 4. SEGMENTAL ANALYSIS

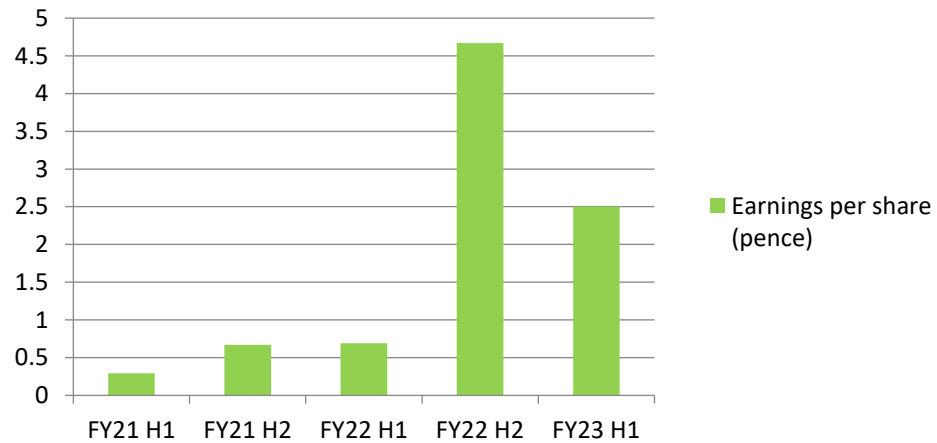
### Revenue by Segment (£m)



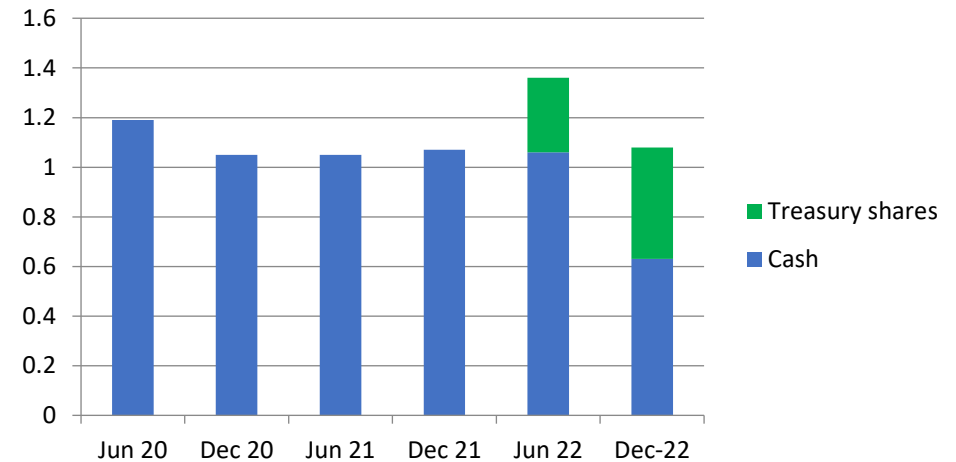
### Net PBT (£m)



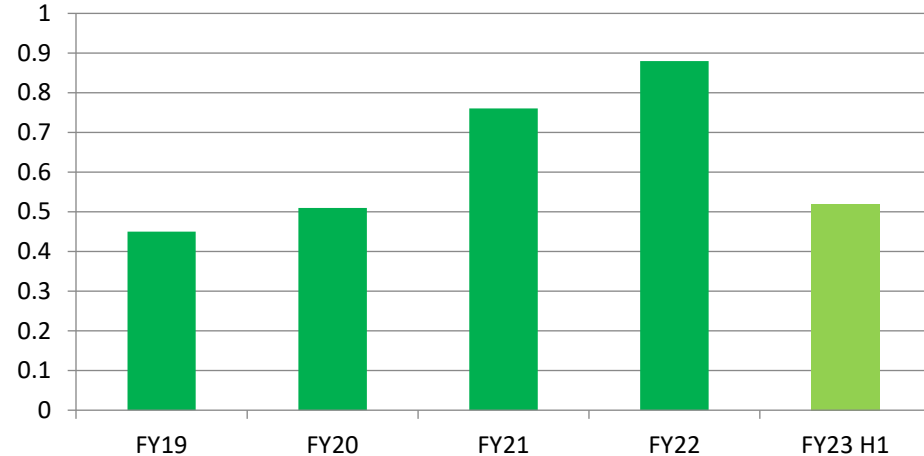
### Earnings per Share (pence)



