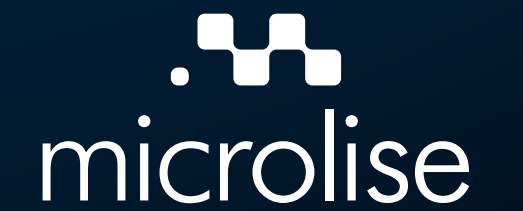


INVESTOR PRESENTATION: INTERIM RESULTS



6 months to June 2022

Nadeem Raza,
Chief Executive Officer

Bill Wynn,
Chief Financial Officer

Nick Wightman,
Finance Director



PRESENTATION TEAM



NADEEM RAZA
Chief Executive Officer

Joined Microlise in 1987. Led a management buyout of the Group in 2008, when he became CEO. He is a board member of Trakm8 Holdings plc and is Deputy Lieutenant, support Lord-Lieutenant in Nottinghamshire. Nadeem was named in the FT Top 100 BAME leaders in 2018.



BILL WYNN
Chief Financial Officer

Bill joined Microlise in 2007 as Finance Director and Company Secretary and brings to Microlise a wealth of financial and general management experience. He was also part of the management buyout of the Group in 2008. Bill has an MBA, is a Chartered Management Accountant and brings to Microlise over 25 years of board level experience.



NICK WIGHTMAN
Finance Director

Nick joined Microlise in 2012 and played a key role in the Group's refinancing and reorganisation in 2018, its acquisition of TruTac in 2020, and in establishing the Group's offices in India, France and Australia. Nick is a Chartered Management Accountant and has an ACCA Diploma in International Financial Reporting.



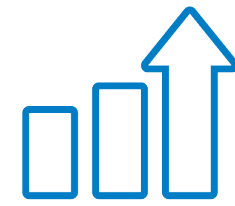
A LEADING PROVIDER OF TRANSPORT MANAGEMENT SOLUTIONS TO ENTERPRISE CUSTOMERS

- + Solving **complex needs** with **proprietary software and hardware** solutions
- + Automating **critical processes** and providing **real time data**
- + Customers benefit from **cost savings, emissions reductions** and other **efficiencies**
- + **High barriers to entry**, sticky customer base and high revenue visibility
- + **Clear Growth Strategy**, upsell existing UK customers, new UK and international markets, margin enhancement and M&A



1982

Established



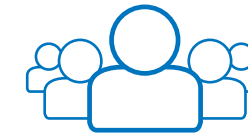
570K+

Active Subscriptions



<1%

Very low customer
churn rate



600+

Staff



5

Offices



400+

Enterprise
Customers



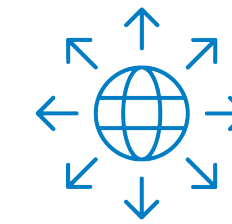
£60M

FY 2021 Revenue
(£40.2m ARR)



58%

Market share of
UK large fleets
(>500 Vehicles)



197

Countries with
deployments



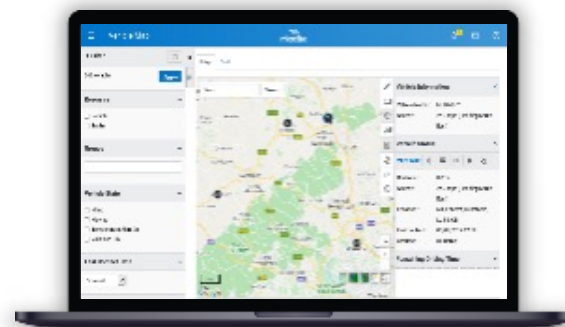
3

Queen's Award
for Enterprise

A PROPRIETARY MODULAR PLATFORM

ENABLING GLOBAL ENTERPRISES TO RUN HIGHLY COMPLEX LOGISTICS SUPPLY CHAINS

FLEET PERFORMANCE



Vehicle tracking and asset utilisation

Driver performance

Performance KPIs, dashboards and reports

Weight monitoring

FLEET COMPLIANCE



Suite of compliance software solutions

DVSA Earned Recognition approved

Covering fleet maintenance, tachograph compliance, driver hours and more

FLEET SAFETY



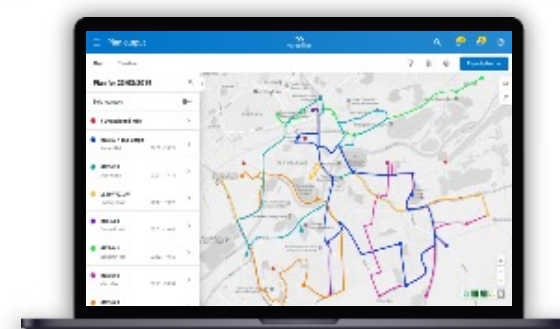
Safety module with Incident Data Recorder & Contextual Speeding

