

5 December 2024

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

**Half Year Results**

Trakm8 Holdings plc (AIM: TRAK), the global telematics and data insight provider, announces its unaudited results for the six months ended 30 September 2024:

**Financial Highlights**

	<b>6 months to 30 Sept 2024 Unaudited</b>	6 months to 30 Sept 2023 (Restated <sup>4</sup> ) Unaudited	Year to 31 March 2024 (Restated <sup>4</sup> ) Unaudited <sup>4</sup>
	<b>£'000</b>	£'000	£'000
Revenue	<b>8,312</b>	8,537	16,088
of which, recurring revenue <sup>1</sup>	<b>4,508</b>	5,234	10,109
Profit/(Loss) before tax	<b>5</b>	13	(1,483)
Adjusted Profit/(Loss) before tax <sup>2</sup>	<b>15</b>	119	(1,344)
Profit/(Loss) after tax	<b>140</b>	109	(1,211)
Cash generated from operations	<b>345</b>	2,349	6,065
Net Bank Debt <sup>3</sup>	<b>6,662</b>	5,570	4,857
Basic earnings/(loss) per share	<b>0.28p</b>	0.22p	(2.42p)
Adjusted basic earnings/(loss) per share	<b>0.30p</b>	0.39p	(2.20p)

<sup>1</sup> Recurring revenues are generated from service and maintenance fees

<sup>2</sup> Before exceptional costs and share based payments

<sup>3</sup> Total borrowings less cash excluding IFRS 16 adjustment for leased property and motor vehicles

<sup>4</sup> See note 12 for details

**Highlights**

- H1 2024 results:
  - Revenues modestly lower, with reduction in Insurance and Automotive offset partially by Fleet and Optimisation
  - Lack of Insurance capacity coupled with customers running down their existing stocks has heavily impacted new device sales
  - Reduction in Insurance connections has negatively impacted recurring revenues
  - Gross margins improved, with strong software sales after expanded agreement with Iceland and J Sainsbury's Information Systems Ltd ("Sainsbury's") extending its existing contract, due to expire on 31 December 2024, for two years to 31 December 2026
  - New convertible loan note issued to fund investment in Driver Risk solution and boost working capital position
  
- H2 2024/25 and FY2026 outlook:
  - Insurance device sales forecast to continue to be adversely impacted through Q3 of FY2025, with expectations of volumes increasing in Q4 of FY2025 from both existing and new customers
  - Strong pipeline of Fleet & Optimisation opportunities in H2 2024/25 for devices, service and support and software including significant Optimisation contract which has been previously highlighted
  - Expectation for Insurance and Automotive volumes in FY2026 remains uncertain, but nonetheless should improve on FY2025 performance

## Outlook

The Insurance and Automotive markets continue to provide challenging forecasting conditions. The prospect of volumes of new device sales from both existing and new customers not increasing until Q4 of FY2025 means that our expectations are lower than that we had previously forecast for the Insurance and Automotive business. However, our Fleet and Optimisation business is forecast to trade well with a strong pipeline of opportunities across all our solutions, including the previously highlighted Optimisation contract which remains in our sales process. We hope that this pipeline will offset the challenges within the Insurance market.

The outcome for the full year therefore remains uncertain with the strength of recovery in Insurance unknown. However, the Board remains confident of improving revenues compared to the prior financial year.

- Ends -

### For further information:

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### About Trakm8

Trakm8 is a UK based technology leader in fleet management, insurance telematics, connected car, and optimisation. Through IP owned technology, the Group uses AI data analytics collected from its installed base of telematics units to fine tune the algorithms that are used to produce its' solutions; these monitor driver behaviour, identify crash events and monitor vehicle health to provide actionable insights to continuously improve the security and operational efficiency of both company fleets and private drivers.

The Group's product portfolio includes the latest data analytics and reporting portal (Trakm8 Insight), integrated telematics/cameras/optimisation, self-installed telematics units and one of the widest ranges of installed telematics devices. Trakm8 has over 243,000 connections.

Headquartered in Coleshill near Birmingham alongside its manufacturing facility, the Group supplies to the Fleet, Optimisation, Insurance and Automotive sectors to many well-known customers in the UK and internationally including the AA, Stark, EON, Iceland Foods, Sainsbury's, GSF, Direct Line Group, Ticker and Freedom Group.

Trakm8 has been listed on the AIM market of the London Stock Exchange since 2005. Trakm8 is also recognised with the LSE Green Economy Mark.

[www.trakm8.com](http://www.trakm8.com) / @Trakm8

## Executive Chairman's Statement

### Introduction

I present the report of Trakm8's unaudited results for the six months ended 30 September 2024 ("H1 2024").

As noted in the results for the financial year ended 31 March 2024, announced by the Company on 29 July 2024, the Insurance market continues to provide a challenging backdrop. This has contributed to another difficult period for the Group. Despite this, through strong relationships with our customers and our market-leading products, our Fleet and Optimisation vertical continues to show progress. This has helped to ensure that the Group's overall H1 2024 results were broadly in line with the corresponding period for the previous financial year.

