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19 February 2024

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

**Interim Results & Investor Presentation**

Transense Technologies plc, the provider of specialist sensor technology and measurement systems, reports its unaudited Interim Results for the six months ended 31 December 2023 ("the Period").

The Interim Results demonstrate further progress in the Period despite challenging economic conditions. Increasing momentum in commercialisation at SAWsense and opportunities for Translogik to enter new market sectors more than justify the planned increase in investment in business development and engineering recruitment in the second half of the year.

**Financial Highlights:**

- Revenue increased by 10% to £1.81m (FY23 H1: £1.64m)
- Operating expenses in H1 reduced by 18% to £0.97m (FY23 H1: £1.18m)
- EBITDA more than doubled to £0.74m (FY23 H1: £0.36m)
- Profit before taxation up 146% to £0.63m (FY23 H1: £0.26m)
- Earnings per share up 73% to 4.32 pence (FY23 H1: 2.50 pence)
- Net cash at 31 December 2023 of £1.31m (30 June 2023: £0.98m); cash at 31 January 2024 increased further to £1.91m

**Translogik Highlights:**

- Continuing demand from established sales channel partners
- New business development activity (including post-Period) is generating a new pipeline of opportunities for FY25
- Engagement with 2 new tyre manufacturers, 5 new tyre and maintenance management software providers, 2 major UK tyre service centre groups and several large UK based fleet operators to create new sales channels
- A number of product demonstrations have been carried out, strong interest in the product and immediate recognition of the benefits of accurate, rapid, digital capture of tyre inspection data

**SAWsense Highlights:**

- SAW development projects now on contract with record number of high-quality customers; eight active development programs, including four in aerospace, two in automotive edrives, and one in robotics
- Gaining strong traction in aerospace sector across multiple applications, measuring torque, force and temperature in engines, control surfaces, landing gear and gearboxes with a broader base of customers
- Increased business potential with GE across three running projects (T901, HEAT and RISE) and new project opportunities to provide additional engineering support and components
- Further progress made demonstrating benefits in electric drive systems; patent applications underway
- Healthy continued pipeline of potential SAW customers, increasing further to 58 at February 2024 (Feb 2023: 40), with 9 progressed to funded projects or production (Feb 2023: 7)

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

*"The Company has continued to make progress in the Period, increasing revenue by 10% and net profit before taxation by 146%. Revenue visibility is now much clearer for Bridgestone iTrack, and the increasing pipeline activity at Translogik is expected to provide a clear growth trajectory. Visibility of SAWsense revenue is also beginning to improve as the customer base expands and programmes mature, and the concentration risk is reducing.*

*"The Board considers it appropriate to proceed with planned increases in overhead in the second half of the year to ensure that the generation and delivery of planned revenue growth is properly resourced. Pipeline activity across both Translogik and SAWsense provides confidence that this is deliverable in coming months, although there is an inherent element of timing risk. Accordingly, whilst it is appropriate to manage a modest reduction in short term profit expectations due to the carry-over of this investment cost into the following financial year, the Board believes the Company is increasingly well positioned to deliver medium and long term growth."*

**Investor Presentation: 4pm today, Monday 19 February 2024**

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, Monday 19 February 2024. 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)  
Ryan Maughan (Business Development Director)

Via Walbrook PR

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**Notes to Editors:**

Transense is a developer of specialist sensor technology and measurement systems. The Company has two active business divisions:

- Translogik a range of smart, connected tyre inspection and management equipment, used by leading tyre manufacturers, dealers and fleet operators to reduce costs and improve safety; and
- SAWsense, developing Surface Acoustic Wave (SAW) sensor technology, to improve performance, reliability and efficiency in focus markets of aerospace, automotive, robotics and industrial machinery.

In addition, the Company earns residual royalty income from Bridgestone iTrack (new branding name for iTrack), a tyre condition and performance monitoring system, that was developed by Translogik and subsequently licensed to Bridgestone Corporation for a ten year period in 2020, expiring in 2030.

The Group's strategy is to maximise shareholder value through the delivery of sustained revenue growth from its business divisions by leveraging excellence in innovation and know-how to commercialise technologies through industry partnerships and exposure to global growth markets.