ClearVision camera solutions

Bridge Strike avoidance app, panic alarms and door sensors

Trailer Brake Performance Monitoring system

PLANNING & OPTIMISATION



Reduces planning time

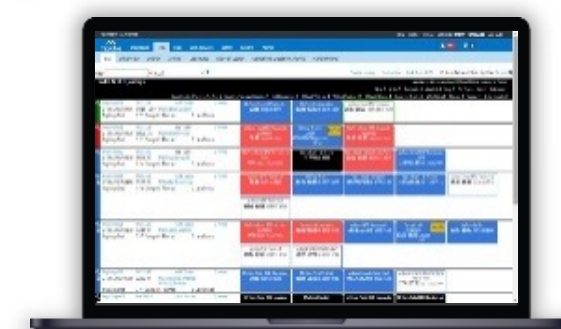
Allows operators to do more with less

Reduces fleet mileage travelled

Produce highly accurate plans

Flexibility to manage exceptions

JOURNEY MANAGEMENT



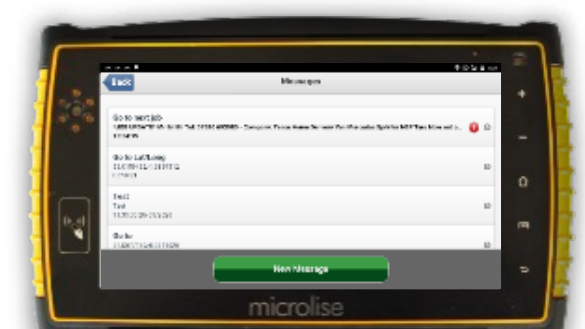
Real-time visibility of fleet performance vs schedule

Facilitates proactive customer service

Identifies issues early

Provides planned vs actual comparison

DRIVER CONNECTED MOBILITY



Range of hardware options for drivers

Range of hardware with Microlise, Zebra Technologies and Samsung options

Facilitates driver management and communications

HELPING CUSTOMERS MEET THEIR COMMITMENTS

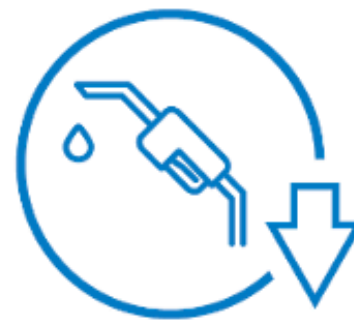
LOGISTICS FLEET OPERATORS IMPROVE ACROSS A RANGE OF KPIS INCLUDING ENVIRONMENTAL EMISSIONS, OPERATING EFFICIENCY AND SAFETY STANDARDS



