



Interim Results

29 March 2017

# What we do



The logo for Transense Technologies PLC, featuring a stylized 'T' made of vertical bars. Below the logo, the text reads: 'transense technologies plc' and 'Provider of sensor systems for industrial, mining and transport applications'. The background is a green-to-blue gradient circle.



translogik  
[www.trans-logik.com](http://www.trans-logik.com)

transense  
technologies plc

SAW  
sense

# Working With Global Companies



# Highlights

- GE license agreement
- Successful launch of iTrack II
- 12 iTrack II trials on-going with increasing global interest in further trials
- Control Room expanded and now 24/7
- Major European Industrial Group in operational use of SAW torque sensors in POC application
- Increased capacity to meet increased demand

# Financial Highlights

- Revenues were unchanged from prior year at £1.04m (Dec 2015: £1.04m\*)
- Operating expenses increased to £1.61m (Dec 2015: £1.32m) in support of launch of iTrack II
- Adjusted loss from continuing operations of £0.95m (Dec 2015: loss of £0.62m\*)
- Net loss for the period of £0.97m (Dec 2015: profit of £1.70m)
- Net cash used in operations of £0.15m (Dec 2015: £1.46m net cash generated)
- Net cash at end of period of £3.31m (Jun 2016: £3.65m)
- Capital restructuring completed to facilitate distributable reserves
- Capital consolidation approved and completed

\* from continuing operations and adjusted to exclude licence fee income associated with the disposal of IntelliSAW in 2015.

# Financials – Income Statement

	Dec-16	Dec-15 *	Jun-16 *
	£Millions	£Millions	£Millions
<b>Continuing Operations</b>			
Revenues	1.04	1.04	2.08
Cost of sales	(0.39)	(0.37)	(0.76)
Gross profit	0.65	0.67	1.32
Administrative expenses	(1.61)	(1.32)	(2.54)
<b>Operating loss</b>	<b>(0.96)</b>	<b>(0.65)</b>	<b>(1.22)</b>
License fees (net)	-	2.74	2.76
Interest	0.02	0.03	0.05
Taxation	(0.02)	0.02	0.03
<b>Profit/(loss) on continuing operations</b>	<b>(0.96)</b>	<b>2.14</b>	<b>1.62</b>
<b>Discontinued operations</b>			
Sale of goodwill	-	0.03	0.03
Loss from discontinued operations	(0.01)	(0.47)	(0.50)
<b>Profit/(loss) for the year</b>	<b>(0.97)</b>	<b>1.70</b>	<b>1.15</b>

\* from continuing operations and adjusted to exclude licence fee income associated with the disposal of intelliSAW.

# Financials - Balance Sheet

	Dec-16	Dec-15	Jun-16
	£Millions	£Millions	£Millions
<b>Non current assets</b>	<b>1.38</b>	<b>1.61</b>	<b>1.59</b>
<b>Current assets</b>			
Cash	3.31	4.56	3.65
Other	1.96	1.80	2.39
	<b>5.27</b>	<b>6.36</b>	<b>6.04</b>
<b>Current liabilities</b>	<b>(0.74)</b>	<b>(0.44)</b>	<b>(0.71)</b>
<b>Net assets</b>	<b>5.91</b>	<b>7.53</b>	<b>6.92</b>
<b>Equity</b>			
Share capital	4.72	11.55	11.55
Share premium	-	17.22	17.22
Accumulated deficit	1.19	(21.24)	(21.84)
<b>Shareholder's funds</b>	<b>5.91</b>	<b>7.53</b>	<b>6.92</b>

# Financials - Cash Flow Statement

	Dec-16	Dec-15	Jun-16
	£Millions	£Millions	£Millions
<b>Cash flow from operating activities</b>			
Profit/(loss) for the period	(0.95)	2.12	1.60
Adjustments	0.15	(0.27)	(0.24)
<b>Operating cash flows before working capital movement</b>	(0.80)	1.85	1.36
Movements in working capital	0.65	(0.39)	(0.55)
<b>Net cash generated/(used) in operations</b>	(0.15)	1.46	0.81
<b>Cash flow from investing activities</b>			
Financial income	0.02	0.03	0.05
Capital expenditure (net of disposals)	(0.17)	0.13	(0.17)
	(0.15)	0.16	(0.12)
<b>Cash flow from financing activities</b>			
Proceeds from issue of share capital	-	2.46	2.46
Sale of goodwill	(0.04)	-	0.03
	(0.04)	2.46	2.49
<b>Net increase/(decrease) in cash</b>	(0.34)	4.08	3.19



# Business Review: Translogik - iTrack

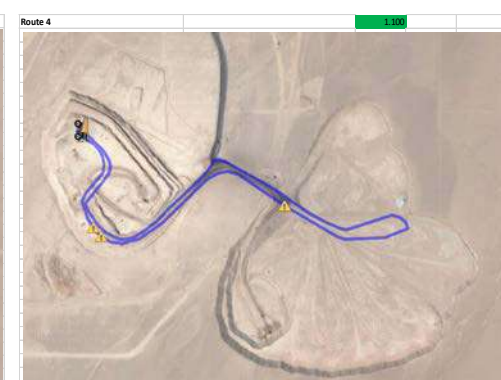
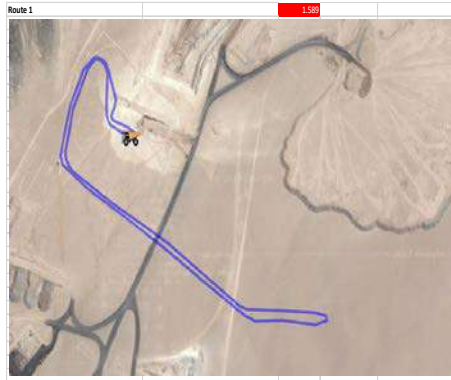
- MINExpo 2016 & TIA OTR 2017 Conference successes
- Record number of iTrack II trials underway (12)
- Control Room expanded and now 24/7
- Increased capacity to meet increased demand
- Market recognition of the value of TPMS increasing

