

Full year results to 30 June 2019



translogik
www.trans-logik.com

 SAW
sense

Transense Technologies plc

Sensor systems for the industrial, mining and transportation markets



- Tyre management solutions for off-the-road (OTR) and commercial vehicles
- Product portfolio includes:
 - OTR TPMS - iTrack II
 - tyre inspection tools
- Surface Acoustic Wave (SAW) technology
- Wireless, battery-less, sensor systems, measuring:
 - torque and temperature
 - pressure and temperature





iTrack II Mining TPMS 24/7

- Tyre pressure monitoring system (TPMS) for mines
- Reduced maintenance and downtime
- Increase average vehicle speed
- Improved site productivity
- Subscription sales model

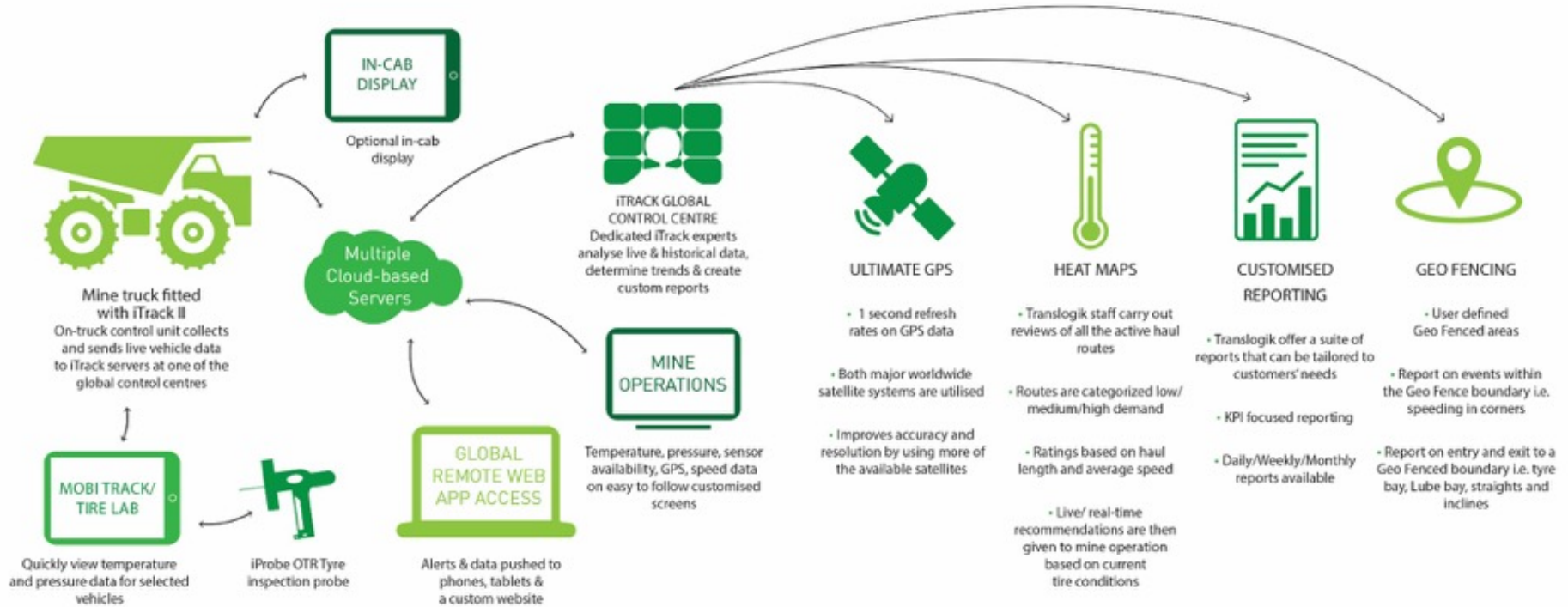


Tyre probes

- Tread depth, pressure, RFID and TPMS sensor reader
- Reduced inspection time = improved site productivity
- Electronic data capture
- IOS and Android compatible
- Capex model