Transense is headquartered in Oxfordshire, UK, and was admitted to trading on AIM, a market operated by the London Stock Exchange (AIM: TRT), in 1999. [www.transense.com](http://www.transense.com)

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

**Transense Technologies plc - Interim Results for the six months ended 31 December 2023 (the "Period")**

**Chairman's statement**

The Company has continued to make progress in the Period, increasing revenue by 10% and net profit before taxation by 146%.

Planned investment in sales and marketing activity at Translogik is opening new market channels, which underpin the expectation of shorter term revenue acceleration and strong potential for significant long-term business growth.

There is an increasing momentum of commercial enquiries and contracted business in SAWsense with high quality global customers, although challenging economic conditions and technical delays unrelated to SAW technology have resulted in some slippage in revenue generation in the Period.

**Business strategy**

## **Business strategy**

The business strategy of the Company is to develop and supply innovative sensing technology and measurement solutions through its two trading divisions:

- Translogik: tyre inspection and data capture tools for commercial vehicle fleets, tyre manufacturers and vehicle service centre markets; and
- SAWsense: torque, temperature, pressure and force sensing using SAW technology in aerospace, electric drive systems, machinery & robotics and motorsport markets

Commercial revenue is generated through the supply of products, components and engineering services to customers. Value is realised through a combination of commercial revenue, royalties, licensing income and capital gains on disposals.

The Board's mid-term financial plans for 2023-28 expect a compound annual growth rate (CAGR) of around 15% per annum in the Bridgestone iTrack installed base, increased funded development work at SAWsense to secure financial self-sufficiency, and annual step changes in Translogik revenues as the primary driver of the Company's top line growth.

## **Business review**

### ***Royalty income - Bridgestone iTrack***

Royalty income from Bridgestone iTrack for the Period amounted to £1.23m, which represented an increase of 27% compared with the equivalent period last year (FY23 H1: £0.97m). During the Period, the annualised royalty run rate in pound sterling terms increased by 10%, to reach £2.58m per annum (30 June 2023: £2.34m). This rate of increase is consistent with the CAGR target in the Company's mid-term plan.

### ***Translogik Inspection and Management Tools***

Revenue from the Translogik range of smart, connected tyre inspection and management tools, derived from established channel partners, was marginally lower than the prior year's record level at £0.49m (FY23 H1: £0.52m).

As set out in the mid-term financial plan, Translogik continues to be viewed by the Board as the primary driver of revenue growth for the period 2023-28. There were two key appointments on 1 January 2024: a dedicated sales director for Translogik and a marketing executive covering both Translogik and SAWsense. This has had an immediate impact on the profile and sales pipeline of the business.

There are many opportunities to expand revenue from current channels, where we are addressing gaps in take up across their worldwide networks. In addition to expanding existing channels, there are plans to develop new customers and trading partners in direct sales to fleets, tyre service organisations, the emergency vehicle sector and working in conjunction with or partnering fleet software providers. There will also be deeper market penetration through improved sales and marketing driving market awareness of the Company and product range, and one immediate example of this is our new association with TyreSafe, the UK's leading authority on tyre safety.

There is a high level of engagement with some large potential customers, including some which have successfully tested Translogik products in fleet audits and trial activities. Unlike SAW technology, Translogik offers solutions that are used in the automotive aftermarket virtually 'out of the box', subject to integration with the channel partners software. This substantially reduces lead times into adoption which are typically measured in months. It is anticipated that some successes will become evident in the second half of the year, although the full benefits and visibility of a healthy pipeline will extend into FY25.

In addition to direct sales activity, we are rebranding and rationalising the current model range, accelerating marketing programmes, collaborating with software providers and developing a subscription model to generate recurring revenue streams.

### ***SAWsense***

Revenue for the Period was £0.08m compared with £0.14m in FY23 H1. This small reduction in revenue does not reflect the substantial progress made in building the SAWsense pipeline. Revenue was constrained primarily by two factors: delays in introduction of a new powertrain in one motorsport championship, unconnected to either Transense or our partner, McLaren Applied, and extended decision processes in research and development spending commitments across the corporate sector. At the same time, pre-revenue engagement with both existing and potential new customers, has grown beyond the Board's expectations.

The pipeline of potential customers and partners has increased further and now stands at 58, of which a record number of nine are now on contract to provide funded services compared with two at the beginning of 2022.