Reduced Mileage
Travelled



Improved Driver
Performance



Reduced Fuel Use



Reduced Emissions



Reduced Vehicle
Wear & Tear



Reduced Accidents



Reduced Insurance
Premiums



Improved Fleet
Efficiency &
Utilisation

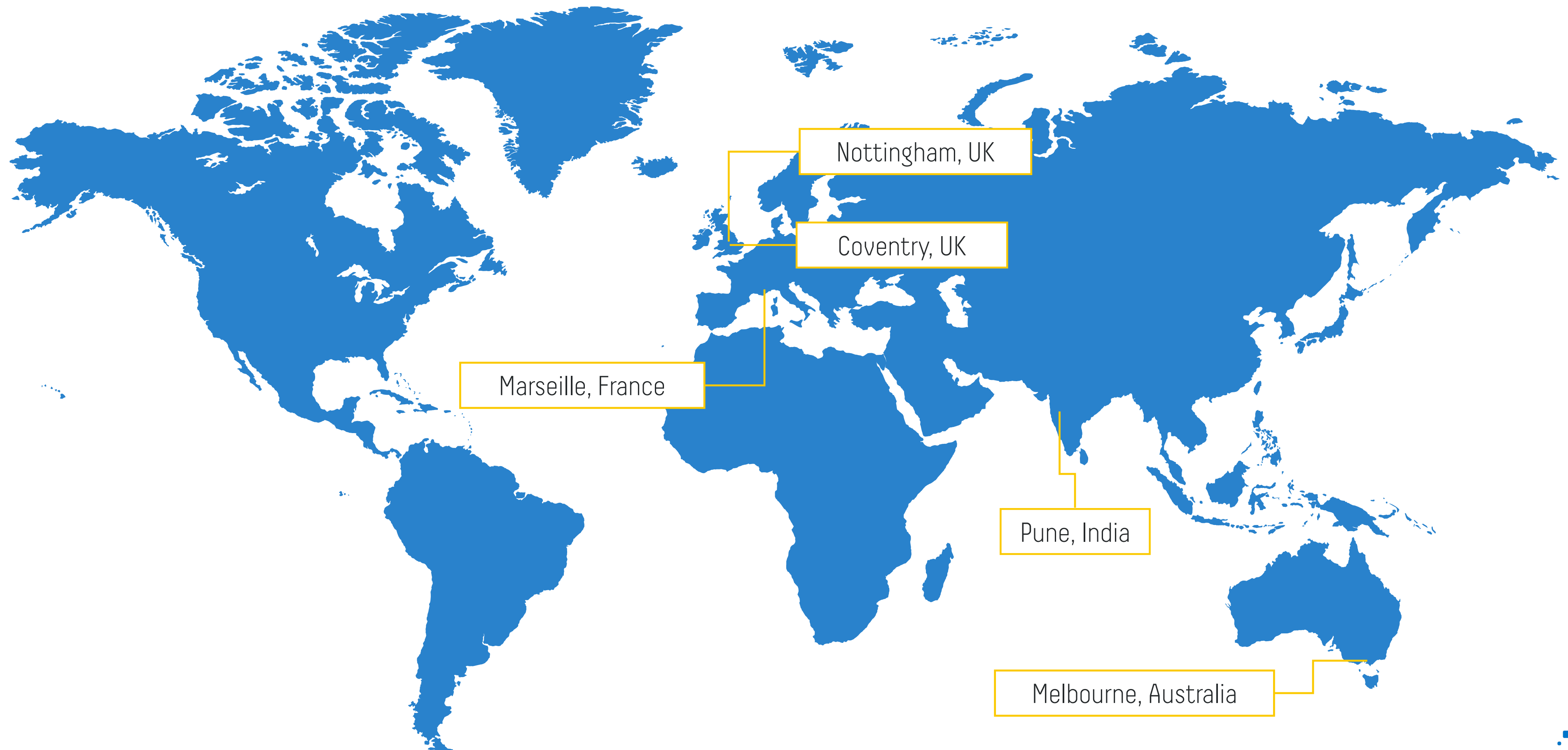


Elimination of
Delivery Paperwork

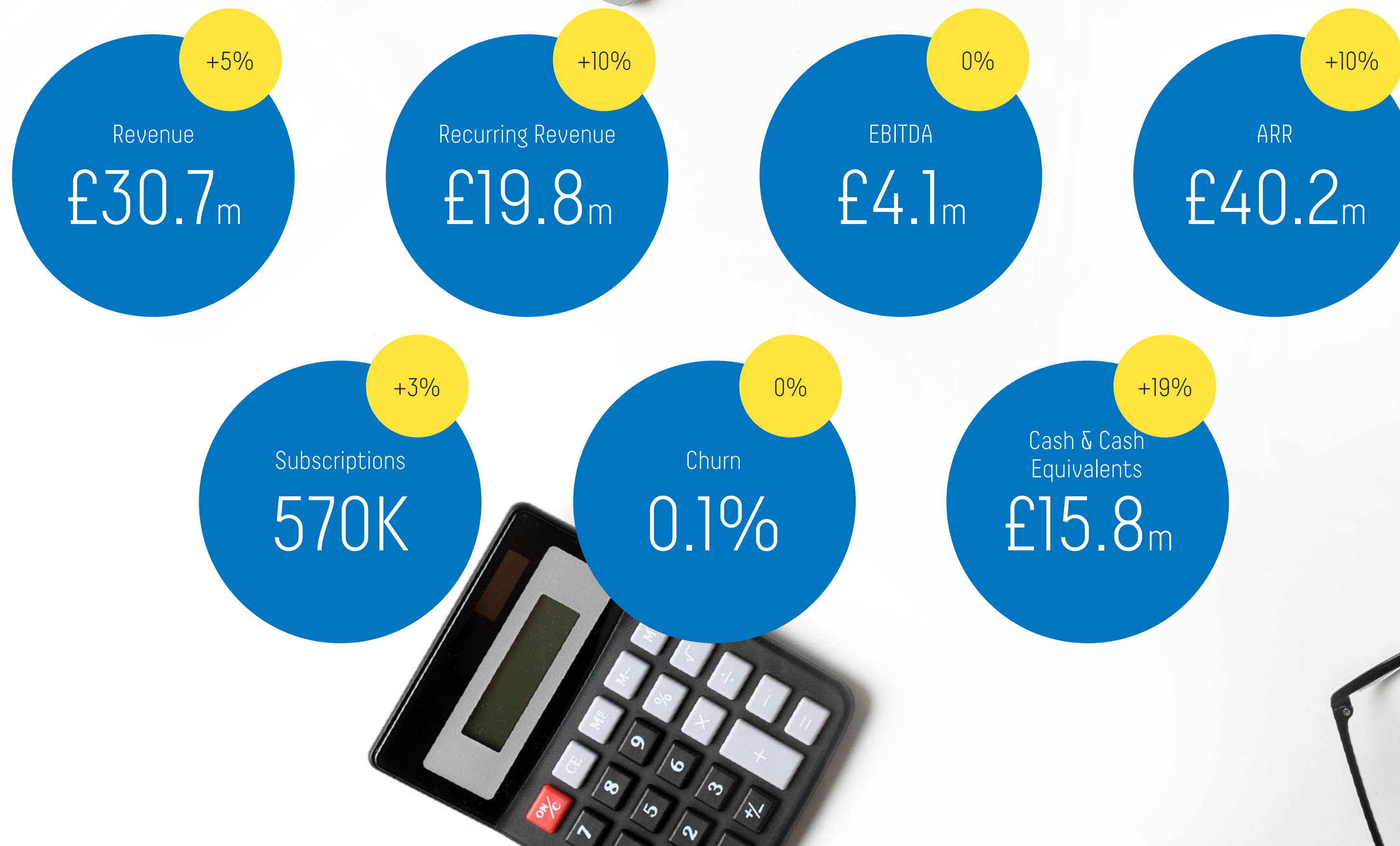


Enhanced Customer
Experience

OUR LOCATIONS



HIGHLIGHTS



MARKET POSITIONING & STRATEGY

OUR CUSTOMER'S MARKET



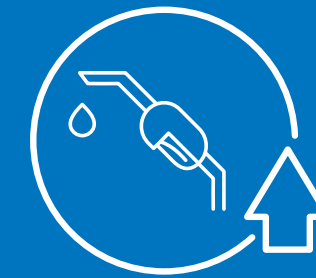
DISRUPTION TO THE WIDER TRANSPORT SECTOR

Increased demand and increased fuel costs, driver shortages, environmental challenges and a reduction in the number of new vehicles



COSTS, COMPLEXITY AND COMPETITION ON THE RISE

Increasing pressure to deliver high customer service for less and with less



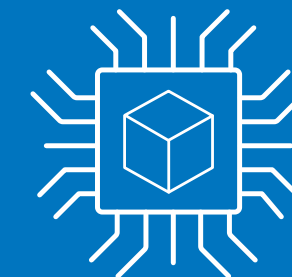
RISING FUEL COSTS MEANS DRIVER PERFORMANCE SOFTWARE IS ESSENTIAL

Approximately one third of a transport operators' costs is fuel



DRIVER SHORTAGES CALLS FOR BETTER DRIVER MANAGEMENT TO OBTAIN THE MOST FROM CURRENT STAFF

Stricter regulations, driver safety and the need for visibility, this is now vital



