



Interim Results – FY 2018
7 February 2018



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 (ABG).



Nigel Rogers, Non-Executive Deputy Chairman

Nigel qualified as a Chartered Accountant in 1983, spending eight years with PwC before moving into industry. He has over twenty years experience as a director of listed businesses, including thirteen years as Group CEO of both Stadium Group Plc (AIM: SDM 2001-2011), and later 600 Group Plc (AIM: SIXH 2012-2015).

In addition to his responsibilities at Transense, he is also Executive Chairman of Surgical Innovations Group Plc (AIM:SUN)

Issuer	Transense Technologies plc
Ticker	TRT
Domicile	UK
Market Cap	£5.2m*
Net Cash	£1.3m
Listing	AIM


* As at 31 January 2018



Provider of sensor systems to Industrial, Mining and Transport markets

translogik
www.trans-logik.com



 Surface Acoustic Wave (SAW) wireless, battery-less sensors measuring:

- Torque & temperature
- Pressure & temperature
- Other forms of strain i.e. force, vibration & acceleration

 Tread depth and tyre pressure measurement probes

 Rugged tyre pressure monitoring systems ("TPMS")

Revenue mix
2016* / 2017 / 2018**



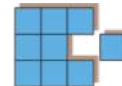
* Excluding revenues relating to the sale of IntelliSAW

** 2018 is 6 month period

Working With Global Companies



MITSUI & CO.



BROWNFIELD
Engineering and Maintenance Pty Ltd
"Safe, Reliable, Technical Assurance"



OTRACO
Global Tyre Management

Strategic Game Plan



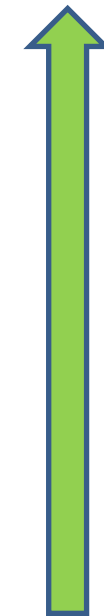
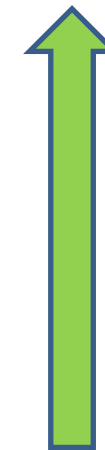
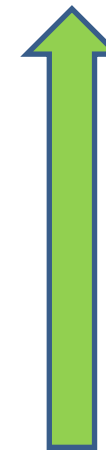
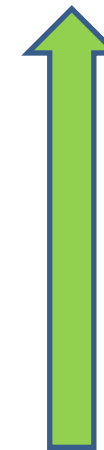
- US\$ 5m from Emerson Electric Co. in FY16



- US\$ 750k from General Electric Co. in FY17/FY16



iProbe iTrack II SAW sense







**SOLD
2015**






Product portfolio includes wireless tyre pressure & tread depth data collection tools for truck, bus and OTR vehicle tyre inspections, RFID (Radio Frequency Identification) tags for tyres and general asset tracking

Assembled by a third party in the UK







Competitive Advantages

-  High level of functionality
 - Tread depth
 - Tyre pressure
 - Integrated radio frequency identification
 - Bluetooth connectivity
-  Easily scalable manufacturing time line
-  Reputation in the market for 15 years
-  Integrated with tyre manufactures' software platforms:
 - Bridgestone – Toolbox
 - Goodyear – Tire Optix
 - Continental – ContiFleetCheck

Business Model

-  Sale of probes with potential for significant further orders as customers roll out proprietary software solutions in existing and new territories
-  Fleet Service Providers, System Integrators and Value Added Resellers incorporate the probe into their own software solutions
-  Upgrade option from TL-G1 to iProbe

Product Benefits

-  Increased speed of testing
-  Robust & reliable
-  Value for money
-  User friendly
-  Compatible with Translogik's Passenger Car Audit Software (PCAS)
-  Compatible with customer applications

Addressable Market & Competitors

- 23,000 specialist tyre outlets & other retailers in the UK
- There were 40m registered vehicles in the UK and 291m in Europe, 260m in the USA and 1bn+ Worldwide
- Global Probe Sales to 43 different countries to date

