

The information contained within this announcement is deemed by the Company to constitute inside information pursuant to Article 7 of EU Regulation 596/2014 as it forms part of UK domestic law by virtue of the European Union (Withdrawal) Act 2018 as amended.

18 February 2025

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

Interim Results & Investor Presentation

Transense Technologies plc, the developer of specialist sensor systems, reports its unaudited Interim Results for the six months ended 31 December 2024. As reported in its trading update dated 22 January 2025, trading remains in-line with market expectations for the year ending 30 June 2025. Strong revenue growth during the Period has allowed for strategic investments in operational capabilities, positioning the Company for further expansion while safeguarding earnings for the current year.

Financial highlights:

- Revenue increased by 36% to £2.46m (FY24 H1: £1.81m)
- EBITDA in line with last year at £0.73m (FY24 H1: £0.74m)
- Profit before taxation reduced by 13% to £0.55m (FY24 H1: £0.63m)
- Earnings per share of 3.61 pence (FY 24 H1: 4.32 pence)
- Net cash at 31 December 2024 was £1.19m (30 June 2024: £1.28m), with subsequent increase to £1.87m at 31 January 2025

SAWsense highlights:

- Revenue increased fourfold vs FY24 H1
- New aerospace engine programme with major engine OEM, and new development project with major global robotics OEM
- Total live projects stand at 17 with 14 active customers
- Strengthening of team in engineering and operations, creating capacity for future growth
- Entered H2 with record order book for motorsport sensor systems in partnership with McLaren Applied

Translogik highlights:

- TIRETASK agreement signed enabling offer of integrated hardware and software solutions
- New distributors appointed extending reach in South East Asia and South America
- Post period agreement signed appointing major new distributor in North America, and initial UK fleet contract under subscription model is imminent

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

“Transense continues on its upward trajectory, with significant revenue growth across all three income streams. Trading since the period end has been strong, and the pipeline development across the business, especially in SAWsense, gives us every reason to be confident in the future.

The planned increase in the cost base in the first half of the year reflects building the foundations for a period of high revenue growth, and with the team largely complete we can anticipate improving profitability due to the effect of operational gearing in the second half of the year and beyond.”

Investor Presentation: 4pm today, Tuesday 18 February 2025

Nigel Rogers (Executive Chairman), Ryan Maughan (Managing Director) and Melvyn Segal (Chief Financial Officer) will provide a presentation on the Company and its Interim Results at 4pm today, Tuesday 18 February 2025. 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 investor.relations@transense.co.uk 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 or contact:

Transense Technologies plc

Nigel Rogers (Executive Chairman)

Ryan Maughan (Managing Director)

Melvyn Segal (Chief Financial Officer)

Via Investor Relations

(see below)

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Notes to Editors:

Transense is headquartered in Oxfordshire, UK and its shares are traded on AIM, a market operated by the London Stock Exchange (AIM: TRT). The Company develops and supplies advanced sensor technology and measurement solutions used by some of the world's leading companies to improve performance, efficiency, and safety in demanding, mission critical applications. Transense currently operates through two active business segments:

SAWsense - designs, supplies and licences advanced sensor solutions based on proven, patent protected Surface Acoustic Wave (SAW) technology to world leading companies in aerospace, automotive, and industrial machinery (including robotics), enabling improved efficiency and performance of their products. Key customers include GE Aerospace, Parker Meggitt, McLaren Applied, Airbus and several other confidential Tier One automotive, aerospace and industrial machinery suppliers.

Translogik - develops smart, connected commercial vehicle tyre inspection equipment to many of the world's leading tyre suppliers, fleet operators and service centres. Enabling accurate measurement and digital capture of safety-critical tyre condition data, used to reduce operating costs, improve safety and provide audit records for regulatory compliance. Key customers include Bridgestone, Goodyear, Continental and Prometeon (Pirelli), and leading independent providers of vehicle fleet maintenance management software, and a growing list of international territory distribution partners.

In addition, Transense earns residual royalty income from Bridgestone iTrack - a tyre monitoring system for off-highway vehicles that was developed by Translogik. The associated sales, support and development infrastructure were sold to Bridgestone Corporation, the world's largest tyre producer, in June 2020, and the intellectual property was licensed exclusively to Bridgestone under a ten-year deal expiring in 2030.