I would like to thank the Trakm8 team which continues to ensure that our customers' needs are met resulting in positive outcomes across their businesses.

### Markets

We continue to focus on two key markets: Insurance & Automotive as well as Fleet & Optimisation.

Our Insurance customers continue to see a slower recovery in policy sales than they had anticipated. The availability of capacity, whilst improving, is slow to be released for policy sales which, coupled with higher levels of customers' existing stock holdings being used, has meant that our new device sales have been heavily impacted for a further reporting period. In addition, several Insurers have also seen price pressure from competitors again resulting in lower policy sales and renewals. Insurance telematics continues to be a necessity for some younger drivers where insurance premiums continue to rise whilst other markets are now being explored by our customer base including older drivers and those higher risk drivers who struggle to get policies from traditional routes.

Automotive saw the launch of the AA Vixa product during the period and volumes have increased as they roll out advertising and incentives to existing policy holders. Our Automotive expertise has meant that through our solution we have helped deliver real time vehicle health information to both the end user and the AA, ensuring that vehicles are maintained effectively.

Fleet and Optimisation has produced a strong result for the period. Our solutions for fleets of vehicles continue to deliver cost and risk improvements with our Optimisation algorithms in particular delivering vast benefits. With cost increases set to continue for businesses, we believe that our solutions are well placed to deliver strong returns on investment on fleet sizes ranging from less than ten to large fleets of thousands. We believe that most fleets will need to adopt camera technology over the coming years and our range of cameras caters for most needs which, when coupled with one of our Insight packages, is expected to deliver the outcomes that our customers require. We are seeing more prospects and existing customers interested in the integrated Telematics and Optimisation offering available within the Insight platform.

### Strategy

The Group continues to follow the previously outlined strategy of:

- Increasing our market share
- Delivering a cutting-edge solutions portfolio
- Streamlining our internal operations

Our primary focus is to increase our market share through more device sales, more connections and higher service fees. The challenging conditions of the Insurance market were entirely responsible for connections dropping to 243,000 as at 30<sup>th</sup> September 2024 (FY2024: 275,000). With Insurance and Automotive volumes expected to increase during H2 2024/25, we expect to see this stabilise and begin to improve as FY2025 comes to an end.

With the introduction of our Fleet Customer Success team, we are ensuring that our customer base benefits from our latest solutions and can explore opportunities for expansion of services being delivered, further improving results in both cost saving and safety. Our strong relationship management with enterprise customers resulted in further renewals and expansions from Iceland and Sainsburys which extended for one and two years respectively during the calendar year.

Our second strategic aim is to continue to build and provide exceptional solutions. Our focus is to concentrate on fewer significant projects. Whilst the main development of Insight was completed during previous financial years, we continue to add functionality to the platform, focusing on our core competencies of Optimisation, Risk Management and Vehicle Health. Following the acquisition of a Driver Risk solution early in this financial year, we are integrating this alongside our existing solution to deliver a market-leading scoring solution to our entire customer base. Our customers also trust our solutions in mission critical processes, so we continue to invest in and improve our security to mitigate external risks wherever possible.

Our third strategic aim has been to improve the efficiencies of our business in every possible way. Following the implementation of a new data centre, we continue to look for further savings in this area along with reductions in other third-party costs to the business. Where possible, we are looking at automating processes with a particular focus on customer experience to support our increased market share aspirations.

## **Financial Results**

Revenues for H1 2024 were modestly lower in comparison to the corresponding period of the previous financial year at £8.31m (H1 2023: £8.54m).

In H1 2024, there was a 25% increase in Fleet & Optimisation revenues to £6.16m (H1 2023: £4.91m). Fleet telematics was largely consistent with last year, but Optimisation revenues were much better, with strong software revenues of £1.84m (H1 2023: £0.19m) following the renewals with both Iceland and Sainsburys as previously discussed. Connections as at 30<sup>th</sup> September 2024 remained static at 63,000 (FY2024: 63,000). Insurance & Automotive saw a reduction in revenues to £2.15m (H1 2023: £3.63m). The lack of new device sales, coupled with the reduction in Insurance and Automotive connections as at 30<sup>th</sup> September 2024 to 179,000 (FY2024: 212,000), has resulted in an estimated loss of £2m of revenue compared to our expectations in early 2024.

Recurring revenues continue to be the bedrock of the Group and were £4.51m in H1 2024 (H1 2023: £5.23m) representing 54% of the Group's overall revenue. Insurance and Automotive's drop in connections during the period accounts for £0.5m of this reduction, with Fleet continuing to see some attrition in smaller fleets with new connections only starting to benefit towards the end of the period.