# iTrack II – Mining TPMS 24/7 Monitoring

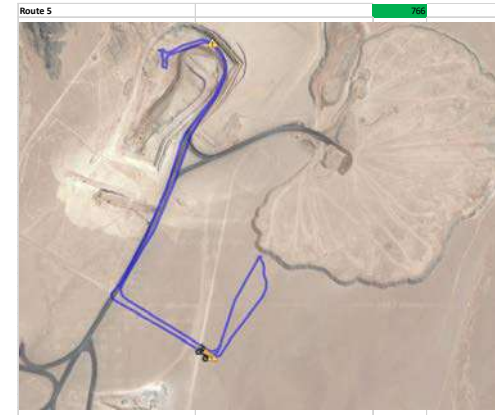
- Increase Productivity by maximizing the hours a truck is on the road
- Reduce Truck Downtime
- Increase Tyre Performance
- Reduce Tyre Inspection Times
- Optimise Inflation Pressures
- Reduce Tyre and Speeding Alerts
- Improve Safety



# TKPH Heat Maps



Monitoring tyre temperatures ensures that the trucks can work harder and stay in production longer. Our heat maps clearly identify routes that generate higher tyre temperatures (higher TKPH value) so trucks can be reassigned to less demanding routes and not stopped. In most cases the trucks can operate at higher average speeds for longer.



# iTrack II – Data Analytics 24/7 Control Centre



- 24/7 Control room solely dedicated to iTrack customers
- Translogik staff report analytics live or on a daily/weekly/monthly basis
- Reporting is tailored to the customers needs

Targeted data analysis of pressures and temperatures can also be used to detect incorrect load distributions, predict suspension failures, eliminate manual tire pressure checks and much more. All of these benefits increase health and safety as well as reducing maintenance and downtime, which maximizes the hours a truck is working, which directly correlates to an increase in production. This previously unavailable 24/7 data also serves to improve maintenance standards and safety procedures.

# Business Review: Translogik Tyre Inspection Probes

TL<sup>G1</sup>



iProbe



iProbe<sup>EM</sup>



- The Probe is now used in 43 different countries and sales in the last financial year were 67% ahead of the previous year
- The number of System Integrators, Value Added Resellers and Service Providers using the probe improves prospects for FY17
- Integration of the probe within the commercial bus and truck market has been completed by:
  - Goodyear - ControlMax system & eJob
  - Bridgestone - Fleet Analyser2 & Toolbox
  - ContiTrade – Fleetfox & Digital branch
  - Michelin - iManage
  - Bosch – Connected workshop

# Business Review: Surface Acoustic Wave

- GE relationship strengthens
- Major European Industrial Group in operational use of SAW torque sensors in POC application
- Industry leading patented technology and Know How in SAW sensing that is suitable for a diverse range of applications and markets
- Internet of Things - Increasing global market demand for real time data
- Key benefits of the technology include: wireless, batteryless, light weight, extremely robust and capable of operating in harsh environments

# Business Review: Licensing IP and Project Development



European Industrial OEM  
*Multi-application*

Industrialisation of torque sensors for industrial drives continues with production systems now in POC field use.

Successful trial of torque sensor for marine applications opening up new applications for the instrumentation of large industrial equipment.



GE - 3 divisions  
*Multiple Projects*

Following completion of the licence, industrialisation and technical transfer of the technology continues.

Testing has included 300 million cycles of vibration and 15,000 torque cycles



Torque Drivetrain & EPAS  
*Three major US OEMs*

Drivetrain projects continue to progress and new orders received from our JV with McLaren.

Additional EPAS project progressing rapidly with aggressive timescales for the start of production

# Summary

- Successful iTrack II launch
- Record number of iTrack II trials underway (12)
- Strengthening of iTrack team and presence
- GE License
- Strong Balance Sheet
- Positive outlook





# Appendix

# Transense Core 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.

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

# Board and Senior Management Biographies

**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, which Graham gained control of through 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 has been involved in investing in several businesses one of which was Transense Technologies plc.

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

**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.

**Nigel Rogers, Non-Executive Deputy Chairman:** Mr Rogers qualified as a Chartered Accountant in 1983 spending eight years with PwC before moving into industry. He managed the flotation of Stadium Group Plc as Group FD, before progressing to Group CEO in 2001. He joined 600 Group Plc as Group CEO in 2012 and led the turnaround of the AIM-listed global machine tool business (Colchester-Harrison), increasing strategic focus on growth of its technology-based laser marking business (Electrox) until April 2015. He is currently Chairman of Surgical Innovations plc.

**Rodney Westhead, Non-executive Director:** Chartered Accountant by training and until 2005 was Chief Executive of Ricardo plc, the major automotive consulting engineering group with sales of £200 million a year.