MICRO-CHIP SHORTAGE IMPACTING THE AVAILABILITY OF NEW VEHICLES, MEANING BETTER VEHICLE MANAGEMENT IS CRUCIAL

Now expected to remain until mid-2023

Microlise's solutions support customers to manage all of these problems

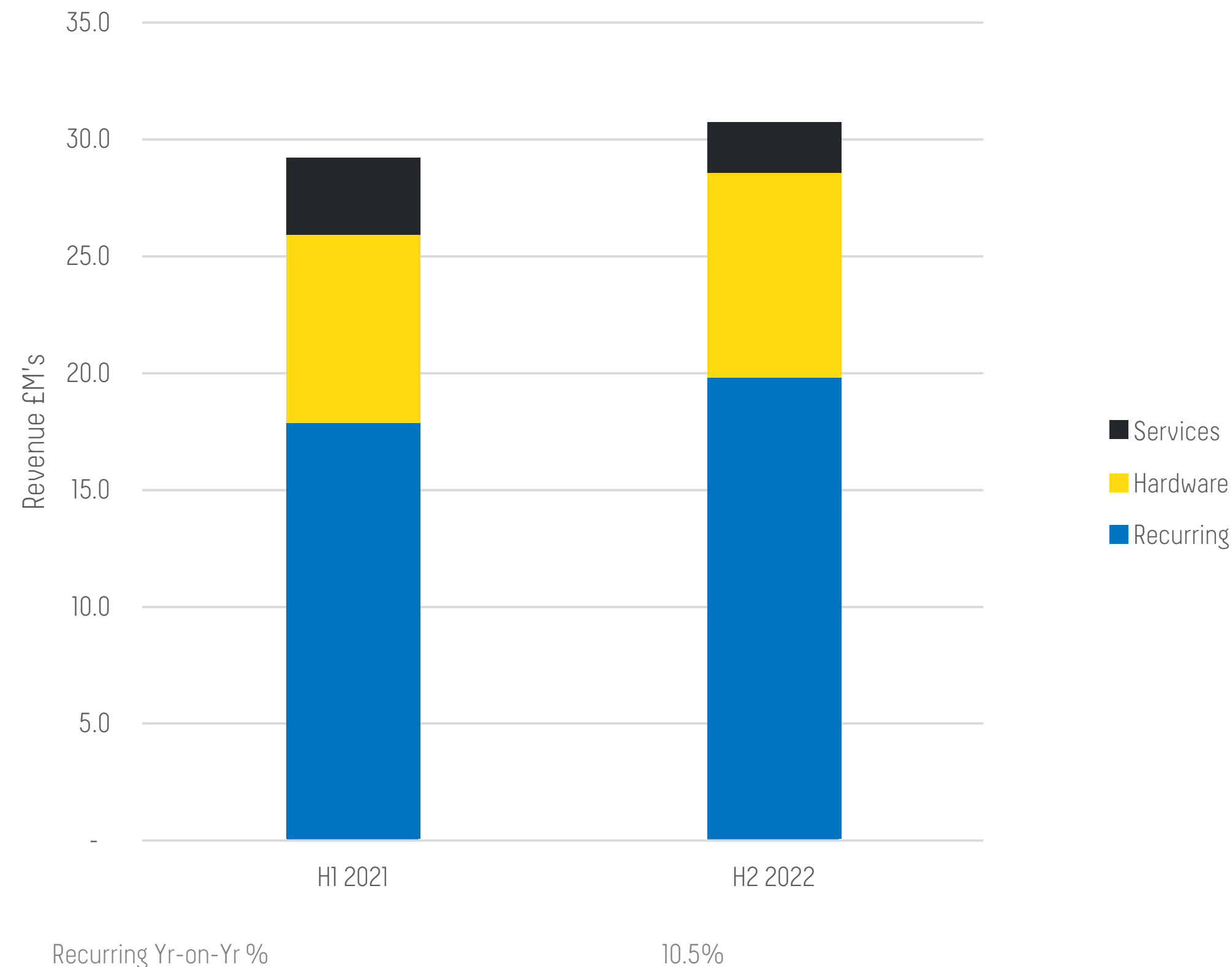
OPERATIONAL ENVIRONMENT

- + Component shortages expected through to mid-2023 with initial easing of the situation in Q4 2022 / Q1 2023
- + New vehicle availability has impacted direct customers' ability to upgrade fleets impacting Microlise implementation projects.
- + Strong demand for Microlise products due to challenging operating conditions as a result of industry specific and macroeconomic conditions.
- + Some inflationary pressures coming from suppliers. Some price increases have been passed through to customers. Largely netting out.



FINANCIAL REVIEW

REVENUE SPLIT



- Total revenue increased 5% to £30.7m from £29.1m in H1 2021.
- Recurring revenue increased 10% to £19.9m from £18.0m in H1 2021 as a result in strong growth in revenues from both direct and OEM customers
- Hardware revenue increased 10% to £8.8m from £8.0m in H1 2021 as a result of strong demand from OEM & other tier one manufacturers
- Services revenue decreased 36% to £2.1m from £3.2m in H1 2021 due to reduced availability of new vehicles impacting new installations.

PROFIT & LOSS

			6 months to Jun-22 £000's	6 months to Jun-21 £000's	Change £000's %	
Revenue	Non Recurring	Hardware	8,776	7,964	812	10%
		Services	2,063	3,211	(1,148)	(36)%
			10,839	11,175	(336)	(3)%
	Recurring		19,839	17,960	1,879	10%
			30,678	29,135	1,543	5%
Gross Margin	Non Recurring	Hardware	2,347	1,320	1,027	78%
		Services	1,039	1,647	(608)	(37)%
			3,386	2,967	419	14%
	Recurring		14,965	14,241	724	5%
			18,352	17,208	1,144	7%
			60%	59%		
Other operating income			324	379	(55)	(15)%
Administrative expenses			(14,557)	(13,485)	(1,072)	8%
Adjusted EBITDA			4,119	4,103	17	0%
Depreciation			(980)	(987)	7	(1)%
Amortisation			(1,434)	(1,293)	(141)	11%
Adjusted EBIT			1,705	1,823	(117)	(6)%
Exceptionals			(127)	(77)	(50)	65%
Interest			(145)	(286)	141	(49)%
Adjusted PBT			1,433	1,460	(26)	(2)%
Tax Provision			(345)	(805)	460	(57)%
Retained Earnings			1,088	655	434	66%