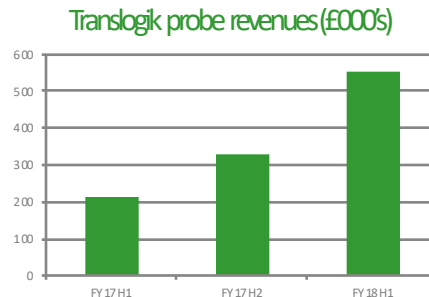
Growth Strategy

- GEA Certification - 22k+ UK MOT Centres
- White Label - to OEM tyre manufacturers
- Targeting:
 - commercial fleet (truck & bus) tyre service providers
 - Off road mining sector
 - Passenger car market (PCAS)
- Sales channels: Fleet Service Providers (i.e. Goodyear, Bridgestone....), System Integrators, VARs

Current Progress

- Probe adoption has accelerated considerably in FY18

- One OEM that has adopted the probe has 2,300 distributors in the US alone and one client has a potential requirement for 400 probes



Customers





The iTrack II Mining system provides accurate, reliable, real-time data on the PRESSURE & TEMPERATURE of tyres, combined with live tracking of vehicle location and status

Battery powered sensors fitted internally to all wheel potions of a mine haul truck

Assembled by a third party in the UK

Competitive Advantages

- 24/7 Control room solely dedicated to iTrack II customers
- Translogik staff report analytics live or on a daily/weekly/monthly basis
- Customised Reports tailored to the specific conditions on the mine
- Multiple Geofencing zones – Assist in controlling driver behaviour
- Heat maps - typical operating temperatures for tyres can exceed 80 ° C
- Integrated with Leica dispatch system

Business Model

- Opex (54%) and Capex (46%) revenue models
- Model moving towards Opex only - customer lead
- Variable terms but typically 3 years+
- Break even EBITDA target at current level circa 580 rentals
- Further recurring revenue from analytics upsell with customers who opt in

Product Benefits

- Early warning system
- Reduced truck downtime
- Improved safety
- Increased average truck speed
- Increased truck availability
- Increased mine production
- Improved inflation pressures reduce tyre inspection times
- Reduce fuel cost by up to 3%
- Increased tyre life of up to 30%
- Minimize Thermal and Mechanical Separations

Addressable Market & Competitors

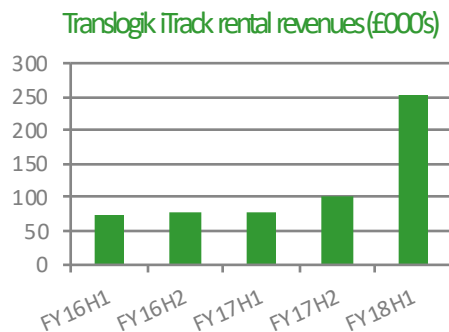
- Global market* - 40,000 trucks - N America (6,300), Indonesia (5,700), Australia (5,100), Chile (2,000), South Africa (1,600)
- Tyre market share**: Michelin 40%, Bridgestone 40%, others 20%
- Market adoption of TPMS**: [10-15%]
- TPMS market share**: Michelin's MEMS 33%, Bridgestone's B-Tag 33%, TyreSense 20%, iTrack II 5%, others 9%

Growth Strategy

- Targeting mine site owners, operators and site service providers
- Sales channels: Direct/ 3rd party distributors
 - Brownfield Engineering Ltd
 - Otraco
- OEM adoption
- 3 x Glencore mine sites to date (including one trial)
- 4 x BHP mine sites to date

Current Progress

- iTrack II first installed in 2017 following success of iTrack I
- Selected by Glencore and BHP in trials against other systems
- iTrack now live on 340 trucks + 70 pending installation
- Increased competitor activity may cause delay
- Potential for partnership opportunities



Customers & mine site owners

GLENCORE




THIESS





*Source: Parker Bay Mining Database

** Directors' estimate

iTrack II – WebTrack Dashboard

MINING TIME: 24/7

MINING TIME: 24/7

Kris Green

Dashboard

Dashboard

Vehicle Status

Tracking

Tyres

Vehicles

Data Exports




Administration

Settings

Pressure: Cold

06/02/2018 12:08:11

English (EN-GB)



Dashboard > My Dashboard

TPMS Alerts

GPS Alerts

Historical Log

05/02/2018 07:24 - Level 3 Low Cold Pressure: Tyre 4 on Vehicle DT2054.