SAWSense's activities are focused on four key target market sectors:

### ***Aerospace***

The aerospace market is the most advanced sector for SAWSense when viewed in the context of recognition of the benefits that SAW technology can offer. As a result, the business now has a record number of projects running and new opportunities in a range of applications and customers covering VTOL and fixed wing aircraft, military and commercial, and for potential uses in engine, propulsion systems, actuation and landing gear. SAW technology offers a competitive advantage over other technologies due to its accuracy, robustness and compact size and weight, enabling improved efficiency, safety, control and reliability.

Aerospace programmes typically involve a development lead time to production revenue of seven to ten years, and during this period the selected suppliers have the benefit of certainty of specification and the potential to generate substantial revenue through the supply of engineering services, and development and testing of prototypes. Investments in additional engineering capacity now allows Transense an opportunity to participate and support pre-production engineering programmes. Having a spread of programmes and customers also allows the Company to offset the risk associated with one project or customer not delivering to expectations.

Under the non-exclusive licence agreed in 2016, GE Aviation is now building T901 engines in low volume pilot quantities for flight testing. Transense will earn royalty income on a per engine basis, which is currently expected to exceed US\$100,000 per annum by 2027/28. In addition to royalty income, there are new opportunities under discussion for Transense to provide engineering and production support services which would enhance revenue potential. Transense is continuing to support two further development programmes with GE: the Hybrid Electric Altitude Testbed flight demonstrator (HEAT) and GE/CFM Revolutionary Innovation for Sustainable Engines (RISE) although there have been delays not connected to Transense such that revenue earning activity has not yet commenced.

At the end of the Period, on 31 December 2023, the Memorandum of Understanding ("MoU") with Parker Meggitt expired. It had been the mutual intention to implement a commercial licence, however, Parker Meggitt was unable to progress suitable opportunities within the agreed timescale. Meanwhile, Transense independently achieved substantial market engagement with a number of other leading companies in the aerospace sector. The Company continues to see Parker Meggitt as a valuable potential partner, both on existing programmes and in the generation of new business.

The Board anticipates more newsflow in the second half in this sector, as terms have been agreed and the contract is in the final stages of signoff for a significant project with a new Aerospace partner, and management is in advanced negotiations elsewhere.

### ***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.

In order to progress the potential amongst a growing list of major target customers in this sector, Transense has commissioned a leading engineering consultancy to carry out live trials on a demonstration test rig to validate the simulation data previously generated. This data provided good evidence of the benefits of using real time actual torque in the motor control loop in place of traditional torque estimation methods. These trials will be completed during the second half of the Company's financial year, and will underpin the expansion of the intellectual property portfolio and the development of commercial opportunities.

Transense continues to work with two Tier 1 suppliers on technical feasibility and demonstration projects for torque and temperature sensing in electric motors. These projects are progressing well and have the potential to expand into larger programmes of work. We have other opportunities under discussion at an earlier stage which will progress in the second half of the financial year.

### ***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 and agricultural machinery. 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.

It is perhaps within this sector that economic headwinds have been most noticeable, characterised by constraints with research and development budgets, and reluctance to commit to development project work already agreed in principle.

research and development budget, and reluctance to commit to development projects from energy, agreed in principle. This has not affected the overall level of engagement, however the Company's resources have been concentrated towards other sectors where decision making has been less adversely affected.

More recently, and post-Period, the Company received an order for a technical feasibility project with a new customer, which is a leading global manufacturer of motor-drive systems for industrial robots. This is an application for which the Board considers SAW to offer several key advantages.

### **Motorsport**

Revenue under the five-year joint collaborative agreement (JCA) with McLaren Applied in premium motor sport, signed in September 2021, has been a major element of ongoing income for SAWsense in recent years, but reduced in the Period. This was attributable to non-SAW related delays in the implementation of a new hybrid engine into the IndyCar series, which was expected to be shipped in the Period but is now scheduled for the second half of this financial year at best, and possibly not until next financial year. SAW sensors are specified on the new engine but cannot be supplied until it is approved for use.

Despite this short term setback, McLaren Applied have indicated their expectation that SAW sensing will be a significant element of their growth strategy in premium motorsport, both through race organisations as a balance of performance tool, and for performance improvement by racing teams across multiple series. McLaren Applied are actively working on a number of opportunities and new programmes, although it is of note that we do not split these down in our pipeline, treating all opportunities with McLaren Applied as one of the 58 active engagements.