- Total Gross Margin as a percentage of sales has grown from 59% in H1 2021 to 60% in H1 2022 and represents an increase of 7% year on year
- Hardware margins have increased from 17% in H1 2021 to 27% in H1 2022 as a result of cost reductions, strong OEM volumes & tier one partners and favourable sales mix to direct customers
- Services margin has decreased overall from 51% in H1 2021 to 50% in H1 2022. H1 2022 has seen a decline in high margin professional services linked to the deployment of new projects, this has been offset by cost reductions in engineering services.

BALANCE SHEET

			6 months to Jun-22 £000's	6 months to Jun-21 £000's	Change	
					£000's	%
Assets	Non-current Assets	Property, plant and equipment	8,645	7,930	715	9%
		Intangible Assets	75,373	76,128	(755)	(1)%
		Investments in associate	1,719	1,773	(54)	(3)%
		Deferred tax	0	808	(808)	(100)%
		Trade & other receivables	2,285	2,600	(315)	(12)%
			88,022	89,239	(1,217)	(1)%
	Current Assets	Inventories	3,516	3,897	(381)	(10)%
		Trade & other receivables	18,817	18,840	(23)	(0)%
		Corporation tax recoverable	1,160	1,610	(450)	(28)%
		Cash & cash equivalents	15,774	9,718	6,056	62%
			39,267	34,065	5,202	15%
	Total Assets		127,289	123,304	3,985	3%
Liabilities	Current Liabilities	Financial Liabilities / Borrowing	(768)	(2,966)	2,198	(74)%
		Trade & other payables	(32,468)	(29,065)	(3,403)	12%
		Corporation tax payable			0	0%
			(33,236)	(32,031)	(1,205)	4%
	Non-current Liabilities	Financial Liabilities / Borrowing	(817)	(13,133)	12,316	(94)%
		Trade & other payables	(15,092)	(16,224)	1,132	(7)%
		Deferred tax	(5,278)	(4,728)	(550)	12%
			(21,187)	(34,085)	12,898	(38)%
	Total Liabilities		(54,423)	(66,116)	11,693	(18)%
	Net Assets		72,866	57,188	15,678	27%
Equity	Issued share capital		116	102	14	14%
	Share Based Payment Reserve & Other Reserves		17,630	0	17,630	100%
	Retained earnings		55,120	57,086	(1,966)	(3)%
	Total Equity		72,866	57,188	15,678	27%

- Trade & other payables both current and non-current is mainly deferred income and is therefore non-cash.

CASH FLOW

	6 months to Jun-22 £000's	6 months to Jun-21 £000's	Change £000's	%
<u>Cash flows from operating activities</u>				
Cash generated from operations	5,714	3,401	2,313	
Tax (paid) / received	(28)	(42)	14	
Net cash generated from (used in) operating activities	5,686	3,359	2,327	69%
<u>Cash flows from investing activities</u>				
Purchase of property, plant & equipment	(764)	(481)	(283)	
Additions to tangible assets	(820)	(756)	(64)	
Purchase of subsidiaries, net of cash acquired	(1,000)	(1,000)	0	
Interest received	1	0	1	
Net cash used in investing activities	(2,583)	(2,237)	(346)	15%
<u>Cash flows from financing activities</u>				
Interest paid	(135)	(233)	98	
Lease payments	(409)	(379)	(30)	
Repayment of bank loans	0	(1,061)	1,061	
Repayment of other loans	0	(195)	195	
Net cash generated from (used in) financing activities	(544)	(1,868)	1,324	(71)%
Net increase / (decrease) in cash and cash equivalents	2,559	(746)	3,305	
Cash and cash equivalents at the beginning of the year	13,210	10,464	2,746	
Exchange movements	5	0	5	
Cash and cash equivalents at the end of the year	15,774	9,718	6,056	62%

- RCF remains undrawn meaning a total of £35.8m headroom to support Microlise's growth plans