Cold pressure of tyre 4 on vehicle DT2054 has crossed the limit of 84 psi. The current pressure is 69 psi.

05/02/2018 03:39 - Level 1 Low Cold Pressure: Tyre 4 on Vehicle DT2044.

Cold pressure of tyre 4 on vehicle DT2044 has crossed the limit of 94 psi. The current pressure is 93 psi.

05/02/2018 02:02 - Level 1 Low Cold Pressure: Tyre 2 on Vehicle DT2044.

Cold pressure of tyre 2 on vehicle DT2044 has crossed the limit of 94 psi. The current pressure is 90 psi.

05/02/2018 00:09 - Level 1 Low Cold Pressure: Tyre 1 on Vehicle DT2041.

Cold pressure of tyre 1 on vehicle DT2041 has crossed the limit of 94 psi. The current pressure is 90 psi.

Alerts by Vehicle

24 hrs

	Vehicle Name	Last 24 hrs	Previous 24 hrs	Variance
+	DT2010	72	83	-11
+	DT2042	415	569	-154
+	DT2044	386	176	+210
+	DT2045	338	108	+230
+	DT2046	183	102	+81
+	DT2063	518	248	+270
+	DT2051	260	83	+177
+	DT2052	10	123	-113
+	DT2053	59	165	-106
+	DT2054	32	52	-20

Showing 1 to 10 of 13 entries (filtered from 10 total entries)

Previous 1 2 Next

Quick Map

Vehicles



System Totals

Transmitting Vehicles	23	92 %
Total Vehicles	25	
Transmitting Sensors	121	92 %
Fitted Sensors	131	

Vehicle Stats

24 hrs

	Vehicle Name	Distance
+	DT2010	128.1
+	DT2041	0
+	DT2042	320.6
+	DT2043	0
+	DT2044	356.6
+	DT2045	314.8
+	DT2046	120.5
+	DT2051	176.7
+	DT2052	89.4
+	DT2053	57.5

Showing 1 to 10 of 25 entries (filtered from 10 total entries)

Previous 1 2 3 Next

Alerts Breakdown

All Vehicles

24 hrs

	Level 1		Level 2		Level 3		
	Last	Previous	Last	Previous	Last	Previous	+/-
High Temperature	0	0	0	0	0	0	0
High Pressure	0	0	0	0	0	0	0
Low Pressure	1185	794	63	158	1	1	+296
Speed	3845	2140	0	0	0	0	+1705

Case study - Coal mine in Australia

This mine has increased tire life from 3,000 to 5,400 hours since the implementation of iTrack.

This equates to a saving of:
\$2.16 Million per annum



17 x 793 TRUCKS	PRE iTrack	POST iTrack
AVERAGE TIRE LIFE	3,000 Hrs	5,400 Hrs
STEER TIRES PER TRUCK PER YR.	5	2.7
TIRES USED PER YR.	90	48.6
MONTHLY TIRE SPEND	\$300,000	\$120,000

POTENTIAL SAVINGS P.A

\$2.16 Million

Codelco

Copper mine in Chile

“ Thanks to the real time information we now have from the iTrack system and the control this gives us, we are able to provide a safer environment for our workers, increasing the average tire performance by about 200 hours, reducing the average time between tire incidents and failures, allowing us to increase the average speed of our trucks by more than 20%, which means that every hour using the tires (or iTrack system) is more productive than before, allowing us to considerably increase production rates from the mine. ”

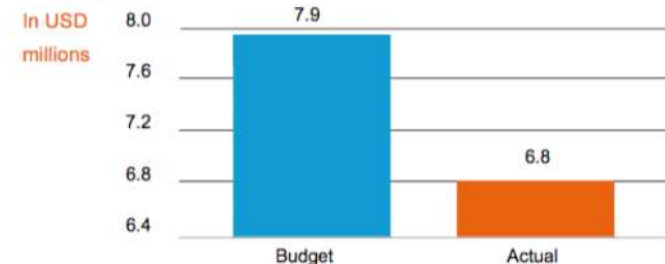
- Raúl Molina, Superintendent of Projects and Development DMH CODELCO, Chile.