iTrack II – System Overview

Maximise Truck Uptime – improve productivity

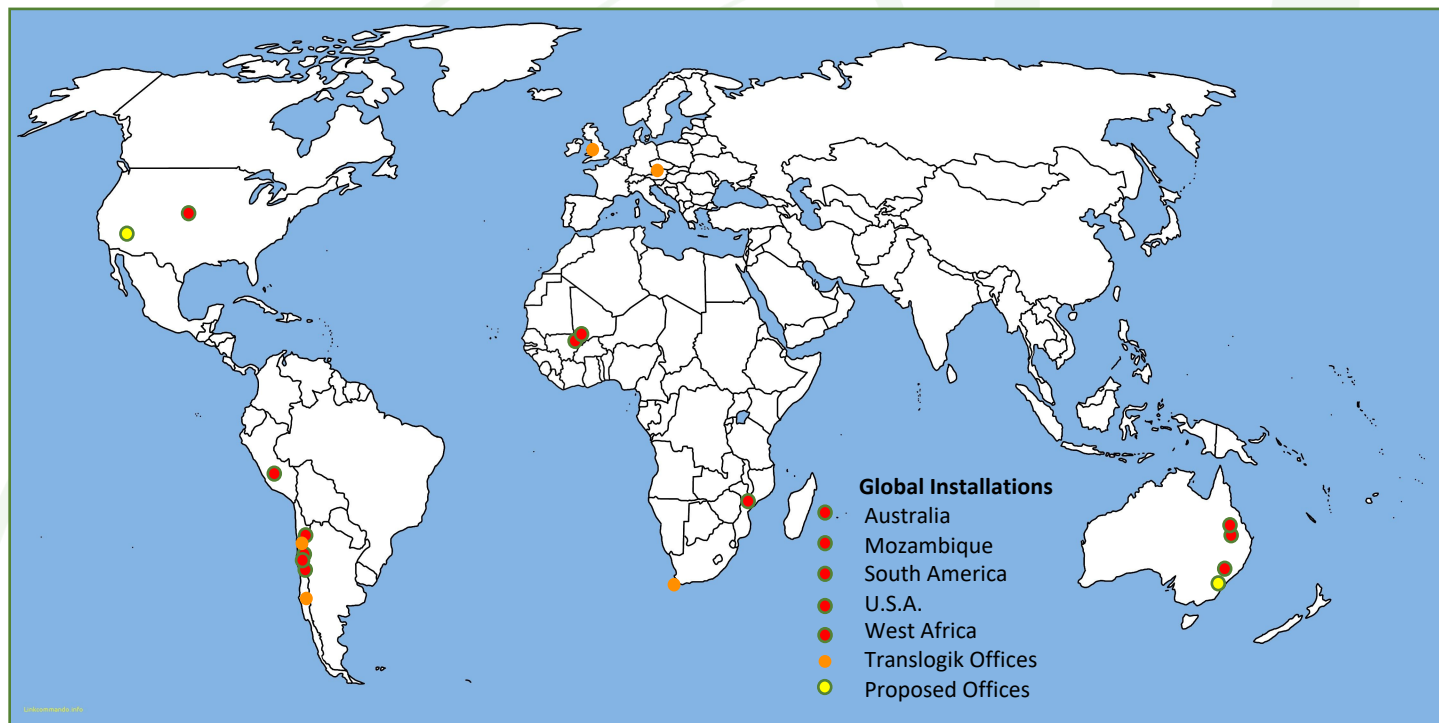


- Maximises the hours a truck is working (On-Road Truck Working Hours), which directly correlates to an increase in production
- Our 24/7 Control Room monitors the pressures and temperatures live
- Can ensure tyres do not exceed critical heat thresholds, detect incorrect load distributions, predict suspension failures, eliminate manual tyre pressure checks and more
- Reduce truck maintenance and downtime, + health and safety
- Existing iTrack users have reported increases in tyre life of up to 30% and fuel savings of up to 3% = rapid return on investment with the system paying for itself on a subscription model from day one



