

Investment Profile

1. iTrack royalty closing annualised run rate of £1.56m up nearly 40% since June 2021
2. Strong revenue improvement of 35% underpins high growth trajectory
3. Profitable at PBT level and cash generative
4. Minimal additional spend and low downside risk profile
5. Strong uncommitted cash and growing distributable reserves balance

Share Information

| Ticker | AIM:TRT |
|---------------------|---------|
| Share Price (GBX) | 80 |
| Shares in issue (m) | 16 |
| Market Cap (£m) | 13 |
| 12m Hi/Low (GBX) | 124/65 |

(Source: The London Stock Exchange, February 2022)

12-Month Share Price



(Source: The London Stock Exchange, February 2022)

Major Shareholders (as of February 2022)

| Name | % |
|---------------------|------|
| CriSeren | 9.33 |
| Seneca | 7.60 |
| P Lobbenberg | 5.89 |
| WB Nomnees | 4.91 |
| Harwood Capital LLP | 4.02 |
| Legal & General | 3.29 |
| J Abrahams | 3.20 |
| Gerald Oury | 3.00 |

Company Overview

Transense Technologies plc (AIM:TRT) is a developer of specialist wireless sensor systems used to enable real-time data gathering and monitoring. Products include the patent protected Surface Acoustic Wave (SAW) sensor technology, used to improve equipment power, performance, and efficiency; iTrack, Transense's Tyre Pressure Monitoring System, is licensed to Bridgestone Corporation, the world's largest tyre producer, under an eight year deal; and a range of intelligent tyre monitoring equipment under the Translogik brand. Target sectors include aerospace, off road and hi performance automotive, and industrial.

Its strategy is to maximise shareholder value through the delivery of sustained revenue growth from all three principal technologies – SAW, iTrack and Translogik probes – through leveraging excellence in innovation, know-how in commercialising technologies, industry partnerships and exposure to global growth markets.

Transense's patent-protected SAW sensors are wireless and battery-less, used in the real-time measurement of torque, temperature and pressure to improve performance. This technology offers significant advantages over alternative measurement tools, and is particularly targeted towards the aircraft, specialised automotive, green energy and industrial markets.

Translogik, the intelligent tyre monitoring probe range, comprises highly accurate tyre testing equipment, enabling rapid data capture aimed at fleet managers and tyre service providers.

The iTrack tyre pressure monitoring technology, used for monitoring the tyre and vehicle performance of heavy-duty off-road vehicles, was exclusively licensed to ATMS, a subsidiary of Bridgestone Corporation, for a ten-year term which commenced in June 2020. The royalty delivering significant income for Transense and **resulting in a Company that is now cash generative and self-financing.**

What's New?

iTrack royalties in the interim period, which are up 144% since inception in June 2020, hit an annualised run rate of £1.56m. Revenues from Translogik tyre probes were also up 15% on FY21 H1. This contributed to total revenues increasing by 35% to £1.20m (FY21 H1: £0.89m). These secure sources of revenue have enabled the Company to make further controlled investment into its SAW business where the team now numbers eight highly skilled and motivated engineers.

Following the receipt of the quarterly iTrack royalty payment from Bridgestone in January - cash stood at £1.5m at 31st January 2022.

The directors also announced the initiation of a programme of share buybacks to aid the delivery of longer-term shareholder value.

Probing the Market Opportunity

Transense's technology has a significant growth opportunity, with increasing engagement with household name industrial clients operating in global growth markets.

iTrack's royalty income represents a significant growth prospect, with installations gathering pace in line with expectations since July 2020. The technology is now active in 41 mine sites while the Otraco acquisition adds 60 new target sites in Australia and Chile, expanding the likelihood of future royalty income.

The Translogik range is now well established and holds partnerships with world-leading tyre providers, including Bridgestone, Goodyear, Pirelli and Continental. Despite the sourcing challenges posed by supply chain issues, revenues from the brand increased by 15% to £0.47m (FY21 H1: £0.41m), with around two thirds of sales attributable to the new range. Further developments are underway to align the TLGX range more closely with the fleet management systems of a select group of leading tyre manufacturers.

SAW secured a Joint Collaborative Agreement with McLaren JCA in 2021 for an initial five years which will continue the development of the Transense Torque Measurement System. There is expected to be a significant revenue pickup in H2. Off the Road field trials and lab rig testings for SAW were also successful and a move to live trials in summer 2022 will support the evolution of the SAW technology.



MEET Transense Technologies plc

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Key Newsflow

Feb: Interim Results, Share Repurchase and Issue of Options

Jan 2022: Notice of Interim Results and Investor Presentation

Nov: Annual General Meeting

Nov: Appointment of Dave Shemmans as an additional member of SAWCAP

Sept: Final Results & Investor Presentation

Sept: 5 year JCA with McLaren Applied Ltd for SAW Tech

July: Appointment of Ryan Maughan as an additional member of SAWCAP

Management Team

Nigel Rogers, Executive Chairman

Nigel joined the Board as a Non-Executive Director 2015, becoming Non-Executive Chairman in February 2020, and leading the licensing of the iTrack system to Bridgestone. On completion, in June 2020, Nigel was appointed as Executive Chairman of Transense. He also holds positions as Chairman of Solid State plc and Surgical Innovations Group plc, and has over twenty years' experience in leading AIM-listed companies. Nigel is a Chartered Accountant with a career at PwC in the U.K., Latin America and the Middle East.



Melvyn Segal, Finance Director

Melvyn was appointed Executive Director in June 2012 and is the Chief Finance Officer and Company Secretary. He is a Chartered Accountant, specialising in business advice, audit and taxation, being involved in the successful sale of Arram Berlyn Gardner's financial services arm. Since leaving the profession, Melvyn has been active as Company Finance Director and Non-Executive Director of successful SME's.



Forecasts (Source: Allenby Capital Research Note, February 2022)

| | FY20 (A) | FY21 (A) | FY22 (E) | FY23 (E) | FY24 (E) |
|------------------|----------|----------|----------|----------|----------|
| Sales (£m) | 0.60 | 1.77 | 2.62 | 3.59 | 4.55 |
| adj. EBITDA (£m) | -0.68 | 0.06 | 0.58 | 1.39 | 1.95 |
| Net Cash (£m) | 1.19 | 1.05 | 1.11 | 2.05 | 3.47 |