KEY POINTS



Outstanding track record of success
as a business and for our customers



Financially sound and a
growing organisation



Trusted by leading hauliers and
transport operators



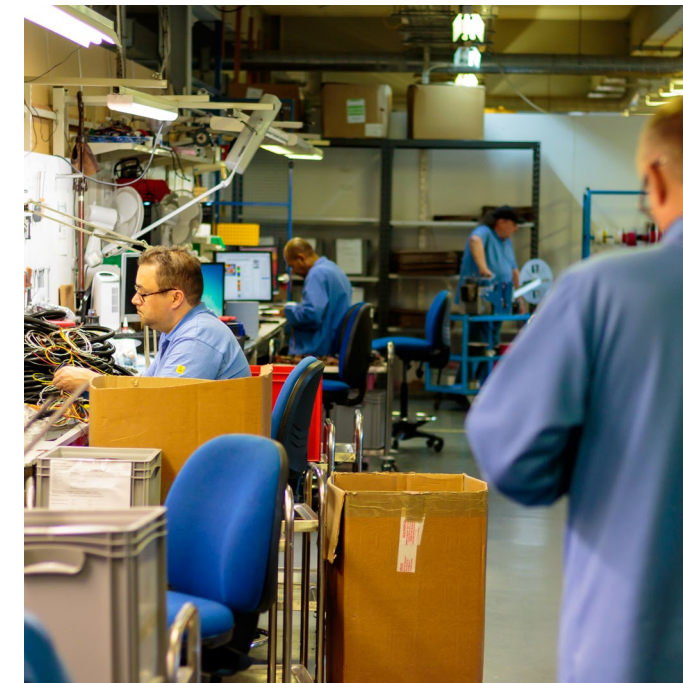
Trusted by OEMs and
manufacturers



Product innovation ethos
and culture



150+ people focused at product
development



Skilled team
of 600+



Dedicated Benefits Realisation
consultants, programme delivery
function and 24/7 customer support

CLEAR GROWTH STRATEGY

Mid Fleet Product

- + More accessible products and services for smaller fleet operators
- + Building strong pipeline and already closing deals