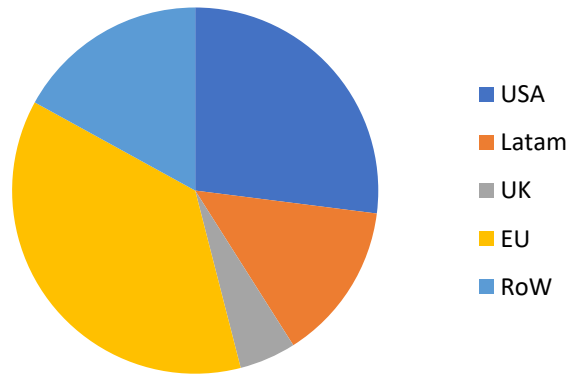
### Cash/Treasury Shares (£m)



## Translogik Revenue (£m)



## Revenue by Territory



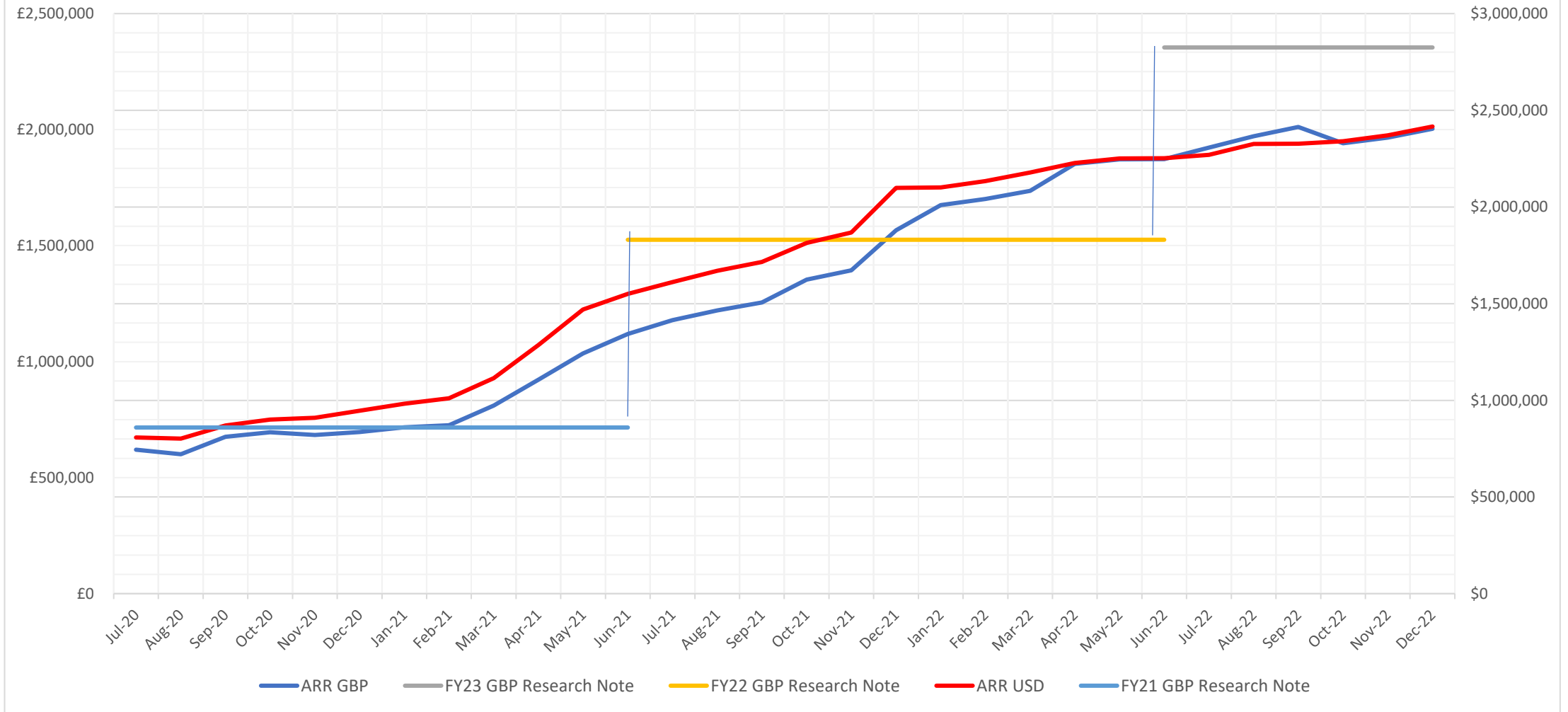
- Revenue up 11% over FY22 H1
- Gross margin up by 3% to 57%
- Changeover to new TLGX range now complete
- Partnerships with global tyre majors – building geographical footprint & large new fleet prospects
- New opportunities in direct fleet sales via software houses etc

