

Prior to publication, the information contained within this announcement was deemed by the Company to constitute inside information for the purposes of Regulation 11 of the Market Abuse (Amendment) (EU Exit) Regulations 2019/310. With the publication of this announcement, this information is now considered to be in the public domain.

8 December 2022

## TRAKM8 HOLDINGS PLC

("Trakm8", "Company" 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 2022:

#### Financial Highlights

	6 months to 30 Sept 2022	6 months to 30 Sept 2021	Year to 31 March 2022
	Unaudited	Unaudited	Audited
	£000	£000	£000
Revenue	9,012	9,021	18,111
of which, recurring revenue <sup>1</sup>	5,076	4,806	9,806
Profit/(Loss) before tax	(2,413)	47	(122)
Profit/(Loss) after tax	(1,775)	273	187
Adjusted Profit/(Loss) before tax <sup>2</sup>	(1,077)	444	3
Cash generated from operating activities	1,435	868	3,810
Net Debt <sup>3</sup>	6,243	6,157	5,395
Basic earnings (loss) per share	(3.55p)	0.55p	0.37p
Adjusted basic earnings (loss) per share	(1.38p)	1.22p	0.41p

<sup>1</sup> Recurring revenues are generated from ongoing 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

#### Operational Overview

- H1 2022 results:
  - Revenues maintained despite challenging macroeconomic conditions
  - Profit impacted by:
    - Lower software sales compared to prior period
    - Higher material costs
    - Exceptional costs from our strategic refocus and cost reduction programme
  - Improved cash generation from operations despite losses
- Continuation of new contract wins:
  - New telematics contract awards with Insurance customers
  - Approximately 299,000 connections (September 2021: 255,000 connections), an increase of 44,000 connections (17%) in the last 12 months
- H2 and FY2024 outlook:
  - Significant reduction in overhead costs in line with the Company's trading and strategy update announced on 14 September 2022
  - Benefit of higher connected base increasing recurring service fee income
  - Several new Insurance customers launching during H2 but mainly impacting revenues in FY2024 and beyond
  - Large software contract renewal before the financial year end

## Outlook

The Board is confident that the improved trading as a result of reduced costs, increased service fees and software contract license sales will ensure the Group meets current market expectations for revenues and adjusted profit.

- 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 299,000 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, Saint Gobain, EON, Iceland Foods, Parts Alliance, Direct Line Group, ByMiles and Ingenie.

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

I report Trakm8's results for the six months ended 30 September 2022.

### Revenues

The first half of the financial year was in line with recent Company guidance. Revenues for the six months ended 30 September 2022 were similar to the corresponding period in the previous year at £9.01m.

There was a 26% increase in Insurance and Automotive revenues to £4.18m and a reduction of 15% in Fleet and Optimisation revenues to £4.83m

During the period, unit sales increased by 61% to 103,000, with Insurance unit sales increasing by 118% to 90,000 and Fleet unit sales decreasing by 9% to 8,000.

In addition, during the period, connections increased by 13% to 299,000 (31.3.2022: 264,000). Insurance & Automotive connections increased 16% to 225,000 (31.3.22: 193,000). With low attrition experienced, Fleet connections increased by 4% to 74,000 (31.3.22: 71,000).

Recurring revenues in the period increased over the previous year by 5% to £5.08m and represent 56% of Group revenues. In addition, the Group generated £0.17m of software revenues (H1 2020: £0.98m), which represented 2% of Group revenues. In line with the Company's announcement on 14 September 2022, the timing of contract renewals has resulted in the bulk of this year's software sales taking place in H2.

### Costs

The Group has encountered a number of challenges as a result of the availability of production components during the period. Notwithstanding this, with our integrated engineering and manufacturing teams we have maintained supplies to customers without significant interruptions. The Board expects that supply chain constraints will significantly ease going forward. However, in order to achieve customer deliveries on time, considerable exceptional hardware costs of circa £0.21m were incurred by the Group during the period.

The Group's gross profit margin has reduced to 58% (2021: 65%). This is due to the higher hardware revenues as a percentage of sales and the reduction in software sales during the period.

Total overhead costs, excluding exceptional costs, increased by £0.84m to £6.10m (H1 2021: £5.26m). This is the result of reduced furlough support of £0.39m, a £0.28m increase in real estate and IT costs and a £0.07m increase in non-payroll sales & marketing spend. Underlying payroll costs further reduced overall by £0.01m despite inflationary pressures.

Exceptional costs increased during the period to £1.32m. This reflects £0.90m of cost associated with the strategic refocus, £0.21m in additional costs to mitigate the impact of post Covid-19 electronic component supply chain challenges and £0.21m of other costs.