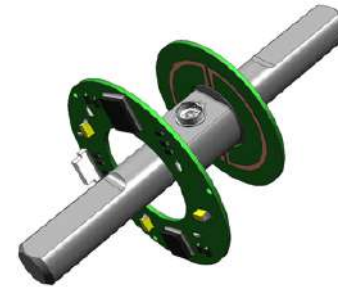
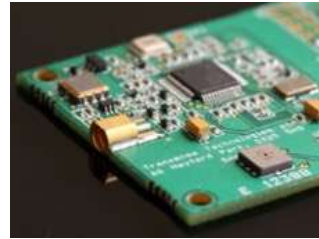
BHP Billiton

Copper mine in Chile

“ The optimisation of overall tyre use among the company's vehicles, which translates into savings of USD 1.1 million. ”

CEX Tyre Use FY16







SAWSense develops and markets patent-protected sensor systems and know how for measuring torque, temperature, strain and pressure, wirelessly and without the need for batteries, using Surface Acoustic Wave (SAW) technology. Applications include:

- Automotive (electric vehicle, hybrid & internal combustion engine, Motorsport, EPAS, driveline, TPMS)
- Industrial including Marine
- Aerospace








Business Model

-  Sale of products into niche markets
-  Non-recurring engineering (NRE) income leading to:
 - Licencing + royalty income


Or

 - Exclusive license e.g. previous intelliSAW one off licence fee





Competitive Advantages

-  Torque, temperature, strain and pressure measured on rotating components wirelessly and passively
-  Low weight and small in size
-  No special material required for the component
-  No sensitivity to magnetic fields
-  Mechanically rugged
-  Accurate
-  Cost effective








Addressable Market & Competitors

-  A broad range of potential uses ranging from premium value custom applications through to high volume mass markets such as passenger cars

Growth Strategy

-  Medium term growth opportunities
-  Licensing agreements
-  Extension of GE interest in SAW into other divisions
-  Developing niche markets

Current Progress

-  Licence (non-exclusive) with GE for single specialist application (payments received in 2017 & 2018 totalling USD 750k. Full commercialisation anticipated c. 2023/24)
-  GE relationship continues, with opportunities in additional applications
-  JDA with McLaren continues
-  Marine application trial continues
-  Automotive driveline torque measurement system
-  Automotive power assisted steering systems
-  3 other NRE paying customers

Customers



Translogik revenues (iTrack & probes) up 96% to £1.02m (Dec 2016: £0.52m)

Group revenues of £1.07m (Dec 2016: £1.04m)

iTrack II opex rental model adopted at Glencore & BHP mines

Translogik probe revenues gaining momentum

Net loss before taxation for the period of £0.92m (Dec 2016: £0.95m)

Operating cash outflow before movements in working capital £0.72m (Dec 2016: £0.80m)






Net cash at end of period of £1.33m (Jun 2017: £2.52m)

Financials – Income Statement

	FY18	FY17			FY16		
Results Summary	H1	Year	H2	H1	Year	H2	H1
Turnover	£000	£000	£000	£000	£000	£000	£000
NRE	52	228	82	146	452	303	149
Licence Fees	-	582	201	381	-	-	-
IntelliSAW Licence Fee	-	-	-	-	3,038	-	3,038
SAWSense Total	52	810	283	527	452	303	3,187
TL Probes	547	540	329	211	577	355	222
Probe adjustment	-	(75)	-	(75)	-	75	-
TL IT	208	546	248	298	827	234	593
TL IT Rental	267	181	102	79	153	77	76
Translogik Total	1,022	1,192	679	513	1,557	741	891
Total Turnover	1,074	2,002	962	1,040	5,122	1,044	4,078
Total GP	600	1,138	493	645	4,086	677	3,409
Overheads	1,323	2,962	1,527	1,435	2,263	1,080	1,183
EBITDA	(723)	(1,824)	(1,034)	(790)	1,823	(403)	2,226
Amortisation/Depreciation	199	356	184	172	278	143	135
Financial Income	-	23	8	15	51	23	28
EBT	(922)	(2,157)	(1,210)	(947)	1,596	(523)	2,119