**BRIDGESTONE**

**GOODYEAR**

**Continental**

## iTrack - Annualised Royalty Run Rate in GBP & USD



Research note refers to Broker research published by Allenby Capital

## 7. iTRACK ROYALTY INCOME

## Aerospace



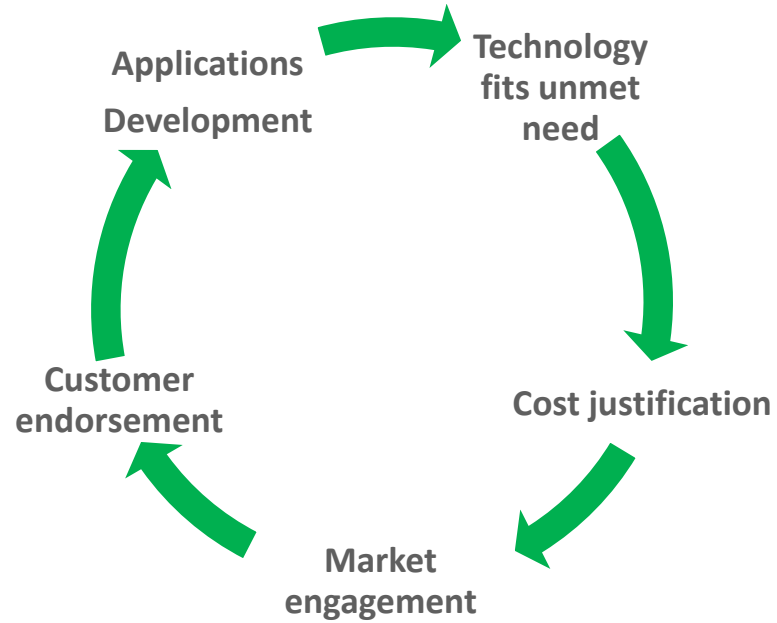
## Industrial Machinery



## Electric Motors & Drives (EMD)

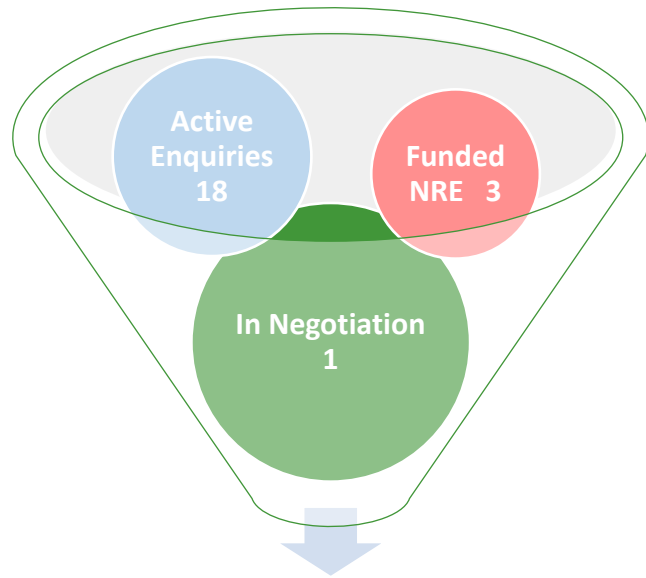


## Performance Automotive





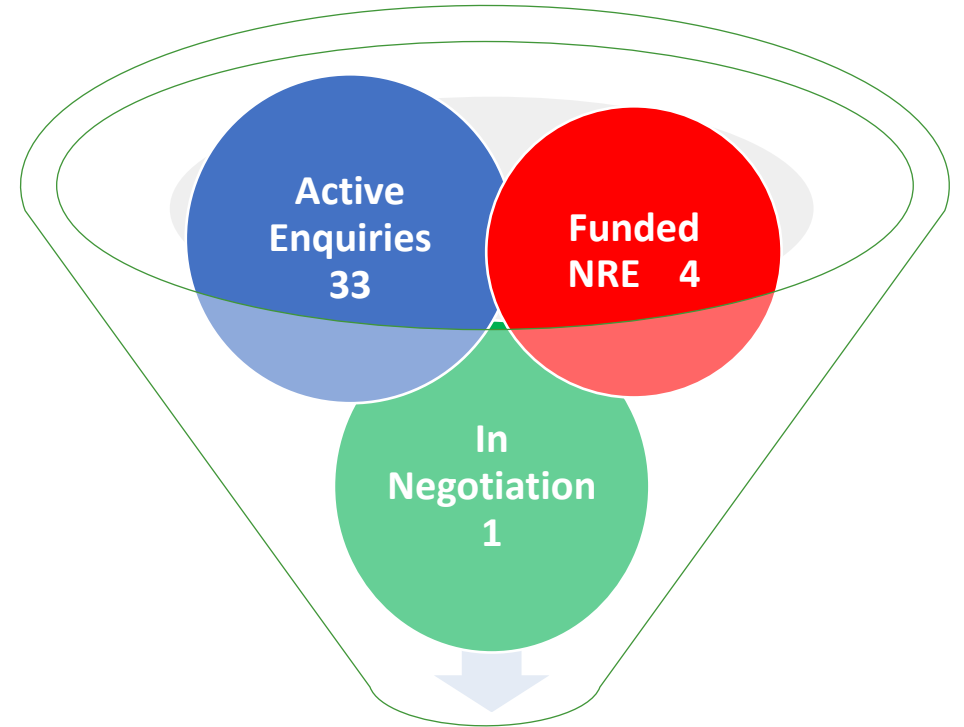
September 2022  
Total = 24



Under long-term contract: 2

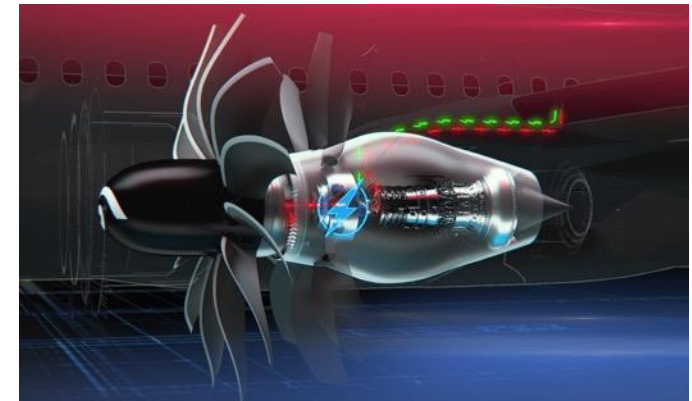
66% Pipeline  
Growth

February 2023  
Total = 40



Under long-term contract: 2

- ✓ Revenue growth – 100% increase vs prior year
- ✓ Pipeline increased - +66% since Sept 22 and > fourfold since Feb 22
- ✓ New Tier 1 aerospace customer NRE program
- ✓ Parker Meggitt – work progressing under MoU
- ✓ GE – T901 in progress, also in hybrid electric (HEAT) project, others under discussion
- ✓ McLaren Applied – now in LMDh as well as Indycar, working on others
- ✓ TDAP – passed independent gateway review to Phase 2
- ✓ Electric motors - external verification of potential improvements in performance & efficiency
- ✓ Product and process industrialisation - Plan developed and underway to deliver near term benefit and pathway to higher volumes



- Revenue – meet or exceed FY23 & FY24 expectations
- Pipeline – accelerate conversion to development projects
- Licensing – progress aerospace licence and develop similar opportunities in other sectors
- TDAP programme – complete Phase 2 & meet all deliverables
- Electric motor control - extend external verification to live simulation in closed loop system
- Product and process industrialisation – complete initial phase of industrialisation project





		FY23 H1 £m	FY22 H2 £m	FY22 H1 £m
Distributable reserves b/f		1.20	0.74	0.63
Profit for the period	<b>A</b>	0.40	0.76	0.11
Available for distribution		1.60	1.50	0.74
Share buybacks	<b>B</b>	(0.15)	(0.30)	-
Dividends	<b>C</b>	-	-	-
Distributable reserves c/f		1.45	1.20	0.74
% of profit distributed	<b>(B+C)/A</b>	38%	40%	0%