Find out more at: <https://www.transense.com/>

Transense Technologies plc
Interim Results for the half year ended 31 December 2024

Chairman's statement

The Directors are pleased to report that the Company remains on track to meet full-year market expectations for the year ending 30 June 2025, in line with its recent trading update. Strong revenue growth during the Period has allowed for strategic investments in operational capabilities, positioning the Company for further expansion while safeguarding earnings for the current year.

Business strategy

The business strategy of the Company remains to develop innovative sensing solutions across a range of applications, which are commercialised either through the launch of products and services to customers or by forming strategic alliances with partner organisations. Value is realised through a combination of commercial income, royalties, licensing income and capital gains on disposals.

Business review

Surface Acoustic Wave (SAWsense)

SAWsense continues to make excellent progress commercially, adding new customers and programmes, and increasing the revenue per customer—a key future metric. Several key new customers have been onboarded including a major Aero engine OEM and a global robotics business. The two grant-funded projects, focused on automotive eDrive systems and aircraft landing gear, are progressing well. These projects involve sensor engineering, materials development, and scaling up manufacturing capabilities.

The business is working with a strong base of blue-chip customers on engineering projects to integrate SAW technology into their products and deliver future production in volume. The value proposition for SAWsense is well established in key target markets, and the breadth and depth of engagement underpins long-term business growth potential.

Aerospace

Commercial progress is evident in the Aerospace market. SAW technology provides accurate torque and temperature measurement in key aircraft systems where conventional sensors cannot be installed, and brings improvements in accuracy, weight and reliability.

We continue to support GE Aerospace's development of the T901 engine under the ITEP programme. The engine has been successfully integrated into the Sikorsky UH-60 Blackhawk and commenced aircraft-based testing. We are also supporting CFM, a joint venture between GE and Safran, in their Hybrid Electric Altitude Testbed flight demonstrator (HEAT) and Revolutionary Innovation for Sustainable Engines (RISE) programmes.

Continued development with a major Tier 1 Aero supplier on torque sensing for a range of non-propulsion applications has progressed from a successful feasibility study towards planning the next phase of development. There is also engagement with a global aero engine supplier to provide a torque sensing system in a new engine platform.

Work is underway on the LandOne project, led by Airbus and grant funded by the ATI, to explore the use of SAW technology in next generation landing gear.

Electric motors and drives (EMD)

The PULSE project, led by Protean Electric and grant funded by the APC, commenced in the second quarter and has started positively. This project aims to provide a route to production scale up to utilise SAW technology for in-wheel motors for passenger cars by the end of the decade.

The initial patent application for the use of SAW torque sensing in electric motor control has been accepted, and will shortly be extended to cover all major global end-user markets. There are many early stage opportunities for torque and temperature sensing in electric drive systems, and we anticipate an order to commence a new feasibility investigation with a major global Tier 1 in the second half of the year.

Industrial Machinery & Robotics

There are three live engagements with industrial robotics businesses to implement improved torque sensors, including one added in the Period. Two of these engagements are under customer test of prototypes designed and supplied by Transense, and the third has entered the planning phase for roll out into low volume production following the completion of a successful feasibility project.

The Company also has a number of other opportunities in the industrial machinery market, which are in the proposal development and negotiation phase.

Motorsport

Our partnership with McLaren Applied is delivering good results. SAW technology has now been deployed into a number of major motorsport championships, demonstrating excellent performance in these demanding applications. We enter the second half of the financial year with a record order book for this market and continue to see good growth potential in future.

Planned investment

Given the strong pipeline, the Company will expand operations at Weston with a pilot production line and source updated versions of key components. The Board has approved over £2.5m in capital expenditure over the next 12-18 months, including £1.25m for production equipment and the remainder for redesigning key components to reduce unit costs and improve longevity.

These investments can be funded from existing cash resources, although offers are in hand (subject to contract) to draw upon asset-backed funding for production equipment in order to optimise financial headroom.

Translogik

Revenue in the Period grew by 7%. Whilst steady growth was seen with existing customers, conversion of new opportunities was slower than anticipated. Some progress has been made in new markets, including appointing distributors in Southeast Asia and South America and entering a software partnership with TIRETASK GmbH to launch a subscription-based service. Whilst significant for longer term growth prospects these developments were, however, not expected to translate into immediate revenue. The first UK fleet contract under this model is due for completion (subject to contract) imminently.