### **Financial review**

#### **Financial results**

Revenues for the six months increased by 10% to £1.81m (FY23 H1: £1.64m), with a 27% increase in Bridgestone iTrack royalty and a small reduction in revenues from SAWsense and Translogik. Overall gross margin increased to 88% of revenue (FY23 H1: 86%).

Operating expenses in the Period reduced by 18% to £0.97m (FY23 H1: £1.18m). This was in part attributable to the benefits of the reorganisation in the second half of the financial year 2023, augmented by the capitalisation of SAWsense development costs of approximately £0.11m into intangible assets. In view of the confidence level in prospects across both SAWsense and Translogik, additional costs have been approved for the second half of the year including the recruitment of the Sales Director at Translogik, marketing and administrative support and three senior engineers at SAWsense.

EBITDA doubled to £0.74m (FY23 H1: £0.36m), and net profit before taxation was £0.63m (FY23 H1: £0.26m). After recognition of deferred tax, the net profit after taxation attributable to shareholders was £0.67m (FY23 H1: £0.40m) and earnings per share increased 73% to 4.32 pence (FY23 H1: 2.50 pence).

#### **Key performance indicators (KPI)**

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

	FY 2024	FY 2023	
	Interim (unaudited)	Interim (unaudited)	Full Year (audited)
Revenue (£m)	1.81	1.64	3.53
Bridgestone iTrack royalty run rate growth YoY (in USD)	36%	15%	30%
Translogik probe revenue growth YoY	(6%)	11%	17%
SAW revenue growth YoY	(43%)	100%	146%
EBITDA (£m)	0.74	0.36	1.39
EPS (pence)	4.32	2.50	8.81
Available cash balances (£m)	1.31	0.63	1.17
Distributable reserves (£m)	2.80	1.45	2.19
Average share price in period (pence)	98.2	72.9	79.6

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

Net cash inflow from operating activities before movements in working capital amounted to £0.79m (FY23 H1: £0.42m). The Company continued to fund the repurchase of treasury shares amounting to £0.07m during the Period (FY23 H1: £0.15m).

Net cash balances at the end of the Period stood at £1.31m (30 June 2023: £0.98m). The net cash balance at 31 January

2024 increased to £1.91m, which reflects the post Period collection of receivables (including Bridgestone iTrack royalties for the final quarter of calendar year 2023).

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 86.5p on 1 July 2023 to a peak of 115.5p on 29 September 2023 and closed the Period on 31 December 2023 at 103.5p. The most recent share price as at 16 February 2024 stood at 102.5p.

Capital is allocated by the Board with the aim of maximising long term shareholder returns. Profits generated from Bridgestone iTrack and Translogik are first applied to meet the Company's unallocated overhead expenses and net investment in the continuing development of SAWsense. 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 at the beginning of the current financial year the Company held 895,536 shares which were purchased at an average cost of 79 pence per share. In the Period a further 67,500 shares were purchased at an average price of 99 pence per share, resulting in the Company holding 962,856 treasury shares at an average price of 80 pence per share at the Period end.

The Board has authority from shareholders to continue the programme to acquire up to approximately 1.5m 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 also keeps the commencement of payment of dividends under regular review.

#### **Current trading and outlook**

The Board's expectations for revenue in the current financial year were heavily weighted towards the second half of the year. Historically, forecasting has been challenging due to the early stage of adoption of technology, and the concentration of revenue generation from a relatively narrow customer base. Revenue visibility is now much clearer for Bridgestone iTrack, and the increasing pipeline activity at Translogik is expected to provide a clear growth trajectory. Visibility of SAWsense revenue is also beginning to improve as the customer base expands and programmes mature, and the concentration risk is reducing.

The current year market expectation was initially set two years ago and has been maintained despite subsequent recognition of a slower growth rate from the Bridgestone iTrack royalty. Earnings in the first half of the year are in line with expectations on slower revenue growth, partly due to a temporary reduction in overheads.

The Board considers it appropriate to proceed with planned increases in overhead in the second half of the year to ensure that the generation and delivery of planned revenue growth is properly resourced. Pipeline activity across both Translogik and SAWsense provides confidence that this is deliverable in coming months, although there is an inherent element of timing risk. Accordingly, whilst it is appropriate to manage a modest reduction in short term profit expectations due to the carry-over of this investment cost into the following financial year, the Board believes the Company is increasingly well positioned to deliver medium and long term growth.