Dividend policy under board consideration – further update at year end

- **Post period end trading:**

- SAW & Translogik accelerated growth
- iTrack expected to return to higher growth in 2023

- **Confident of outlook for FY23 and beyond**

- **SAW market engagement very encouraging**

- **Building value proposition**









**QUESTIONS?**



	Appendices Title
15.1	SAW Technology, market sector update
15.2	SAW Milestones and progress plan
15.3	SAW pipeline
15.4	Profit and loss
15.5	Financial position
15.6	Cashflow

	Aerospace	Electric Motors and Drives	Industrial Machinery	Performance Automotive
				
<b>Technology Fit</b>	<ul style="list-style-type: none"> <li>• Accurate torque measurement for engines &amp; systems</li> <li>• Safety, control &amp; reliability</li> <li>• Size, weight &amp; cost benefits</li> <li>• Temperature &amp; EMC advantages</li> </ul>	<ul style="list-style-type: none"> <li>• Replacing/supplementing torque estimation with real-time measurement</li> <li>• Accurate measurement of magnet temperature</li> <li>• Power and range improvement</li> <li>• Safety integrity enhancement</li> </ul>	<ul style="list-style-type: none"> <li>• Measurement of delivered torque improves control and efficiency</li> <li>• Enables robotic systems to be faster and more accurate</li> <li>• Aids autonomous operation</li> <li>• Safety integrity enhancement</li> </ul>	<ul style="list-style-type: none"> <li>• Responsive &amp; accurate</li> <li>• Rugged &amp; reliable</li> <li>• Light &amp; compact</li> <li>• Used for regulatory compliance and performance advantage</li> </ul>
<b>Market Engagement</b>	<ul style="list-style-type: none"> <li>• GE ITEP Licence</li> <li>• Meggitt MoU</li> <li>• <b>New confidential Tier 1 project underway</b></li> <li>• <b>6 other active enquiries</b></li> </ul>	<ul style="list-style-type: none"> <li>• APC TDAP Project</li> <li>• <b>One customer funded trial underway</b></li> <li>• <b>13 other active enquiries</b></li> </ul>	<ul style="list-style-type: none"> <li>• <b>One customer funded trial underway</b></li> <li>• <b>11 other active enquiries</b></li> </ul>	<ul style="list-style-type: none"> <li>• Exclusive deal with McLaren Applied for premium motorsport</li> <li>• In use on IndyCar &amp; now LMDh</li> <li>• <b>McLaren developing new potential applications</b></li> </ul>
<b>Applications Development</b>	<ul style="list-style-type: none"> <li>• Turbine engine torque sensing</li> <li>• Hybrid and electric torque verification</li> <li>• Actuation systems and airframe applications</li> </ul>	<ul style="list-style-type: none"> <li>• Torque sensing in electric drive units</li> <li>• Motor rotor temperature sensing</li> </ul>	<ul style="list-style-type: none"> <li>• Torque sensing in off-highway machines</li> <li>• Force torque sensing in industrial robots</li> </ul>	<ul style="list-style-type: none"> <li>• Engine torque measurement</li> </ul>
<b>Endorsement</b>	<p>“...unique technology has the potential to become a great addition to our Engine Sensing portfolio.”  <b>Pierre-Alain Brodard, Meggitt SA</b></p>	<p>“.....the application of SAW-based torque sensors in the control loop seems to offer <b>great potential to make a significant improvement to the performance of electric motor systems</b>”  <b>Murray Edington, Head of Electrified Powertrain, Drive System Design Ltd.</b></p>	<p>“We are now seeing an industry shift.... to using the more beneficial torque sensors, which allow for a faster response time and improved accuracy. Torque sensors lead to safer and more reliable robotic systems ...”  <b>Daniel Pintar, The Robot Report</b></p>	<p>“We anticipate significant growth in the adoption of this technology for torque sensing in elite motorsport.”  <b>Matthias Dank, McLaren Applied</b></p>