Overheads in the period increased by 18%. This increase is inclusive of a 18% increase in amortisation following extensive investment in technology in earlier years. Increased costs were experienced in staff salaries, an area where we seek to ensure that we maintain market rates wherever possible, and we also increased our marketing spend by 75% as we look to deliver our increased market share strategy.

Due to the improved gross margin from increased software revenues, the continued benefit of recurring revenues and controlled costs, the Group produced a small Adjusted profit of £0.02m (H1 2023: £0.12m). Profit after tax for the period was £0.14m compared to £0.11m for H1 2023.

## **Financial position**

Cash generation from operations was £0.35m (H1 2023: £2.35m) and as at 30 September 2024, the Group's net bank debt, excluding the impact of the IFRS16 lease liability, was £6.66m (H1 2023 £5.57m), representing an increase of £1.81m compared to the end of the previous financial year as cash balances decreased and a new convertible loan note was issued for £0.99m to fund the acquisition of a complementary driver risk solution as reported in the Group's FY2024 results.

The reduced cash generation from operations was again down to Insurance device sales being lower than expected, which compared to Fleet contract wins, turn to positive cashflow in shorter timeframes. We continue to hold more inventory than desired due to Insurance sales volumes and committed material purchases during 2023 when lead times were in excess of twelve months – this represents an opportunity to improve the working capital position as device sales return.

During the period, we agreed revised agreements with both HSBC and Maven and the Group continues to closely monitor its working capital position.

The overall cash outflow for the financial period was £1.04m (H1 2023: £0.25m). Cash on hand was £0.35m (H1 2023: £0.87m) with £0.5m in unused overdraft facility at the period end.

## **Outlook**

The Insurance and Automotive markets continue to provide challenging forecasting conditions. The prospect of volumes of new device sales from both existing and new customers not increasing until Q4 of FY2025 means that our expectations are lower than that we had previously forecast for the Insurance and Automotive business. However, our Fleet and Optimisation business is forecast to trade well with a strong pipeline of opportunities across all our solutions, including the previously highlighted Optimisation contract which remains in our sales process. We hope that this pipeline will offset the challenges within the Insurance market.

The outcome for the full year therefore remains uncertain with the strength of recovery in Insurance unknown. However, the Board remains confident of improving revenues compared to the prior financial year.

**JOHN WATKINS**

**Executive Chairman**

**Unaudited Consolidated Statement of Comprehensive Income for the six months to 30 September 2024**

		<b>Six months to 30 September 2024 Unaudited £'000</b>	Six months to 30 September 2023 (Restated) Unaudited £'000	Year to 31 March 2024 (Restated) Unaudited £'000
	Note			
<b>Revenue</b>	3	<b>8,312</b>	8,537	16,088
Cost of sales		<b>(2,438)</b>	(3,494)	(7,152)
<b>Gross profit</b>		<b>5,874</b>	5,043	8,936
Administrative expenses excluding exceptional costs		<b>(5,297)</b>	(4,507)	(9,462)
Exceptional administrative costs	4	-	(94)	(115)
Total administrative costs		<b>(5,297)</b>	(4,601)	(9,577)
<b>Operating profit/(loss)</b>		<b>577</b>	442	(641)
Finance income		<b>1</b>	13	18
Finance costs	5	<b>(573)</b>	(442)	(860)
<b>Profit/(Loss) before taxation</b>		<b>5</b>	13	(1,483)
Income tax		<b>135</b>	96	272
<b>Profit/(Loss) for the period</b>		<b>140</b>	109	(1,211)
<b>Other Comprehensive Income</b>				
Items that may be subsequently reclassified to profit or loss:				
Exchange differences on translation of foreign operations		<b>5</b>	(15)	(7)
<b>Total other comprehensive income</b>		<b>5</b>	(15)	(7)
<b>Total Comprehensive Profit/(Loss) for the period attributable to owners of the parent</b>		<b>145</b>	94	(1,218)
<b>Profit/(Loss) before taxation</b>		<b>5</b>	13	(1,483)
Exceptional administrative costs	4	-	94	115
IFRS2 Share based payments charge		<b>10</b>	12	24
<b>Adjusted profit/(loss) before tax</b>		<b>15</b>	119	(1,344)
<b>Earnings per ordinary share (pence) attributable to owners of the Parent</b>				
Basic	6	<b>0.28</b>	0.22	(2.42)
Diluted	6	<b>0.28</b>	0.22	(2.42)

The results relate to continuing operations.