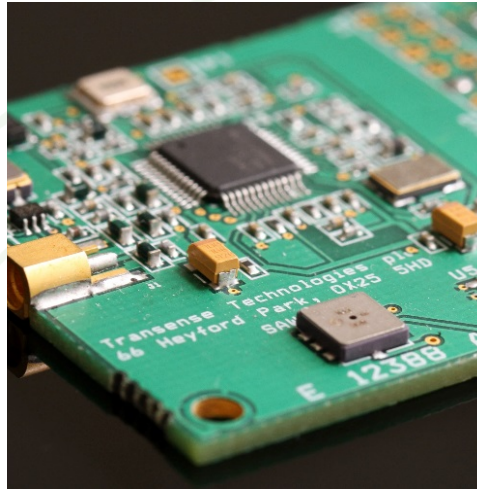
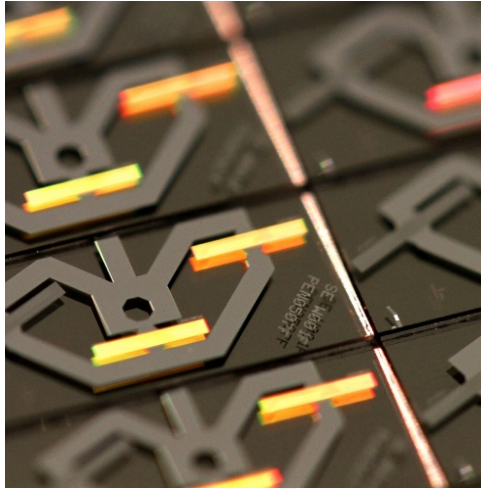
- Bridgestone joint collaboration agreement
- iTrack II systems gaining commercial traction with significant recent installed units in West Africa (57) Peru (24) and post year end Mozambique (85) and Australia (25)
- Initial 50 iTrack unit order from Bridgestone USA
- Increased visibility to global clients

Global iTrack Footprint – Current or Pending



Bridgestone – Joint Collaboration Agreement

- Aug 2019 – Joint Collaboration Agreement. iTrack II system and its future generations, 18-month minimum period with an ability to extend
- Interest free loan of US\$750,000 to support anticipated accelerated growth
- Exclusivity
 - Bridgestone to offer iTrack as its exclusive mining TPMS for tyres 57 inches and above
 - TRT will not contract with any other tyre manufacturer for the provision of the iTrack system for tyres 57 inches and above
- Transense have agreed for a period of six months not to have discussions with any other party in relation to any transaction of a merger, acquisition or joint venture nature in respect of its iTrack business
- TRT's direct and distributor sales channels to continue



- Battery-less & wireless sensing
- Rotating shaft, hazardous environments
- Torque and temperature, or pressure and temperature, or other strain eg force/vibration/acceleration
- Applications:
 - Aviation
 - Automotive
 - Industrial
 - Marine

- GE Contract Win
 - Licensee GE Aviation's T901-GE-900 engine, incorporating a Transense SAW sensor, selected by the US Army
 - T901 engine to replace the T700
 - Significant technical endorsement
 - Progress continues with other applications
- Innovative steering system approaching off road on-vehicle trials
- McLaren JDA considering other race series
- Multiple sensor, temperature application project with Southampton University & Lloyds Register progressing on schedule.

