



**TRAKM8 HOLDINGS PLC**  
("Trakm8" or "the Group")

**Interim Results**

*Significant momentum in sales and strong cash position*

Trakm8 Holdings plc, the telematics and data provider to the global market place, is pleased to announce its unaudited results for the six months ended 30 September 2014:

**Highlights**

	<b>Six months to 30 September 2014 Unaudited</b>	Six months to 30 September 2013 Unaudited	Year to 31 March 2014 Audited
	<b>£'000</b>	£'000	£'000
Revenue	<b>8,478</b>	2,564	9,193
Gross Profit	<b>3,933</b>	1,924	5,261
Gross Profit %	<b>46.4%</b>	75.0%	57.2%
Earnings before interest, tax, depreciation & amortisation	<b>1,065</b>	228	750
Profit before tax	<b>717</b>	24	396
Net cash and cash equivalents	<b>1,914</b>	1,131	2,911
Net assets	<b>5,975</b>	2,579	5,132

- Revenues increased by 230%. Like for like revenues up 66%
- EBITDA increased by 367%
- Profit before tax increased 30 fold to £0.72m (2013: £0.02m)
- Like for like new orders received increased by 53%
- Underlying annualised recurring revenues increased by 130% to £5.3m (2013: £2.3m)
- Strong cash balance maintained
- Direct Line contract shipments commenced
- New contract awards with Kubota, CE Downton & SAGA Systems
- Significantly improved banking facilities agreed post period end

**John Watkins, Executive Chairman of Trakm8 said:**

"We are pleased that the period has been one of continued momentum, winning new customers which build our installed base of units reporting to our servers. The Group has made solid financial progress, achieving strong like for like growth in revenues and profit supplemented by the full period effect of the BOX business.

"We continue to remain well placed to grow the Group, and we are confident we will achieve market expectations for the year as a whole."

**For further information, please visit [www.trakm8.com](http://www.trakm8.com) or contact:**

**Trakm8 Holdings plc**

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## **Executive Chairman's Statement**

I am pleased to report Trakm8's results for the six months ended 30 September 2014.

Revenues grew 231% in the period to £8.5m. This is based on 66% growth in Trakm8's core business to £4.3m (2013 2.6m) plus a full six months of BOX Telematics Ltd ("BOX") revenues of £4.2m. The value of new orders received during the period continued the good trend of last year and were up by 53% like for like (excluding BOX). This reinforces the confidence we have that strong organic growth can be maintained.

Profit before tax increased by 831% to £717,000 (2013: £24,000).

There has been an increase of 130% in our annualised recurring revenues to £5.3m (2013: £2.3m) which are generated from increased numbers of units reporting to our servers. This is also an increase of 17% since March 2014. These revenues remain the core of the Group's focus and financial future.

Gross margin percentages have reduced on account of high volume insurance market revenues and the impact of the BOX manufacturing margin.

During the period the entire BOX product and solutions lines were updated to reflect the latest Trakm8 derived technologies in our telematics hardware, T10 and our web portal, Swift 6. This new programme will form the foundation of BOX sales over the coming periods, eliminating duplication of engineering resource and improving the overall customer experience.

We have maintained a strong cash position despite ongoing conversion to sales from the large contract prepayment we had received during March 2014.

Post the period end, we were pleased to secure significantly improved banking facilities. Prior to the acquisition of BOX, both Trakm8 and BOX separately banked with HSBC. The acquisition finance was provided by Clydesdale. During October HSBC provided a replacement facility with a £3m term loan and a £1m revolving credit facility. This equates to a net increase in bank finance of £2m and gives the Group approximately £4m of net cash availability. The Group continues to actively seek acquisition opportunities, based on a set criteria, and this strong cash position leaves us well placed to move quickly and take advantage of opportunities if they arise.

We are now reporting our revenues in just two segments following the full integration of BOX:

### **Product Sales**

This segment comprises all the hardware revenues from our sales to other telematics integrators and to our manufacturing services customers.

Sales of product to other integrators have been well ahead of last year's levels. This is due to an increase in sales at Trakm8 of 55% and the full period impact of BOX. The broadening of our customer base has made this growth possible. The single major product that has generated revenues in this segment is the JCB Live Link telematics device, which represents 48% of revenues. Sales of our new T10 hardware has secured new customers and won again customers who had previously purchased BOX products. We also started shipments to Ramtech during the second quarter.