**Unaudited Consolidated Statement of Changes in Equity for the six months to 30 September 2024**

	Share capital £'000	Share premium £'000	Merger reserve £'000	Translation reserve £'000	Treasury reserve £'000	Convertible loan reserve £'000	Retained earnings £'000	Total equity £'000
<b>Balance as at 1 April 2023</b>	<b>500</b>	<b>14,691</b>	<b>1,138</b>	<b>212</b>	<b>(4)</b>	<b>11</b>	<b>2,581</b>	<b>19,129</b>
<b>Comprehensive income</b>								
Loss for the period	-	-	-	-	-	-	109	109
<b>Other comprehensive income</b>								
Exchange differences on translation of overseas operations	-	-	-	(15)	-	-	-	(15)
<b>Total comprehensive income</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(15)</b>	<b>-</b>	<b>-</b>	<b>109</b>	<b>94</b>
<b>Transactions with owners</b>								
IFRS 2 Share-based payments	-	-	-	-	-	-	12	12
<b>Transactions with owners</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>12</b>	<b>12</b>
<b>Balance as at 30 Sept 2023</b>	<b>500</b>	<b>14,691</b>	<b>1,138</b>	<b>197</b>	<b>(4)</b>	<b>11</b>	<b>2,702</b>	<b>17,935</b>
<b>Comprehensive income</b>								
Profit for the period	-	-	-	-	-	-	(1,320)	(1,320)
<b>Other comprehensive income</b>								
Exchange differences on translation of overseas operations	-	-	-	8	-	-	-	8
<b>Total comprehensive income</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>8</b>	<b>-</b>	<b>-</b>	<b>(1,320)</b>	<b>(1,312)</b>
<b>Transactions with owners</b>								
IFRS2 Share-based payments	-	-	-	-	-	-	12	12
<b>Transactions with owners</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>12</b>	<b>12</b>
<b>Balance as at 31 March 2024</b>	<b>500</b>	<b>14,691</b>	<b>1,138</b>	<b>205</b>	<b>(4)</b>	<b>11</b>	<b>1,394</b>	<b>17,935</b>
<b>Comprehensive income</b>								
Profit for the period	-	-	-	-	-	-	140	140
<b>Other comprehensive income</b>								
Exchange differences on translation of overseas operations	-	-	-	5	-	-	-	5
<b>Total comprehensive income</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>5</b>	<b>-</b>	<b>-</b>	<b>140</b>	<b>145</b>
<b>Transactions with owners</b>								
IFRS2 Share based payments	-	-	-	-	-	-	10	10
<b>Transactions with owners</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>10</b>	<b>10</b>
<b>Balance as at 30 Sept 2024</b>	<b>500</b>	<b>14,691</b>	<b>1,138</b>	<b>210</b>	<b>(4)</b>	<b>11</b>	<b>1,544</b>	<b>18,090</b>

**Unaudited Consolidated Statement of Financial Position as at 30 September 2024**

	Note	As at 30 September 2024 Unaudited £'000	As at 30 September 2023 (Restated) Unaudited £'000	As at 31 March 2024 Unaudited £'000
<b>Non-current assets</b>				
Intangible assets	7	23,769	23,397	23,828
Plant, property and equipment		1,009	1,125	1,123
Right of use assets	8	1,300	1,994	1,558
Other Receivables		1,182	1,203	953
		<b>27,260</b>	<b>27,719</b>	<b>27,462</b>
<b>Current assets</b>				
Inventories		2,709	2,813	2,506
Trade and other receivables		3,692	5,159	3,613
Corporation tax receivable		413	861	363
Cash and cash equivalents		354	874	1,395
		<b>7,168</b>	<b>9,707</b>	<b>7,877</b>
<b>Current liabilities</b>				
Trade and other payables		(6,766)	(8,532)	(8,255)
Borrowings	9	(6,543)	(5,847)	(2,502)
Right of use liability	9	(480)	(557)	(489)
Provisions		-	-	(24)
		<b>(13,789)</b>	<b>(14,936)</b>	<b>(11,270)</b>
<b>Current assets less current liabilities</b>				
		<b>(6,621)</b>	<b>(5,229)</b>	<b>(3,393)</b>
Total assets less current liabilities		<b>20,639</b>	<b>22,490</b>	<b>24,069</b>
<b>Non-current liabilities</b>				
Trade and other payables		(763)	(474)	(895)
Borrowings	9	-	(213)	(3,165)
Right of use liability	9	(589)	(1,273)	(831)
Provisions		(253)	(261)	(208)
Deferred income tax liability		(944)	(1,034)	(1,035)
		<b>(2,549)</b>	<b>(3,255)</b>	<b>(6,134)</b>
<b>Net assets</b>				
		<b>18,090</b>	<b>19,235</b>	<b>17,935</b>
<b>Equity</b>				
Share capital	10	500	500	500
Share premium		14,691	14,691	14,691
Merger reserve		1,138	1,138	1,138
Translation reserve		210	197	205
Treasury reserve		(4)	(4)	(4)
Convertible loan reserve		11	11	11
Retained earnings		1,544	2,702	1,394
<b>Total equity attributable to owners of the parent</b>		<b>18,090</b>	<b>19,235</b>	<b>17,935</b>