Financial Highlights

- Revenue up 9% to £2.23m (2018: £2.05m)
- iTrack II subscription revenue up 61% to £0.98m (2018: £0.61m)
- Major commercial breakthroughs achieved in each business unit:
 - Licensee GE Aviation's T901-GE-900 engine incorporating a Transense SAW sensor selected by the U.S. Army
 - Initial iTrack II order from Bridgestone Corporation, Japan
 - Global collaboration and financial support agreements signed with Bridgestone post year end
- Net loss after taxation, ahead of expectations at £1.47m (2018: £1.89m)
- Net cash used in operations reduced by 62% to £0.43m (2018: £1.11m)
- Equity fund raise of £2.56m completed in April 2019
- Net cash at end of period of £2.65m (2018: £1.59m)

Summary Statement of Comprehensive income

	2019	2018	2017
	£Millions	£Millions	£Millions
Continuing Operations			
Revenues	2.22	2.05	2.00
Cost of Sales	0.43	0.76	0.86
Gross Profit	1.79	1.29	1.14
Administrative Expenses	3.60	3.21	3.32
Operating Loss	1.81	1.92	2.18
Other Income	0.08	-	-
Interest	-	-	0.02
Taxation	0.26	0.03	0.00
Profit/(Loss) on Continuing Operations	1.47	1.89	2.16
Discontinued Operations			
Loss from discontinued operations	0.00	0.00	0.01
Profit/(Loss) for the year	1.47	1.89	2.17

Revenue Analysis

	2019		2018		2017
	£Millions		£Millions		£Millions
Translogik					
iTrack (Sales)	0.67		0.44		0.55
iTrack (Subscriptions)	0.98		0.62		0.18
Probe	0.45		0.84		0.46
Total	2.10		1.90		1.19
SAWSense					
NRE	0.12		0.15		0.23
Licence Fees	-		-		0.58
Total	0.12		0.15		0.81
Total Revenues	2.22		2.05		2.00

Summary Consolidated Statement of Cash Flows

	2019	2018	2017
	£Millions	£Millions	£Millions
Cash flow from operating activities			
Loss for the period	1.46	1.89	2.16
Adjustments	0.50	0.60	0.31
Operating Cash Flows before Working Capital Movement	0.96	1.29	1.85
Movements in Working Capital	0.27	0.19	0.97
Net Cash generated/used in operations	0.69	1.10	0.88
Cash flow from investing activities			
Interest	-	-	0.02
Taxation Recovered/Paid	0.27	-	0.00
Capital Expenditure (Net of disposals)	0.86	0.74	0.34
	0.59	0.74	0.32
Cash Flow from financing activities			
Proceeds from issue of share capital	2.33	0.92	0.07
	2.33	0.92	0.07
Net Increase/Decrease in cash	1.05	0.92	1.13

Summary Statement of Financial Position

	2019	2018	2017
	£Millions	£Millions	£Millions
Non Current Assets	1.47	1.38	1.25
Current Assets			
Cash	2.65	1.59	2.52
Other	1.35	1.38	1.69
	4.00	2.97	4.21
Current Liabilities	0.72	0.48	0.66
Net Assets	4.75	3.87	4.80
Capital and Reserves			
Share Capital	5.45	5.02	4.77
Share Premium/Translation Reserve/SBP	2.65	0.74	0.04
Accumulated Deficit	3.35	1.89	0.01
Shareholder's funds	4.75	3.87	4.80

- Continued growth in iTrack subscriptions and collaborative agreement with Bridgestone signed in August 2019
- GE selected by the U.S. Army in February 2019 to re-engine Apache & Black Hawk fleet. The new engine will incorporate Transense Technologies SAW sensor
- Continued growth in iTrack subscriptions
- Financial condition improved from reduced cash burn, fund raise in April 2019 and \$750k Bridgestone support loan



Appendix

Shareholder	% issued ordinary share capital
Criseren Investment Ltd	9.4%
Seneca Partners Limited	7.7%
W B Nominees Limited	7.0%
Spreadex	4.3%
P Lobbenberg (family)	5.9%
Legal & General	3.3%
Harwood Capital LLP	3.1%
Gerald Vivian Libert Oury	3.0%

As of 22 August 2019 the Company had been made aware of the above shareholdings amounting to 3% or more of the issued ordinary share capital in the Company.