Total revenues in the product sales segment amounted to £3.5m representing 41% of the Group total.

### **Solution Sales**

This segment comprises Solution revenues including associated engineering services.

Our newly launched Swift 6 product, with its improved functionality, has been well received. This has helped us to secure growth in new customer wins for our fleet management solutions. The introduction of insurance based solutions has also had a positive impact on sales. As a result there

has been very strong growth in new unit installations, units reporting to our servers and the consequent increase in recurring revenues.

Recurring revenues from this base have grown to an annualised £5.2m. This is due to a 30% increase in the Trakm8 figures supplemented by an annualised £2.0m at BOX. Sales to Direct Line are progressing well and currently 1 in 5 of their policies to under 25 year olds are being sold with a telematics device. Today we have approximately 80,000 units reporting to our servers.

During the period the product and solution portfolio has been updated to incorporate the latest technology. This positions BOX to offer its customers an even better proposition. Marketing activities remain underway to maximise the opportunity for revenue and margin growth.

There were several small customer funded engineering projects completed during the period which should also deliver on-going increases in our recurring revenues.

Overall, Solution sales of £5.0m are 129% greater than the same period in the previous year based on 68% like for like growth supplemented by revenues of £1.3m during the period at BOX.

Total revenues in the Solution sales segment represents 59% of the Group total. We currently have over 30 significant trials in progress and we anticipate that revenues will continue to grow strongly in this segment.

## **Strategy**

The Group has been following the strategy outlined in the 2014 Annual Report. Our focus is to sell more devices reporting to our servers and their associated service revenues, along with the use of the considerable data we now derive from these devices to sell driver behaviour, risk analysis and vehicle service management knowledge.

In addition to the excellent organic growth potential of this market, we have previously advised that Trakm8's strong financial business model, the cash generation and solid balance sheet would enable the Group to consider further acquisitions alongside the organic growth strategy. Several opportunities have been considered during the period but none fitted our tight criteria. We will continue to consider further opportunities, but we will not over pay in the current active market and acquisitive growth remains second in priority to our organic growth.

## **Outlook**

The Group is achieving the growth expectations of the Directors and the market. The second half of our financial year should continue the trend of increasing revenues including service revenues, which we expect to be ahead of the first six months.

The Board is confident in meeting market expectations for the full year.

**JOHN WATKINS**  
**Executive Chairman**

**CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME**

for the six months to 30 September 2014

	<i>Note</i>	<b>Six months to 30 September 2014 Unaudited</b>	Six months to 30 September 2013 Unaudited	Year to 31 March 2014 Audited
<b>Continuing operations</b>		<b>£'000</b>	£'000	£'000
<b>Revenue</b>		<b>8,478</b>	2,564	9,193
Cost of sales		<b>(4,545)</b>	(640)	(3,932)
<b>Gross profit</b>		<b>3,933</b>	1,924	5,261
Administrative expenses		<b>(3,181)</b>	(1,837)	(4,399)
<b>Operating Profit before exceptional items</b>		<b>752</b>	87	862
Exceptional items	5	-	(63)	(433)
<b>Operating Profit</b>		<b>752</b>	24	429
Finance income		-	2	2
Finance costs		<b>(35)</b>	(2)	(35)
<b>Profit before taxation</b>		<b>717</b>	24	396
Income tax		-	11	75
<b>Profit attributable to the owners of the parent</b>		<b>717</b>	35	471
<b>Other Comprehensive Income</b>				
Currency translation differences		-	-	(3)
<b>Total Comprehensive Income for the period attributable to owners of the parent</b>		<b>717</b>	35	468
Basic earnings per share (pence)	6	<b>2.48</b>	0.19	2.01
Diluted earnings per share (pence)	6	<b>2.35</b>	0.18	1.90

## CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

for the six months to 30 September 2014

	Share capital	Share premium	Merger reserve	Translation reserve	Retained earnings	Total equity attributable to owners of the parent
	£'000	£'000	£'000	£'000	£'000	£'000
<b>Balance as at 1 April 2013</b>	<b>194</b>	<b>1,751</b>	<b>510</b>	<b>203</b>	<b>(135)</b>	<b>2,523</b>
<b>Comprehensive income</b>						
Profit for the period	-	-	-	-	35	35
<b>Total comprehensive income</b>	-	-	-	-	35	35
<b>Transactions with owners</b>						
IFRS2 Share based payments	-	-	-	-	21	21
<b>Transactions with owners</b>	-	-	-	-	21	21
<b>Balance as at 30 Sept 2013</b>	<b>194</b>	<b>1,751</b>	<b>510</b>	<b>203</b>	<b>(79)</b>	<b>2,579</b>
<b>Comprehensive income</b>						
Profit for the period	-	-	-	-	436	436
<b>Other comprehensive income</b>						
Exchange differences on translation of overseas operations	-	-	-	(3)	-	(3)
<b>Total comprehensive income</b>	-	-	-	(3)	436	433
<b>Transactions with owners</b>						
Shares issued	95	1,981	-	-	-	2,076
Share placing fees	-	(91)	-	-	-	(91)
Sale of own shares	-	-	-	-	102	102
IFRS2 Share based payments	-	-	-	-	33	33
<b>Transactions with owners</b>	95	1,890	-	-	135	2,120
<b>Balance as at 31 March 2014</b>	<b>289</b>	<b>3,641</b>	<b>510</b>	<b>200</b>	<b>492</b>	<b>5,132</b>
<b>Comprehensive income</b>						
Profit for the period	-	-	-	-	717	717
<b>Total comprehensive income</b>	-	-	-	-	717	717
<b>Transactions with owners</b>						
Shares issued	1	12	-	-	-	13
Sale of own shares	-	-	-	-	48	48
IFRS2 Share based payments	-	-	-	-	65	65
<b>Transactions with owners</b>	1	12	-	-	113	126
<b>Balance as at 30 Sept 2014</b>	<b>290</b>	<b>3,653</b>	<b>510</b>	<b>200</b>	<b>1,322</b>	<b>5,975</b>

**CONSOLIDATED STATEMENT OF FINANCIAL POSITION**

as at 30 September 2014

	<b>30 September 2014 Unaudited</b>	30 September 2013 Unaudited	31 March 2014 Audited
	<b>£'000</b>	£'000	£'000
<b>Non-current assets</b>			
Intangible assets	3,415	937	3,249
Plant, property and equipment	1,289	624	1,157
Deferred income tax asset	753	110	753
	<b>5,457</b>	1,671	5,159
<b>Current assets</b>			
Inventories	1,288	354	1,281
Trade and other receivables	4,052	864	3,269
Cash and cash equivalents	1,914	1,131	2,911
	<b>7,254</b>	2,349	7,461
<b>Current liabilities</b>			
Trade and other payables	(4,533)	(1,286)	(5,035)
Borrowings	(500)	(34)	(500)
	<b>(5,033)</b>	(1,320)	(5,535)
<b>Current assets less current liabilities</b>	<b>2,221</b>	1,029	1,926
<b>Total assets less current liabilities</b>	<b>7,678</b>	2,700	7,085
<b>Non-current liabilities</b>			
Borrowings	(1,542)	(105)	(1,792)
Provisions	(161)	(16)	(161)
	<b>(1,703)</b>	(121)	(1,953)
<b>Net assets</b>	<b>5,975</b>	2,579	5,132
<b>Equity</b>			
	<i>Note</i>		
Called up share capital	6	290	194
Share premium		3,653	1,751
Merger reserve		510	510
Translation reserve		200	203
Retained profit / (loss)		1,322	(79)
<b>Total equity attributable to owners of the parent</b>		<b>5,975</b>	2,579
		5,132	5,132

**CONSOLIDATED CASH FLOW STATEMENT**

for the six months to 30 September 2014

		<b>Six months to 30 September 2014 Unaudited</b>	Six months to 30 September 2013 Unaudited	Year to 31 March 2014 Audited
	<i>Note</i>	<b>£'000</b>	£'000	£'000
<b>Net cash inflow / (outflow) from operating activities</b>	7	<b>(565)</b>	(151)	1,324
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<b>Cash flows from investing activities</b>				
Acquisition of subsidiary (net of cash)		-	-	(2,992)
Purchases of property, plant and equipment		<b>(243)</b>	(99)	(302)
Proceeds from sale of plant		-	-	10
Net cash used in investing activities		<b>(243)</b>	(99)	(3,284)
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<b>Cash flows from financing activities</b>				
Issue of new shares		-	-	1,985
Proceeds from exercise of share options		12	-	-
Repayment of obligations under hire purchase contracts		-	(13)	(25)
New bank loan		-	-	2,500
Repayment of loans		<b>(250)</b>	(11)	(1,096)
Sale / (purchase) of own shares		<b>49</b>	-	102
Net cash used in financing activities		<b>(189)</b>	(24)	3,466
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<b>Net increase / (decrease) in cash and cash equivalents</b>		<b>(997)</b>	(274)	1,506
Cash and cash equivalents at beginning of period		<b>2,911</b>	1,405	1,405
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<b>Cash and cash equivalents at end of period</b>		<b>1,914</b>	1,131	2,911
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## Notes to the financial information (unaudited)