**Unaudited Consolidated Cash Flow Statement for the six months to 30 September 2024**

	Note	<b>Six months to 30 September 2024 Unaudited £'000</b>	Six months to 30 September 2023 Unaudited £'000	Year to 31 March 2024 Unaudited £'000
<b>Net cash generated from operating activities</b>	11	<b>345</b>	2,349	6,065
<b>Cash flows from investing activities</b>				
Purchases of property, plant and equipment		<b>(208)</b>	(373)	(740)
Proceeds from sale of property, plant and equipment		-	-	-
Purchases of software		-	-	(500)
Capitalised Development costs		<b>(1,219)</b>	(1,102)	(2,357)
<b>Net cash used in investing activities</b>		<b>(1,427)</b>	(1,475)	(3,597)
<b>Cash flows from financing activities</b>				
New convertible loan note		<b>990</b>	-	-
Loan arrangement fees		<b>(66)</b>	(42)	(42)
Repayment of bank loans		<b>(50)</b>	(469)	(821)
Repayment of obligations under lease agreements		<b>(250)</b>	(229)	(542)
Interest paid		<b>(583)</b>	(379)	(787)
<b>Net cash generated from financing activities</b>		<b>41</b>	(1,119)	(2,192)
<b>Net (decrease)/increase in cash and cash equivalents</b>		<b>(1,041)</b>	(245)	276
Cash and cash equivalents at beginning of period		<b>1,395</b>	1,119	1,119
<b>Cash and cash equivalents at end of period</b>		<b>354</b>	874	1,395

## Notes to the unaudited consolidated financial statements

### 1. Basis of preparation

The Group's unaudited interim results for the 6 months to 30 September 2024 (prior year 30 September 2023) were approved by the Board of Directors on 4 December 2024.

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.

Trakm8 Holdings PLC ("Trakm8") 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.

The accounting policies adopted in the preparation of the interim financial statement are the same as those set out in the Group's annual financial statements for the year ended 31 March 2024. The financial statements have been prepared on the historical cost basis except for certain liabilities and share based payment liabilities which are measured at fair value.

The interim financial statements have not been audited or reviewed by Group's auditors pursuant to the Auditing Practice Board guidance on 'Review of Interim Financial Information' and do not include all of the information required for full annual financial statements.

The financial information contained in this report is condensed and does not constitute statutory accounts of the Group within the meaning of Section 434(3) of the Companies Act 2006. Statutory accounts for the year ended 31 March 2024 have been delivered to the Registrar of Companies. The audit report of those accounts was unqualified, did not draw attention to any matters by way of emphasis and did not contain a statement under Section 498(2) or (3) of the Companies Act 2006. This audit was completed without the restatements as disclosed in Note 12 of this announcement.

#### *Going concern*

The consolidated interim financial statements are prepared on a going concern basis. The directors report that, having reviewed current performance and projections of its working capital and long term funding requirements, including assessments against the covenants agreed with our bank and downward sensitivity analysis, they are satisfied that the Group has sufficient resources to continue in operation for the foreseeable future, a period of not less than 12 months from the date of this report. Accordingly, they continue to adopt the going concern basis in preparing the condensed financial statements.

### 2. Risks and uncertainties

The Board has considered the principal risks and uncertainties for the remaining half of the financial year and determined that the risks presented in the 31 March 2024 Annual Report, described as follows, also remain relevant to the rest of the financial year: Operating in a fast moving technology industry where we will always be at risk from new products being launched; Deteriorating economic climate; Access to long term and working capital; Cyber-attack, data security & data breaches; Significant operational failure; Adverse mobile network changes; Attracting and maintaining high quality employees; Electronics supply chain under constraint; Business disruption from communicable diseases; Climate Change. These are detailed on pages 15 to 18 of the 2024 Annual Report, a copy of which is available on the Group's website at [www.trakm8.com](http://www.trakm8.com).

### 3. Segmental Analysis

The chief operating decision maker (“CODM”) is identified as the Board. It continues to define all the Group's trading under the single Integrated Telematics Technology segment and therefore review the results of the group as a whole. Consequently, all of the Group's revenue, expenses, assets and liabilities are in respect of one Integrated Telematics Technology segment.

The Board as the CODM review the revenue streams of Integrated Fleet, Optimisation, Insurance and Automotive Solutions (Solutions) as part of their internal reporting. Solutions represents the sale of the Group's full vehicle telematics and optimisation services, engineering services, professional services and mapping solutions to customers.

A breakdown of revenue within these streams are as follows:

	<b>Six months to 30 September 2024 Unaudited £'000</b>	Six months to 30 September 2023 Unaudited £'000	Year to 31 March 2024 Unaudited £'000
Solutions:	<b>8,312</b>	8,537	16,088
Fleet and optimisation	<b>6,160</b>	4,908	9,511
Insurance and automotive	<b>2,152</b>	3,629	6,577

### 4. Exceptional costs

	<b>Six months to 30 September 2024 Unaudited £'000</b>	Six months to 30 September 2023 Unaudited £'000	Year to 31 March 2024 Unaudited £'000
<i>Exceptional administrative costs</i>			
Integration and restructuring costs	-	94	115
	-	94	115

The integration and restructuring costs in the previous year relate to the Group's decision to maintain a narrower product focus. The prior year costs include final amounts in relation to the professional services and termination fees incurred through the exit of a lease property that was no longer required due to this decision.