Directors of the Company hold in aggregate 1.18% of the issued ordinary share capital. Share options have been granted to current Directors and staff over 1,250,000 shares, representing 9.9% of the issued ordinary share capital of the Company with exercise prices of 75p & £1 per share. Former US employees of IntelliSAW Inc (which was a 100% subsidiary of Transense Technologies plc up to the sale in 2015) were allowed to retain their share options over 139,085 shares, representing less than 1 per cent of the issued ordinary share capital of the Company with an exercise price of £3.75.

Issued ordinary share capital and total voting rights = 16,307,282 ordinary shares.

David Ford, Chairman: Specialist in IP law. In 1990 became Tarlo Lyons' first Managing Partner. In 1998 he led the management buyout of the consumer debt recovery department of his old firm, Tessera Group, where he was the non-executive chairman until it was acquired by Arrow Group in December 2014.

Graham Storey, Group CEO: Previously CEO of The Moyses Stevens Group, following a management buy out. Through a combination of organic growth and acquisitions, the group grew to become the biggest commercial and retail florist in the UK. Graham carried out a successful sale of the business in 2004 to a venture capital fund and, prior to joining Transense was involved in investing in several businesses one of which was Transense Technologies plc.

Melvyn Segal, Finance Director: Melvyn is a chartered accountant and experienced company finance director, having previously held finance director positions at various high growth private businesses. Prior to entering the commercial sector Melvyn was a partner for 22 years at the accountancy firm Arram Berlyn Gardner.

Nigel Rogers, Non-Executive Deputy Chairman: Nigel has over twenty years' experience as a director of AIM listed engineering businesses, notably as CEO at Stadium Group Plc (2001-2011) and CEO at 600 Group Plc (2012-2015). He joined Transense as Non-Executive Deputy Chairman in 2015, and is also Executive Chairman at Surgical Innovations Group plc.

Rodney Westhead, Non-Executive Director: Chartered Accountant by training and until 2005 previous appointments were Chief Executive of Ricardo plc, the major automotive consulting engineering group with sales of £200 million a year and Chairman of Clean Air Power plc.

Non-Board:

Laren Yeomans, Translogik CEO: Previously Sales Director (1998–2004) for RBC Electronics - duties included selling white goods products into major high street retailers including B&Q, Argos and QVC TV shopping channel outlet. During this time also became Managing Director of Pneu-Logic Ltd which specialised in distributing data collection equipment into the tyre industry with customers such as Bridgestone, Michelin and Goodyear adopting the technology.

What is Surface Acoustic Wave (SAW) sensing?

Transense Technologies has developed two distinct sensors, one measures torque and temperature the other pressure and temperature, and the requisite electronics to interrogate and read them. These sensors utilise Surface Acoustic Wave (SAW) technology.

A SAW is an acoustic wave that travels along the surface of an elastic material. This kind of wave is commonly used in piezoelectric devices in electronic circuits. These piezoelectric devices will convert electrical pulses into mechanical vibrations and, conversely, mechanical vibrations into electrical pulses. A SAW resonant sensor is designed to resonate at a certain frequency, but if its piezoelectric substrate distorts through heat, mechanical stress or pressure, it will resonate at a different frequency. When a radio wave is directed at this device to interrogate its properties, it will, in the absence of any external forces, reflect (back scatter) a wave of the same frequency to the source. If, however, the device is subject to external force, e.g. heat or stress, the reflected wave will be of a different frequency and that change in frequency can be measured. The Company has developed a way of measuring the difference in frequency between these waves in a range of sensors, which can be used to accurately calculate torque, temperature and pressure. In order to read this change in frequency, the Company has developed associated interrogation electronics and software. These SAW devices are fabricated utilising common processes employed in the manufacture of silicon integrated circuits.

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