1. The financial information contained in this interim statement has not been audited or reviewed by the Group's auditor and does not constitute statutory accounts as defined in Section 434 of the Companies Act 2006. The Directors approved and authorised this interim statement on 28 November 2014. The financial information for the preceding full year is extracted from the statutory accounts for the financial year ended 31 March 2014. Those accounts, upon which the auditor issued an unqualified opinion and did not include a statement under Section 498(2) or (3) of the Companies Act 2006, have been delivered to the Registrar of Companies.
2. Trakm8 Holdings PLC is a public limited company incorporated in the United Kingdom under the Companies Act 2006. Trakm8 is domiciled in the United Kingdom and its ordinary shares are traded on AIM, the market operated by the London Stock Exchange plc.
3. As permitted this Interim Report has been prepared in accordance with UK AIM Rules for Companies and not in accordance with IAS 34 "Interim Financial Reporting" and therefore is not fully in compliance with IFRS. The Interim results have been prepared in a manner consistent with the accounting policies set out in the statutory accounts for the financial year ending 31 March 2014.
4. Profit per ordinary share attributable to the owners of the parent

	<b>Six months to 30 September 2014 Unaudited</b>	Six months to 30 September 2013 Unaudited	Year to 31 March 2014 Audited
	<b>£'000</b>	£'000	£'000
Profit attributable to the owners of the parent	<b>717</b>	35	471

5. Exceptional costs

	<b>Six months to 30 September 2014 Unaudited</b>	Six months to 30 September 2013 Unaudited	Year to 31 March 2014 Audited
	<b>£'000</b>	£'000	£'000
Exceptional costs	-	63	433

On 25 October 2013 Trakm8 Holdings PLC completed the acquisition of BOX Telematics and the readmission of its ordinary shares to trading on AIM. The exceptional costs related to fees incurred in connection with the acquisition and the readmission of its shares to AIM.

6. Shares in issue

Weighted average number of ordinary shares in issue

	<b>Six months to 30 September 2014 Unaudited</b>	Six months to 30 September 2013 Unaudited	Year to 31 March 2014 Audited
	<b>No. '000</b>	No. '000	No. '000
Basic	<b>28,914</b>	19,045	23,477
Diluted	<b><u>30,521</u></b>	<u>19,447</u>	<u>24,767</u>

7. Reconciliation of cash flows from operating activities:

	<b>Six months to 30 September 2014 Unaudited £'000</b>	Six months to 30 September 2013 Unaudited £'000	Year to 31 March 2014 Audited £'000
<b>Net profit before taxation</b>	<b>717</b>	24	396
Adjustments for:			
Depreciation	<b>110</b>	35	119
Bank and other interest charges	<b>35</b>	-	33
Amortisation of intangible assets	<b>203</b>	118	202
Capitalised development costs	<b>(368)</b>	(185)	(614)
Share based payment expense	<b>65</b>	20	54
<b>Operating cashflows before movement in working capital</b>	<b>762</b>	12	190
Retranslation of overseas operations	-	-	(2)
Movement in inventories	<b>(8)</b>	194	251
Movement in trade and other receivables	<b>(782)</b>	(220)	(1,041)
Movement in trade and other payables	<b>(502)</b>	(249)	1,848
<b>Cash generated from / (used in) operations</b>	<b>(530)</b>	(263)	1,246
Interest paid	<b>(35)</b>	(2)	(35)
Interest received	-	2	2
Income taxes received	-	112	111
<b>Net cash generated from / (used in) operating activities</b>	<b>(565)</b>	(151)	1,324

8. Copies of the report are available on the Group's website [www.trakm8.com](http://www.trakm8.com) and also from the registered office of Trakm8 Holdings PLC. The address of the registered office is: Lydden House, Wincombe Business Park, Shaftesbury, Dorset, SP7 9QJ.