Activity	Milestones Met	Milestones Planned
<b>Technology Development Accelerator Programme (TDAP), run by the Advanced Propulsion Centre (APC)</b>	<ul style="list-style-type: none"> <li>•Completed TDAP Phase 1, culminating in successful Gateway review</li> <li>•<b>Accepted for Phase 2</b></li> </ul>	<ul style="list-style-type: none"> <li>•Complete TDAP Phase 2, achieve key deliverables in product and process and pipeline development</li> </ul>
<b>Product and process development</b>	<ul style="list-style-type: none"> <li>•<b>DSD findings: possible &gt;5% efficiency savings in EMD</b></li> <li>•Calibration: Automated rig commissioned</li> </ul>	<ul style="list-style-type: none"> <li>•<b>Carry out simulation in closed loop system</b></li> <li>•Move from evaluation to test &amp; automation</li> <li>•Capability study and get fully operational</li> </ul>
<b>Pipeline development – potential customer engagement</b>	<ul style="list-style-type: none"> <li>•<b>Ahead (H1) for FY23 revenue target</b></li> <li>•Increased online presence with application specific content</li> <li>•<b>Achieved 50% growth in qualified enquiries</b></li> </ul>	<ul style="list-style-type: none"> <li>•<b>Meet or exceed FY23 &amp; FY24 targets</b></li> <li>•Increased promotion and awareness via tradeshows and conferences</li> <li>•<b>Accelerate conversion of enquiries into NRE projects</b></li> </ul>
<b>Pipeline development - Funded NRE projects</b>	<ul style="list-style-type: none"> <li>•1 additional NRE project</li> <li>•29 active enquiries with 3 under quotation (1 aerospace, 2 EMD) and close to conversion</li> </ul>	<ul style="list-style-type: none"> <li>•<b>Contract at least one of each additional Aero, EMD and IM NRE projects</b></li> <li>•Grow pipeline of qualified active enquiries</li> </ul>
<b>Licencing</b>	<ul style="list-style-type: none"> <li>•GE license extended for HEAT program (development phase only)</li> <li>•<b>MOU agreed with Meggitt SA and in progress</b></li> </ul>	<ul style="list-style-type: none"> <li>•<b>Agree additional Licence with an Aerospace T1/OEM</b></li> <li>•<b>Progress one or more NRE projects to licence negotiation</b></li> </ul>

## 15.2 - SAW MILESTONES & PROGRESS PLAN

	<b>Aerospace</b>	<b>Electric motors and drives</b>	<b>Industrial machinery (incl OTR &amp; Agric)</b>	<b>Performance automotive</b>	<b>Total</b>
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>

## Financials – Profit & Loss

	FY23 H1	FY22 H1	FY22
	£m	£m	£m
<b>REVENUES</b>	<b>1.64</b>	<b>1.20</b>	2.63
COST OF SALES	<b>0.23</b>	<b>0.21</b>	<b>0.40</b>
GROSS PROFIT	<b>1.41</b>	<b>0.99</b>	2.23
OPERATING EXPENSES	<b>1.18</b>	<b>0.90</b>	<b>1.97</b>
<b>OPERATING PROFIT</b>	<b>0.23</b>	<b>0.09</b>	0.26
OTHER INCOME	<b>0.02</b>	<b>0.00</b>	0.02
INTEREST	<b>0.01</b>	<b>0.01</b>	<b>0.01</b>
TAXATION	<b>0.14</b>	<b>0.03</b>	0.61
<b>PROFIT ON CONTINUING OPERATIONS</b>	<b>0.40</b>	<b>0.11</b>	0.88

£m	Dec 22	June 22	Dec 21
Tangible assets	0.16	0.17	0.20
Intangibles (including DT)	1.43	1.31	0.80
Net working capital	1.25	0.66	0.64
Cash equivalents	0.63	1.06	1.07
Lease liabilities	(0.07)	(0.11)	(0.14)
<b>Net Assets</b>	<b>3.40</b>	<b>3.09</b>	<b>2.57</b>
Share capital/premium	1.71	1.71	1.71
Reserves	2.14	1.68	0.86
Treasury shares	(0.45)	(0.30)	-
<b>Total Equity</b>	<b>3.40</b>	<b>3.09</b>	<b>2.57</b>