**Nigel Rogers**  
Executive Chairman  
19 February 2024

#### **Transense Technologies plc**

#### **Condensed Statement of Comprehensive Income**

Half year to	Half year to	Full year to
31 Dec 23	31 Dec 22	30 Jun 23
(Unaudited)	(Unaudited)	(Audited)

	£'000	£'000	£'000
<b>Continuing operations</b>			
Revenue	1,805	1,638	3,529
Cost of sales	(224)	(227)	(474)
<b>Gross profit</b>	<b>1,581</b>	<b>1,411</b>	3,055
Administrative expenses	(965)	(1,180)	(2,086)
Exceptional administrative expenses	-	-	(220)
<b>Operating profit</b>	<b>616</b>	<b>231</b>	749
Net Financial income	11	2	4
Other income	5	24	113
<b>Profit before taxation</b>	<b>632</b>	257	866
Taxation	38	142	530
<b>Profit for the period</b>	<b>670</b>	399	1,396
<b>Earnings per share (pence)</b>	<b>4.32</b>	2.50	8.81

## Transense Technologies plc

### Condensed Statement of Financial Position

	31 Dec 23 (Unaudited)	31 Dec 22 (Unaudited)	30 Jun 23 (Audited)
	£'000	£'000	£'000
<b>Non current assets</b>			
Property, plant and equipment	183	159	154
Intangible assets	842	645	731
Deferred tax	1,213	787	1,175
	<b>2,238</b>	1,591	2,060
<b>Current assets</b>			
Inventories	262	315	260
Trade and other receivables	1,305	1,300	1,263
Cash and cash equivalents	1,308	625	978
	<b>2,875</b>	2,240	2,501
<b>Total assets</b>	<b>5,113</b>	3,831	4,561
<b>Current liabilities</b>			

**Current liabilities**

Trade and other payables	(264)	(363)	(334)
Lease liabilities	-	(63)	(36)
<b>Total liabilities</b>	<b>(264)</b>	<b>(426)</b>	<b>(370)</b>

**Non current liabilities**

Lease liabilities	-	(7)	-
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<b>Total liabilities</b>	<b>(264)</b>	<b>(433)</b>	<b>(370)</b>
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<b>Net assets</b>	<b>4,849</b>	<b>3,398</b>	<b>4,191</b>
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**Capital and reserves**

Share capital	1,644	1,644	1,644
Share premium	65	65	65
Treasury Shares	(774)	(455)	(708)
Share based payments	342	239	288
Retained earnings	3,572	1,905	2,902
<b>Shareholders' funds</b>	<b>4,849</b>	<b>3,398</b>	<b>4,191</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 2022</b>	1,644	65	180	1,506	(303)	3,092
<b>Comprehensive income for the year:</b>						
Profit for the year	-	-	-	1,396	-	1,396
Share based payment	-	-	108	-	-	108
Treasury Shares	-	-	-	-	(405)	(405)
<b>Balance at 30 June 2023</b>	<b>1,644</b>	<b>65</b>	<b>288</b>	<b>2,902</b>	<b>(708)</b>	<b>4,191</b>
<b>Comprehensive income for the period</b>						



Profit for the period	-	-	-	670	-	670
Share based payment	-	-	54	-	-	54
Treasury Shares	-	-	-	-	(66)	(66)
<b>Balance at 31 December 2023</b>	<b>1,644</b>	<b>65</b>	<b>342</b>	<b>3,572</b>	<b>(774)</b>	<b>4,849</b>