Since the period end, Translogik has appointed Haltec Corporation as a non-exclusive distributor for the North American market. Haltec is headquartered in Leetonia, Ohio, and has been at the forefront of the tyre management industry for over 50 years, pioneering the development of heavy-duty tyre valve systems widely used in off-highway, trucking and aerospace applications.

With an extensive sales and support network across the United States and a subsidiary, AME International, based in Florida that specialises in the distribution of workshop equipment, Haltec is a trusted supplier to many leading truck fleets and tyre service centres. Our relationship is anticipated to significantly increase market reach in the USA.

The transition from outsourced to in-house production at Weston is complete, improving product quality, customer service, and unit costs. This change also provides flexibility to scale production and improves lead times. Engineering resources have been added to support new product development, with headcount increasing from 1 to 4 over the past year.

Bridgestone iTrack royalty income

Royalty revenue from Bridgestone iTrack was £1.56m, up 26% from the Prior Period (FY24H1: £1.23m), driven by stronger-than-expected commercial pipeline conversion. The annual run rate at the end of the Period was £3.34m at the exchange rate of £1 = US\$1.22. The board has adopted a strategy to hedge forward royalty income by between three and nine months to manage volatility and improve earnings visibility. Approximately 30% of the expected second-half royalty income has been hedged at US\$1.27, and further hedging for the remainder of the calendar year is under review.

As previously noted, the royalty rate per installation will decrease by 40% from 1 July 2025, but the pipeline indicates continued healthy volume growth. On 5 February 2025, Bridgestone Corporation announced a major new collaboration with Komatsu to provide integrated vehicle analytics based on iTrack technology, which is expected to deliver further increases in market share.

Financial review

Financial results

Revenues for the six months increased by 36% to £2.46m (FY24 H1: £1.81m). Gross margin was 90% of revenue (FY24 H1: 88%). Revenues continued to be generated across a global marketplace, with 89% from non-UK sources (FY24 H1: 96%).

Royalty income generated by iTrack technology increased by 26% to £1.56m (FY24 H1: £1.23m). The installed base has increased more than fivefold since inception of the contract, increasing from \$0.81m, to an annualised royalty run rate at 31 December 2024 of \$4.05m.

SAWsense and Translogik revenues have also increased year on year; SAW by 361% to £0.38m (FY24 H1: £0.08m) and Translogik by 7% to £0.52m (FY24 H1: £0.49m).

Operating costs increased to £1.66m, compared with £0.97m in the corresponding period last year. This primarily reflects the additional personnel costs associated with building out the engineering, commercial and operational capabilities needed to deliver revenue growth. The total headcount rose from 18 to 30 during calendar year 2024. Despite this increase in operating expenses, EBITDA has remained virtually unchanged, supported by the increase in revenues and high gross margins.

At a segmental level, the net negative contribution from SAWsense and Translogik increased slightly, reflecting the cost burden added in the current year to fuel future growth. The Board continues to monitor segmental performance as a key financial and operating metric, and is satisfied that the level of net investment, funded by royalties from Bridgestone iTrack, is justified by the commercial opportunities for high growth and profitability in future.

Key performance indicators (KPI)

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

	FY 2025	FY 2024	
	Interim (unaudited)	Interim (unaudited)	Full Year (audited)
Revenue (£m)	2.46	1.81	4.18
iTrack royalty run rate growth YoY (in USD)	24%	36%	26%
Translogik revenue growth YoY	7%	(6) %	9%
SAW revenue growth YoY	361%	(43) %	(9) %
Revenue from non-UK sources	89%	96%	92%
Gross Margin (% of revenue) – blended	90%	88%	87%
Gross Margin (% of revenue) – excl iTrack	72%	61%	66%
Net Operating Margin (% of revenue)	22%	34%	31%
EBITDA (£m)	0.73	0.74	1.53
EPS (pence)	3.61	4.32	8.81
Available cash balances (£m)	1.19	1.31	1.28
Distributable reserves (£m)	3.99	2.80	3.44
Average share price in period (pence)	160.0	98.2	103.8

Cash flow and financial position

Net cash inflow from operating activities before movements in working capital amounted to £0.81m (FY24 H1: £0.79m), which funded increased working capital of £0.57m (FY24 H1: £0.11m) and capital expenditure of £0.28m (FY24 H1: £0.26m).