Detailed explanation of prior year exceptional costs are detailed on page 63 of the 2024 Annual Report, a copy of which is available on the Group's website at [www.trakm8.com](http://www.trakm8.com).

## 5. Finance costs

	<b>Six months to 30 September 2024 Unaudited £'000</b>	Six months to 30 September 2023 Unaudited £'000	Year to 31 March 2024 Unaudited £'000
Interest on bank loans	431	339	652
Amortisation of debts issue costs	39	52	66
Interest on Hire Purchase and similar agreements	103	51	142
	<b>573</b>	<b>442</b>	<b>860</b>

## 6. Earnings Per Ordinary Share

The earnings per Ordinary share have been calculated in accordance with IAS 33 using the profit for the period and the weighted average number of Ordinary shares in issue during the period as follow:

	<b>Six months to 30 September 2024 Unaudited</b>	Six months to 30 September 2023 Unaudited	Year to 31 March 2024 Unaudited
Profit/(Loss) the year after taxation	140	109	(1,211)
Exceptional administrative costs	-	94	115
Share based payments	10	12	24
Tax effect of adjustments	-	(24)	(29)
<b>Adjusted profit/(loss) after taxation</b>	<b>150</b>	<b>191</b>	<b>(1,101)</b>
	<b>No. '000</b>	No. '000	No. '000
Number of Ordinary shares of 1p each	<b>50,004</b>	50,004	50,004
Basic weighted average number of Ordinary shares of 1p each	<b>50,004</b>	50,004	50,004
Diluted weighted average number of Ordinary shares of 1p each	<b>50,004</b>	50,004	50,004
Basic earnings/(loss) per share	<b>0.28p</b>	0.22p	(2.42p)
Diluted earnings/(loss) per share	<b>0.28p</b>	0.22p	(2.42p)
Adjust for effects of:			
Exceptional costs	<b>0.00p</b>	0.14p	0.17p
Share based payments	<b>0.02p</b>	0.02p	0.05p
Adjusted basic earnings/(loss) per share	<b>0.30p</b>	0.39p	(2.20p)
Adjusted diluted earnings/(loss) per share	<b>0.30p</b>	0.39p	(2.20p)

## 7. Intangible Assets

	Goodwill	Intellectual property	Customer Relationships	Development costs	Software	Total
<b>Cost</b>	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>
As at 31 March 2023	10,417	1,920	100	24,811	1,819	39,067
Additions - Internal development	-	-	-	1,011	-	1,011
Additions - External purchases	-	-	-	91	-	91
<b>As at 30 September 2023</b>	<b>10,417</b>	<b>1,920</b>	<b>100</b>	<b>25,913</b>	<b>1,819</b>	<b>40,169</b>
Additions - Internal development	-	-	-	1,131	-	1,131
Additions - External purchases	-	-	-	124	500	624
<b>As at 31 March 2024</b>	<b>10,417</b>	<b>1,920</b>	<b>100</b>	<b>27,168</b>	<b>2,319</b>	<b>41,924</b>
Additions - Internal development	-	-	-	1,115	-	1,115
Additions - External purchases	-	-	-	104	-	104
<b>As at 30 September 2024</b>	<b>10,417</b>	<b>1,920</b>	<b>100</b>	<b>28,387</b>	<b>2,319</b>	<b>43,143</b>
<b>Amortisation</b>						
As at 31 March 2023	-	1,920	100	12,042	1,623	15,685
Charge for period	-	-	-	1,053	34	1,087
<b>As at 30 September 2023</b>	<b>-</b>	<b>1,920</b>	<b>100</b>	<b>13,095</b>	<b>1,657</b>	<b>16,772</b>
Charge for period	-	-	-	1,292	32	1,324
<b>As at 31 March 2024</b>	<b>-</b>	<b>1,920</b>	<b>100</b>	<b>14,387</b>	<b>1,689</b>	<b>18,096</b>
Charge for period	-	-	-	1,249	29	1,278
<b>As at 30 September 2024</b>	<b>-</b>	<b>1,920</b>	<b>100</b>	<b>15,636</b>	<b>1,718</b>	<b>19,374</b>
<b>Net book amount</b>						
<b>As at 30 September 2024</b>	<b>10,417</b>	<b>-</b>	<b>-</b>	<b>12,751</b>	<b>601</b>	<b>23,769</b>
As at 31 March 2024	10,417	-	-	12,781	630	23,828
As at 30 September 2023	10,417	-	-	12,818	162	23,397
As at 31 March 2023	10,417	-	-	12,769	196	23,382