## Transense Technologies plc

### Condensed Statement of Cash Flows

	Half year to 31 Dec 23 (Unaudited) £'000	Half year to 31 Dec 22 (Unaudited) £'000	Full year to 30 Jun 23 (Audited) £'000
<b>Cash flow from operating activities</b>			
<b>Profit for the period</b>	<b>670</b>	<b>399</b>	<b>1,396</b>
Adjustments for:			
Taxation	(38)	(142)	(530)
Net financial expense/income	(11)	(2)	(4)
Depreciation of property, plant and equipment	56	47	98
Amortisation and impairment of intangible assets	60	58	112
Share based payments	54	59	108
<b>Operating cash flows before movements in working capital</b>	<b>791</b>	<b>419</b>	<b>1,180</b>
Change in receivables	(42)	(167)	(130)
Change in payables	(70)	(197)	(226)
Change in inventories	(2)	(227)	(172)
<b>Net cash generated/(used) in operations</b>	<b>677</b>	<b>(172)</b>	<b>652</b>
<b>Cash flows from investing activities</b>			
Acquisition of property, plant & equipment	(83)	(39)	(85)
Acquisition of intangible assets	(173)	(32)	(172)
<b>Net cash used in investing activities</b>	<b>(256)</b>	<b>(71)</b>	<b>(257)</b>
<b>Cash flows from financing activities</b>			
Treasury shares	(67)	(152)	(405)
Interest	11	2	4
Payment of lease liabilities	(36)	(37)	(71)
<b>Net cash used in financing activities</b>	<b>(92)</b>	<b>(187)</b>	<b>(472)</b>

Net cash used in financing activities	(54)	(207)	(174)
Net increase/(decrease) in cash and cash equivalents	330	(430)	(77)
Cash and cash equivalents at beginning of period	978	1,055	1,055
<b>Cash and cash equivalents at end of period</b>	<b>1,308</b>	<b>625</b>	<b>978</b>

## Notes to the Interim results for the six months to 31 December 2023

### 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 2023 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 2023. 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 23	Half year to 31 Dec 22	Full year to 30 Jun 23
	(Unaudited)	(Unaudited)	(Audited)
	£'000	£'000	£'000
<b>North America</b>	<b>181</b>	219	351
<b>South America</b>	<b>45</b>	89	143
<b>Australia</b>	<b>1</b>	23	32
<b>UK &amp; Europe</b>	<b>270</b>	275	864
<b>Rest of the World</b>	<b>74</b>	57	129
<b>Royalty Income</b>	<b>1,234</b>	975	2,010
<b>Total</b>	<b>1,805</b>	1,638	3,529

Half Year to 31 December 2023	IT Royalties £'000	SAWsense £'000	Translogik £'000	Admin £'000	Total £'000
Turnover	1,234	83	488	-	1,805
Gross profit	1,234	83	264	-	1,581
Administrative expenses	(22)	(466)	(70)	(407)	(965)
Operating profit/(loss)	1,212	(383)	194	(407)	616

Other income	-	5	-	-	5
Net financial income/(expense)	-	-	-	11	11
Taxation	-	-	-	38	38
Profit/(loss) for the period	1,212	(378)	194	(358)	670

Half Year to 31 December 2022	IT Royalties £'000	SAWsense £'000	Translogik £'000	Admin £'000	Total £'000
Turnover	975	143	520	-	1,638
Gross profit	975	138	298	-	1,411
Administrative expenses	(22)	(639)	(78)	(441)	(1,180)
Operating profit/(loss)	953	(501)	220	(441)	231
Other income	-	24	-	-	24
Net financial income/(expense)	-	2	-	-	2
Taxation	-	-	-	142	142
Profit/(loss) for the period	953	(475)	220	(299)	399

Year to 30 June 2023	IT Royalties £'000	SAWsense £'000	Translogik £'000	Unallocated £'000	Total £'000
Turnover	2,010	492	1,027	-	3,529
Gross profit	2,010	457	588	-	3,055
Administrative expenses	(44)	(1,119)	(165)	(758)	(2,086)
Exceptional administrative costs	-	(220)	-	-	(220)
Operating profit/(loss)	1,966	(882)	423	(758)	749
Other income	-	113	-	-	113
Net financial income/(expense)	-	-	-	4	4
Taxation	-	-	-	530	530
Profit/(loss) for the year	1,966	(769)	423	(224)	1,396

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

*Note: The presentation of segmental information was modified in the year ended 30 June 2023 accounts and that modification has been adopted in these accounts and the previous half year's numbers adjusted accordingly.*

## 5. Corporation tax and deferred tax

The Company has approximately £22m 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 has moved into consistent profitability, Deferred Tax is recognised and the Deferred Tax credit is calculated to reflect the estimated results for the following 24 months.

The deferred tax 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 FY24, FY25 and 6 months of FY26.

## 6. Earnings per share

	31 December 2023	31 December 2022	30 June 2023
	Shares	Shares	Shares
Weighted average number of shares in the period	15,506,141	15,962,643	15,849,527

<b>Basic and diluted Earnings per share</b>	4.32p	2.50p	8.81p
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