French and ANZ Sales

- + French and ANZ markets both growing

Major Retail Contract Renewals

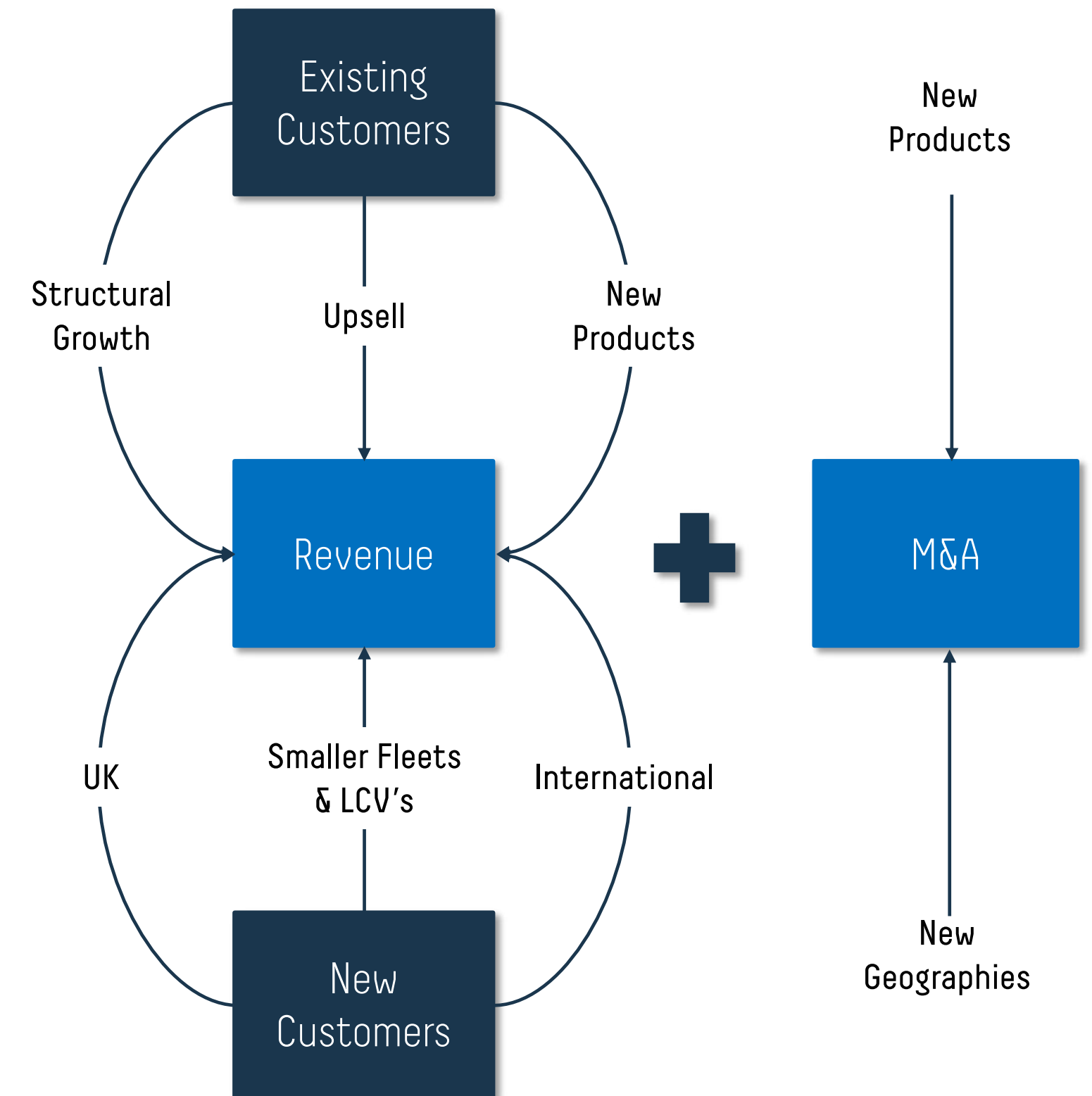


OEM and Reseller Growth

- + Launch with MAN on new brands in Dubai, ANZ, Malaysia, West and Central African countries
- + New solutions for EV Fleets
- + Growing with Emirates Logistics in Middle East

New Wins

- + Aryzta France, PD Ports, K+N Logistics, Coles 5-year extension (ANZ), H&M Distribution, G Owen & Sons, BCD Logistics, Europa Road, Direct Sameday, Aston Brewery, Robert Burns, Fowler Welch, Alsford Timber, William Yule & Sons, SV Timber, Solus UK



OUTLOOK



OUTLOOK

The six months to 30 June 2022 was a period of substantial progress for Microlise.

We further strengthened our global business through the addition of more than 60 new customers, whilst churn remained extremely low at 0.1%.

We also introduced new products including TruVan which, as a software package for vans and Light Commercial Vehicles (LCVs), also brought us into new markets.

In addition, we saw the successful return of the Microlise Transport Conference in May of 2022 which, with over 1,000 delegates, was a resounding success and firmly places Microlise as a leading solutions provider that is central to the transport industry.

Despite market headwinds, our team has proved resilient and continued to deliver in the first half of the year.

With the transport industry's growing need for our technology and a solid and strengthening order book, we are confident of delivering a performance for the full year in line with market expectations.

Nadeem Raza,
Chief Executive Officer



MICROLISE TRANSPORT CONFERENCE 2022

Took place on the 18th May, at
The Coventry Building Society Arena

One of Europe's Largest Transport Conference's

Over 1,000 delegates attended

The Princess Royal attended/presented driver
of the year award

Speakers including: Microsoft, DfT, DVSA, Mercedes-
Benz, Network Rail

99% Visitors said they would recommend
the event to others



ESG COMMITMENTS

Microlise is continuing to develop its ESG credentials with projects underway to offset the Group’s carbon footprint. Highlights include our plans to install solar panels at our Nottingham HQ and to increase the number of EV charging points for staff.

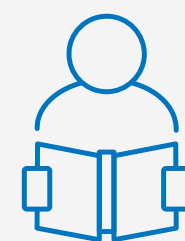
We also continue to nurture the next generation of talent with new roles, apprenticeships and graduate schemes.

We have welcomed six qualified software engineer apprentices, as well as a new Graduate Operations and Product programme being launched, with 4 new graduates entering the business to be trained over the next 12 months, including 13 new Software Engineering Graduates.



100%

apprentice software engineers gained distinctions



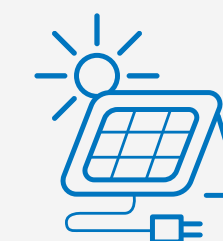
300

school children speakers for schools



NEW GRADUATE SCHEMES

Graduate Schemes for Operation & Product Departments



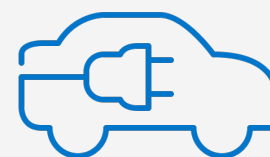
SOLAR PANELS & CHARGING POINTS

to be installed to help offset the Group’s carbon footprint



20

new graduates



EV CAR SCHEME

EV Salary Sacrifice Scheme



DECARBONISE FLEET

Group Engineer Fleet All Being Phased To EV



STRONG CHARITY WORK

Ongoing support for Transaid & numerous charities



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