Working capital peaks at period end to support revenue growth

Cash balance reduced by working capital & buy-backs : £1.23m by 1/2/23

Net assets now 21p per share

Of which £1.45m distributable

£0.15m share buyback in period

£m	FY23 H1	FY22 H1	FY22
Net profit	0.40	0.11	0.88
Adjustment for non-cash items	0.02	0.12	(0.26)
Working capital movements	(0.59)	(0.19)	(0.28)
Taxation	-	-	0.07
Capex	(0.07)	(0.06)	(0.10)
<b>Cash flow before financing</b>	<b>(0.24)</b>	<b>(0.02)</b>	<b>0.31</b>
Share buybacks	(0.15)	-	(0.30)
Other financing	(0.04)	0.04	-
<b>Net Cash Flow</b>	<b>(0.43)</b>	<b>0.02</b>	<b>0.01</b>

## 15.6 - CASHFLOW

## Disclaimer

The information contained in this document (“Presentation”) and the presentation made to you verbally has been prepared by Transense Technologies Plc (the “Company”). Transense Technologies Plc is a UK incorporated company quoted on AIM, a market operated by London Stock Exchange plc. This Presentation has not been fully verified and is subject to material updating, revision and further verification and amendment without notice. This Presentation has not been approved by an authorised person in accordance with Section 21 of the Financial Services and Markets Act 2000 (as amended) (“FSMA”) and therefore it is being provided for information purposes only.

While the information contained herein has been prepared in good faith, neither the Company nor any of its directors, officers, agents, employees or advisers give, have given or have authority to give, any representations or warranties (express or implied) as to, or in relation to, the accuracy, reliability or completeness of the information in this Presentation, or any revision thereof, or of any other written or oral information made or to be made available to any interested party or its advisers (all such information being referred to as “Information”) and liability therefore is expressly disclaimed. Accordingly, neither the Company nor any of its directors, officers, agents, employees or advisers take any responsibility for, or will accept any liability whether direct or indirect, express or implied, contractual, tortious, statutory or otherwise, in respect of, the accuracy or completeness of the Information or for any of the opinions contained herein or for any errors, omissions or misstatements or for any loss, howsoever arising, from the use of this Presentation.

The views of the Company’s management/directors and/or its partners set out in this document could ultimately prove to be incorrect. No warranty, express or implied, is given by the presentation of these figures herein and investors should place no reliance on the Company’s estimates cited in this document.

This Presentation may contain “forward-looking statements” that involve substantial risks and uncertainties, and actual results and developments may differ materially from those expressed or implied by these statements. These forward-looking statements are statements regarding the Company’s intentions, beliefs or current expectations concerning, among other things, the Company’s results of operations, performance, financial condition, prospects, growth, strategies and the industry in which the Company operates. By their nature, forward-looking statements involve risks and uncertainties because they relate to events and depend on circumstances that may or may not occur in the future. These forward-looking statements are not guarantees of future performance of the Company and reflect assumptions and subjective judgements by the Company that are difficult to predict, qualify and/or quantify. These forward-looking statements speak only as of the date of this Presentation and the Company does not undertake any obligation to publicly release any revisions to these forward-looking statements to reflect events or circumstances after the date of this Presentation.

This Presentation should not be considered as the giving of investment advice by the Company or any of its directors, officers, agents, employees or advisers. In particular, this Presentation does not constitute or form part of any offer or invitation to subscribe for or purchase any securities and neither this Presentation nor anything contained herein shall form the basis of any contract or commitment whatsoever. No reliance may be placed for any purpose whatsoever on the information or opinions contained in these slides or the Presentation or on the completeness, accuracy or fairness thereof. In particular, any estimates or projections or opinions contained herein necessarily involve significant elements of subjective judgment, analysis and assumptions and each recipient should satisfy itself in relation to such matters.

The distribution of this document in or to persons subject to jurisdictions outside the UK may be restricted by law and persons into whose possession this document comes should inform themselves about, and observe, any such restrictions. Any failure to comply with these restrictions may constitute a violation of the laws of the relevant jurisdiction.

Allenby Capital Limited (“Allenby Capital”), which is authorised and regulated by the Financial Conduct Authority, is acting as the nominated adviser and broker to the Company. Accordingly, the recipients should note that Allenby Capital is neither advising nor treating as a client any other person and will not be responsible to anyone other than the Company for providing the protections afforded to clients of Allenby Capital and nor for providing advice in relation to the matters contained in this Presentation.