	FY18	FY17		FY16	
Balance Sheet Summary	H1	H2	H1	H2	H1
Assets & Liabilities	£000	£000	£000	£000	£000
Fixed assets	1,327	1,196	1,203	1,207	1,014
Inventory	842	985	788	571	500
Receivables	920	761	1,350	2,199	1,898
Payables	(519)	(658)	(740)	(708)	(443)
Working Capital	1,243	1,088	1,398	2,062	1,955
Cash	1,326	2,520	3,310	3,654	4,560
Net assets	3,896	4,804	5,911	6,923	7,529

	FY18	FY17			FY16		
Cash Flow summary	H1	Year	H2	H1	Year	H2	H1
	£000	£000	£000	£000	£000	£000	£000
Net (Loss)/Profit	(922)	(2,157)	(1,210)	(947)	1,596	(523)	2,119
Adjustments	200	310	158	152	(210)	61	(271)
Working Capital Movement	(155)	900	310	590	(540)	(158)	(382)
Taxation	-	70	19	51	(7)	(4)	(3)
Investing	(330)	(322)	(172)	(150)	(119)	(282)	163
Financing	13	65	105	(40)	2,462	-	2,462
Cash Movement	(1,194)	(1,134)	(790)	(344)	3,182	(906)	4,088

-  Valuable IP and know-how portfolio
-  Engaged with world leading companies as customers and/or channel partners for commercialisation
-  Major global industries recognise the potential of “Internet of Things”
-  Financial:
 - Revenue visibility + fast cash payback period on iTrack II
 - High gross margins
 - Cash burn rate reducing
-  “With Translogik revenues building and commercial traction increasing, we continue to view the future with cautious optimism”.



Shareholder	% issued share capital
Peter Lobbenberg (family)	9.1%
Criseren Investment Ltd	7.8%
Transense Technologies plc - Directors	1.8%

As of 2 February 2018 the Company had been made aware of the above shareholdings amounting to 3% or more of the ordinary share capital in the Company.

Share options have been granted to current Directors and staff over 675,000 shares, representing 7.0% of the 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 which total 162,000 shares, representing 1.7% of the ordinary share capital of the Company with an exercise price of £3.75.

Issued share capital and total voting rights = 9,548,948 ordinary shares

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.

[An introduction to SAW by Dr Victor Kalinin - http://vimeo.com/60538246](http://vimeo.com/60538246)

In total Transense holds 34 Granted Patents, 2 published, 1 filed (as of 24.01.2018)

Passenger Car Audit System (PCAS)

Premium Sales Closing Tool - Wireless Tyre Pressure & Tread Depth

- Easy to understand graphical report
- Improves closing rates
- Increased tyre and underbody sales
- Company logo/details may be added
- Digital data stored for easy re-marketing
- Tiger has ordered 80 systems of PCAS in South Africa

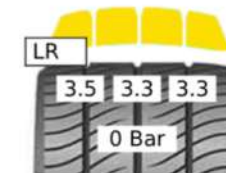
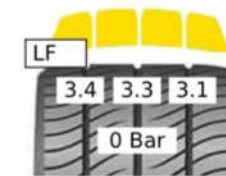


Translogik Tyres
3 Alban Rd
Bergvliet
7945 Cape Town

Allister Thurman
0217123364
allister.thurman@trans-logik.com
www.trans-logik.com

Customer Name: atest
Comments:

Inspection Date: 22.12.2017
Mileage: 6546
Number plate: TEST



"I find the probe and app to be very useful, especially when it comes to vehicles with vibration issues, and if the vehicle is pulling. The report allows the client to see how his tyres are wearing and makes it easy to explain to the customer the issues that can result from the wear on the tyres.

Not only that it makes us look like professionals also, taking the time to inspect the tyres properly. Putting us ahead of the competitors, which for a small store like mine, we need to make sure our customer service is out of this world."

Didier Schmitz Tiger Wheel & Tyre Carletonville Store Manager

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.

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In addition to his responsibilities at Transense, he is also Executive Chairman of Surgical Innovations Group Plc (AIM:SUN)

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 the 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.