Net cash balances at the end of the period stood at £1.19m (30 June 2024: £1.28m). The net cash balance at the end of January 2025 was £1.87m, which reflects the post period collection of receivables, including Bridgestone iTrack royalties for the final quarter of calendar year 2024.

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.

The Board plans some substantial capital expenditure over this and the next financial year and whilst the Company has the ability to fund this through cashflow it is likely the part of the cost, relating to new production line machinery, will be funded by way of an asset based loan.

Capital allocation and distribution policy

The Company's share price over the period rose from 121.5p on 1 July 2024 to a peak of 190.0p on 20 September 2024, and closed the period on 31 December 2024 at 172.5p. The most recent share price as at 17 February 2025 stood at 151.5p.

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 the SAW business.

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 1,217,856 shares in treasury, acquired at an average cost of 84p per share. No further purchases were made in the period.

The Board has authority from shareholders to continue the programme to acquire further 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.

Current trading and outlook

The Directors believe that now is the time to invest in people and infrastructure to capitalise on strategic growth potential. Recruitment is almost complete, and work on specifying production equipment and supply chain improvements is well underway.

Conversion to revenue is accelerating in both SAWsense and Bridgestone iTrack, and Translogik has already secured significant customer wins in the second half of the year. All three business segments have seen an increase in new business opportunities during the Period, and the Company is well-positioned to continue its growth.

Nigel Rogers

Executive Chairman

18 February 2025

Transense Technologies plc**Condensed Statement of Comprehensive Income**

	Half year to 31 Dec 24 (Unaudited) £'000	Half year to 31 Dec 23 (Unaudited) £'000	Full year to 30 Jun 24 (Audited) £'000
Revenue	2,328	1,805	4,180
Grant Revenue	131	-	-
Total Revenue	2,459	1,805	4,180
Cost of sales	(253)	(224)	(526)
Gross profit	2,206	1,581	3,654
Operating expenses	(1,659)	(965)	(2,373)
Exceptional operating expenses	-	-	(47)
Operating profit	547	616	1,234
Financial income	3	11	26
Other Income	-	5	5
Profit before taxation	550	632	1,265
Taxation	-	38	300
Profit for the period from continuing operations	550	670	1,565
Earnings per share (pence)	3.61	4.32	10.13

Transense Technologies plc

Condensed Statement of Financial Position

	31 Dec 24	31 Dec 23	30 Jun 24
	(Unaudited)	(Unaudited)	(Audited)
	£'000	£'000	£'000
Non current assets			
Property, plant and equipment	945	183	889
Intangible assets	1,076	842	1,034
Deferred tax	1,475	1,213	1,475
	3,496	2,238	3,398
Current assets			
Inventory	513	262	390
Trade and other receivables	1,629	1,305	1,395
Cash and cash equivalents	1,190	1,308	1,281
	3,332	2,875	3,066
Total assets	6,828	5,113	6,464
Current liabilities			
Trade and other payables	(281)	(264)	(493)
Lease liabilities	(100)	-	(100)
Total liabilities	(381)	(264)	(593)
Non current liabilities			
Lease liabilities	(257)	-	(304)
Total liabilities	(638)	(264)	(897)
Net assets	6,190	4,849	5,567

Capital and reserves

Share capital	1,644	1,644	1,644
Share premium	65	65	65
Treasury Shares	(1,027)	(774)	(1,027)
Share based payments	491	342	418
Retained profit	5,017	3,572	4,467
Shareholders' funds	6,190	4,849	5,567

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
Balance at 1 July 2023	1,644	65	288	2,902	(708)	4,191
Comprehensive income for the year:						
Profit for the year	-	-	-	1,565	-	1,565
Share based payment	-	-	130	-	-	130
Treasury Shares	-	-	-	-	(319)	(319)
Balance at 30 June 2024	1,644	65	418	4,467	(1,027)	5,567
Comprehensive income for the period						
Profit for the period	-	-	-	550	-	550
Share based payment	-	-	73	-	-	73
Treasury Shares	-	-	-	-	-	-
Balance at 31 December 2024	1,644	65	491	5,017	(1,027)	6,190