## 8. Right of use assets

	Leased buildings £'000	Furniture, fixtures and equipment £'000	Computer equipment £'000	Motor vehicles £'000	Software £'000	Total £'000
<b>COST</b>						
As at 31 March 2023	2,098	583	502	607	-	3,790
Additions	-	-	214	308	-	522
Disposals	-	-	-	(358)	-	(358)
<b>As at 30 September 2023</b>	<b>2,098</b>	<b>583</b>	<b>716</b>	<b>557</b>	<b>-</b>	<b>3,954</b>
Additions	17	-	326	46	-	389
Disposals	(1,132)	-	-	(63)	-	(1,195)
<b>As at 31 March 2024</b>	<b>983</b>	<b>583</b>	<b>1,042</b>	<b>540</b>	<b>-</b>	<b>3,148</b>
Additions	-	-	-	-	-	-
Disposals	-	-	-	-	-	-
<b>As at 30 September 2024</b>	<b>983</b>	<b>583</b>	<b>1,042</b>	<b>540</b>	<b>-</b>	<b>3,148</b>
<b>AMORTISATION</b>						
As at 31 March 2023	1,059	264	307	449	-	2,079
Charge for period	115	36	40	48	-	239
Disposals	-	-	-	(358)	-	(358)
<b>As at 30 September 2023</b>	<b>1,174</b>	<b>300</b>	<b>347</b>	<b>139</b>	<b>-</b>	<b>1,960</b>
Charge for period	70	36	81	72	-	259
Disposals	(566)	-	-	(63)	-	(629)
<b>As at 31 March 2024</b>	<b>678</b>	<b>336</b>	<b>428</b>	<b>148</b>	<b>-</b>	<b>1,590</b>
Charge for period	53	30	90	85	-	258
Disposals	-	-	-	-	-	-
<b>As at 30 September 2024</b>	<b>731</b>	<b>366</b>	<b>518</b>	<b>233</b>	<b>-</b>	<b>1,848</b>
<b>Net book amount</b>						
<b>As at 30 September 2024</b>	<b>252</b>	<b>217</b>	<b>524</b>	<b>307</b>	<b>-</b>	<b>1,300</b>
<b>As at 31 March 2024</b>	<b>305</b>	<b>247</b>	<b>614</b>	<b>392</b>	<b>-</b>	<b>1,558</b>
<b>As at 30 September 2023</b>	<b>924</b>	<b>283</b>	<b>369</b>	<b>418</b>	<b>-</b>	<b>1,994</b>
<b>As at 31 March 2023</b>	<b>1,039</b>	<b>319</b>	<b>195</b>	<b>158</b>	<b>-</b>	<b>1,711</b>

## 9. Borrowings

	As at 30 September 2024		As at September 2023		As at 31 March 2024	
	Current	Non-current	Current	Non-current	Current	Non-Current
	£'000	£'000	£'000	£'000	£'000	£'000
Borrowings	3,976	-	4,273	213	2,502	1,591
Convertible unsecured loan note	2,567	-	1,574	-	-	1,574
Right of use liability	480	589	557	1,273	489	831
<b>Totals</b>	<b>7,023</b>	<b>589</b>	<b>6,404</b>	<b>1,486</b>	<b>2,991</b>	<b>3,996</b>

All borrowings are held in sterling and the Directors consider their carrying amount approximates to their fair values. Borrowings comprise of the following loans:

A £5.3m term loan with HSBC. The loan is secured by a fixed and floating charge on all the assets of the Group. It is repayable by monthly instalments from 31 January 2025 of £113,000 and a final repayment of the outstanding balance on 31 July 2025 and bears interest at a floating rate of 5.1% over base rate. As at 30 September 2024 the Group owed £3.5m (March-24: £3.9m).

A £0.5m overdraft facility with HSBC. The overdraft facility bears an interest rate of 5.3% over LIBOR on the drawn amount. As at 30 September 2024 the Group had not used this overdraft facility.

A £1.5m growth capital loan with MEIF WM Debt LP. The loan bears a fixed interest rate of 8% per annum and is repayable in quarterly instalments recommencing in December 2024. The loan is secured by a secondary fixed and floating charge on all the assets of the Group. As at 30 September 2024 the Group owed £500K (March-24: £590K).

Convertible unsecured loan notes totaling £2.6m. £1.0m was issued in April 2024 with the loan bearing a fixed interest rate of 18% per annum, expiring on the 13 September 2025. The interest is payable quarterly from issue date until repayment or conversion on 13 September 2025. The Loan Note is convertible at a conversion price of 8.1p, a ten percent discount to the closing mid-market price of a Trakm8 ordinary share on 2 April 2024, the last practicable date prior to the issue and reissue of the convertible notes. At the same time of this issue, the existing Loan Note of £1.6m was extended to 13 September 2025 with the interest rate and conversion price being amended to 18% and 8.1p respectively, matching the new Loan Note issued.