Transense Technologies plc

Condensed Statement of Cash Flows

	Half year to 31 Dec 24	Half year to 31 Dec 23	Full year to 30 Jun 24
	(Unaudited)	(Unaudited)	(Audited)
	£'000	£'000	£'000
Cash flow from operating activities			
Profit for the period	550	670	1,565
Adjustments for:			
Taxation	-	(38)	(300)
Net financial income	(3)	(11)	(26)
Depreciation of property, plant and equipment	103	56	130
Amortisation and impairment of intangible assets	83	60	145
Share based payments	73	54	152
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Operating cash flows before movements in working capital	806	791	1,666
Change in receivables	(234)	(42)	(132)
Change in payables	(212)	(70)	159
Change in inventories	(123)	(2)	(130)
	<hr/>	<hr/>	<hr/>
Net cash (used)/generated in operations	237	677	1,563
Cash flows from investing activities			
Acquisition of property, plant & equipment	(158)	(83)	(428)
Acquisition of intangible assets	(126)	(173)	(455)
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Net cash used in investing activities	(284)	(256)	(883)

Cash flows from financing activities

Treasury shares	-	(67)	(319)
Interest	3	11	26
Payment of lease liabilities	(47)	(36)	(84)
Net cash (used)/generated for financing activities	(44)	(92)	(377)
<hr/>			
Net (decrease)/increase/ in cash and cash equivalents	(91)	330	303
Cash and cash equivalents at beginning of period	1,281	978	978
Cash and cash equivalents at end of period	1,190	1,308	1,281

Notes to the Interim results for the six months to 31 December 2024

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

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 2024 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 2024. 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 24	Half year to 31 Dec 23	Full year to 30 Jun 24
	(Unaudited)	(Unaudited)	(Audited)
	£'000	£'000	£'000
North America	167	181	464
South America	42	45	121
Australia	11	1	4
Europe	279	199	514
UK	146	71	323
Rest of the World	127	74	144
Grant Income (UK)	132	-	-
Total	904	571	1,570
Bridgestone iTrack	1,555	1,234	2,610

Half Year to 31 December 2024	IT Royalties £'000	SAWsense £'000	Translogik £'000	Central £'000	Total £'000
Turnover	1,555	383	521	-	2,459
Gross profit	1,555	365	286	-	2,206
Operating expenses	(22)	(735)	(210)	(692)	(1,659)
Operating profit/(loss)	1,533	(370)	76	(692)	547
Net financial income/(expense)	-	-	-	3	3
Taxation	-	-	-	-	-
Profit/(loss) for the year	1,533	(370)	76	(689)	550

Half Year to 31 December 2023	IT Royalties £'000	SAWsense £'000	Translogik £'000	Central £'000	Total £'000
Turnover	1,234	83	488	-	1,805
Gross profit	1,234	83	264	-	1,581
Operating expenses	(22)	(466)	(70)	(407)	(965)
Operating profit/(loss)	1,212	(383)	194	(407)	616
Other income	-	5	-	-	5
Net financial income	-	-	-	11	11
Taxation	-	-	-	38	38
Profit/(loss) for the year	1,212	(378)	194	(358)	670

Year to 30 June 2024	IT Royalties £'000	SAWsense £'000	Translogik £'000	Central £'000	Total £'000
Turnover	2,610	450	1,120	-	4,180
Gross profit	2,610	440	604	-	3,654
Operating expenses	(44)	(1,159)	(221)	(949)	(2,373)
Exceptional operating costs	-	-	(42)	(5)	(47)
Operating profit/(loss)	2,566	(719)	341	(954)	1,234
Other income	-	5	-	-	5
Net financial income	-	-	-	26	26
Taxation	-	-	-	300	300
Profit/(loss) for the year	2,566	(714)	341	(628)	1,565

Note:

Grant Income is included in Turnover in the segmental numbers and the actual grant income for each period is on the face of the Condensed Statement of Comprehensive Income.

5. Corporation tax and deferred tax

The Company has approximately £21m 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 has been recognised, and the Deferred Tax credit is calculated to reflect the estimated results for the following 36 months in the Financial year to 30 June 2024 (previously 24 months).

The current value of the deferred tax asset in the Balance Sheet is £1.475m. and as we look forward to the end of the decade the Company can see that the losses brought forward could well be used up by 2030 and with this possibility in mind the Company has decided to freeze the deferred tax asset and reverse it when the losses are approaching exhaustion.

6. Earnings per share

	31 December 2024	31 December 2023	30 June 2024
	Shares	Shares	Shares
Weighted average number of shares in the period	15,219,884	15,506,141	15,446,993
Basic and diluted Earnings per share	3.61p	4.32p	10.13p