The Group's obligations under right of use assets are secured by the lessors' title to the leased assets. Obligations under right of use assets by category at 30 September 2024 were as follows:

	Freehold	Furniture, fixtures and equipment	Computer equipment	Motor vehicles	Software	Total
	£'000	£'000	£'000	£'000	£'000	£'000
Current	118	12	188	162	-	480
Non-current	168	1	272	148	-	589
<b>Total</b>	<b>286</b>	<b>13</b>	<b>460</b>	<b>310</b>	<b>-</b>	<b>1,069</b>

The maturity of obligations under right of use assets as at 30 September 2024 were as follows:

	Freehold	Furniture, fixtures and equipment	Computer equipment	Motor vehicles	Software	Total
	£'000	£'000	£'000	£'000	£'000	£'000
Within 1 year	118	12	188	162	-	480
1 to 2 years	79	1	143	127	-	350
2 to 5 years	89	0	129	21	-	239
More than 5 years	-	-	-	-	-	-
<b>Total</b>	<b>286</b>	<b>13</b>	<b>460</b>	<b>310</b>	<b>-</b>	<b>1,069</b>

## 10. Share Capital

	As at 30 September 2024		As at 30 September 2023		As at 31 March 2024	
	No's 000's	£'000	No's 000's	£'000	No's 000's	£'000
Authorised:						
Ordinary shares of 1p each Allotted, issued and fully paid:	<b>200,000</b>	<b>2,000</b>	200,000	2,000	200,000	2,000
Ordinary shares of 1p each	<b>50,004</b>	<b>500</b>	50,004	500	50,004	500
Movement in share capital:						£'000
As at 1 April 2023						<u>500</u>
As at 30 September 2023						<u>500</u>
As at 31 March 2024						<u>500</u>
<b>As at 30 September 2024</b>						<u><b>500</b></u>

The Company currently holds 29,000 Ordinary shares in treasury representing 0.06% (March-24: 0.06%) of the Company's issued share capital. The number of 1 pence Ordinary shares that the Company has in issue less the total number of Treasury shares is 49,975,002.



## 11. Cash Generated from Operations

	Six months to 30 September 2024 Unaudited £'000	Six months to 30 September 2023 Unaudited £'000	Year to 31 March 2024 Unaudited £'000
<b>Net profit/(loss) before taxation</b>	<b>5</b>	13	(1,483)
Depreciation	<b>383</b>	381	769
(Profit)/Loss on disposal of fixed assets	<b>197</b>	209	449
(Profit)/Loss on disposal of right of use assets	-	-	(62)
Net bank and other interest	<b>584</b>	429	833
Exceptional costs	-	94	115
Amortisation of intangible assets	<b>1,278</b>	1,087	2,411
Exchange movements	<b>5</b>	(15)	(7)
Share based payments	<b>10</b>	12	24
<b>Operating cash flows before movement in working capital</b>	<b>2,462</b>	2,210	3,049
Movement in inventories	<b>(203)</b>	(387)	(80)
Movement in trade and other receivables	<b>(309)</b>	1,590	3,386
Movement in trade and other payables	<b>(1,621)</b>	(1,018)	(874)
Movement in provisions	<b>21</b>	21	(8)
<b>Cash generated from operations before exceptional costs</b>	<b>350</b>	2,416	5,473
Cash outflow from exceptional costs	-	(94)	(115)
<b>Cash generated from operations</b>	<b>350</b>	2,322	5,358
Interest received	<b>1</b>	13	18
Income taxes received	<b>(6)</b>	14	689
<b>Net cash-inflow from operating activities</b>	<b>345</b>	2,349	6,065

Income taxes received are in relation to funds received in relation to Research and Development activities.

## 12. Restatements to Prior Periods

Previous periods have been adjusted to reflect two changes in presentation:

### i) Ageing of future contract assets between Current and Non-Current Assets

The results for the six months to 30 September 2023 have been restated to reflect the ageing of future contract assets. The effect of this change is as follows:

- Results for the six months to 30 September 2023
  - Other receivables within Non-Current Assets have been increased by £1,203,000
  - Other receivables within Current Assets reduced by £1,203,000

### ii) Classification of customer platform hosting from Administrative expenses to Cost of sales due to it being directly attributable to revenue generating activities

The results for the six months to 30 September 2023 and the 12 months to 31 March 2024 have been restated to reclassify the variable costs for customer platform hosting from Administrative expenses to Cost of Sales which more accurately represents the financials of the Group. The effect of this change is as follows:

- Results for the six months to 30 September 2023
  - Increase Cost of Sales and decrease Gross Profit by £627,000
  - Decrease Administrative Expenses by £627,000
- Results for the six months to 31 March 2024
  - Increase Cost of Sales and decrease Gross Profit by £1,457,000
  - Decrease Administrative Expenses by £1,457,000

Whilst the results for the year ended 31 March 2024 prior to these restatements were audited, no audit has been completed on the relevant restatements to this period.

## 13. Further Copies

This statement, full text of this announcement and the results presentation can be found 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: Roman Way, Roman Park, Coleshill, North Warwickshire, B46 1HG.