Towards the end of the period, Trakm8 implemented a very substantial reduction in headcount and overhead costs, which is expected to result in a minimum of £2.4m annualised reduction in operating costs. This is associated with the concentration on our more successful markets and products. This action is largely now complete from which the trading performance should benefit going forward.

### Results

The Group generated an adjusted loss of £1.08m (2021: profit £0.44m), loss before tax of £2.41m (2021: profit £0.05m) and loss after tax of £1.77m (2021: £0.27m).

## **Financial position**

Cash generation from operating activities was £1.44m (H1 2021: £0.87m). As at 30 September 2022, the Group had net bank debt, excluding the Convertible Loan Note and the impact of the IFRS16 lease liability, of £4.67m (£7.65m including the Convertible Loan Note and IFRS 16 lease liability) which is £0.73m less than as at 31 March 2022. As at 30 September 2022, the Group had £1.17m of cash on hand and a further £0.50m of available funds under an overdraft facility. In September 2022, the Group completed a funding round by the issue of £1.58m of Convertible Loan Notes.

The overall cash inflow for the period was £0.29m (H1 2021: outflow of £1.48m).

Post period end, the Group completed the HMRC repayment schedule ahead of time, thus eliminating the outstanding liability of £0.9m as at 31 March 2022.

## **Strategy and Outlook**

The Group has been following the strategy outlined in the Group's 2022 Annual Report and as subsequently modified by the Group's trading update on 14 September 2022. Our focus is to provide ever more meaningful insights to our customers using the data generated by our installed devices and other connections in order to ensure that they can run their operations more efficiently and safely. We have concentrated our focus on our most successful business revenue streams.

Our primary strategy going forward is the growth of our business through more connections, increased device sales and higher service fees. Due to the high level of new contract wins across the business and reduced rates of attrition in Fleet, the number of connections has increased overall by 17.2% in the past 12 months and by 13.2% in past six months. The number of devices sold by the Group has increased by 61% to 103,000 (H1 2021: 64,000). Our focus going forward will be on the Insurance and Automotive space, and to build our connected vehicle base along with Enterprise Fleet customers.

Trakm8 has focused on delivering market leading technology and ensuring that the solutions are generating the best possible ROIs for our customers. To this point, we have maintained the levels of expenditure on R&D. We continue to own the majority of IP in our value chain. We have been building out greater functionality of existing solutions rather than a wider range and have moved out of the initial development phase of the Insight platform into one of maturity. We have updated all our devices to utilise the latest technology, accelerated by the supply constraints of previous components. As a result, going forward we will meet our objectives of remaining a leading-edge technology Company but at a substantially lower investment cost.

We are also striving to improve the efficiencies of our business in every possible way. We have sought to minimise the impact of salary inflation and higher marketing costs and, towards the end of the period end, undertaken a very significant reduction in overhead costs as we focus our activities on our narrower objectives. This should benefit the Group in the second half of this year and on into future years.

The Group is pleased that it will have several new Insurance customers launching during the second half of this financial year, albeit the financial impact of these will mainly occur in FY2024 and beyond. In addition, the Board is hopeful of a successful outcome to a large software contract renewal scheduled before the financial year end.

Unaudited management accounts for October and November show a substantial improvement in profitability as a result of the actions taken by the Group. We expect this to continue through the remainder of this and next year.

**JOHN WATKINS**

**Executive Chairman**

**Unaudited Consolidated Statement of Comprehensive Income for the six months to 30 September 2022**

		<b>Six months to 30 September 2022 Unaudited £'000</b>	Six months to 30 September 2021 Unaudited £'000	Year to 31 March 2022 Audited £'000
	Note			
<b>Revenue</b>	3	<b>9,012</b>	9,021	18,111
Cost of sales		<b>(3,786)</b>	(3,177)	(7,004)
<b>Gross profit</b>		<b>5,226</b>	5,844	11,107
Other income	4	<b>16</b>	13	13
Administrative expenses excluding exceptional costs		<b>(6,097)</b>	(5,262)	(10,193)
Exceptional administrative costs	7	<b>(1,319)</b>	(306)	(568)
Total administrative costs		<b>(7,416)</b>	(5,568)	(10,761)
<b>Operating profit/(loss)</b>		<b>(2,174)</b>	289	359
Finance income		<b>29</b>	32	67
Finance costs	8	<b>(268)</b>	(274)	(548)
<b>Profit/(Loss) before taxation</b>		<b>(2,413)</b>	47	(122)
Income tax		<b>636</b>	226	309
<b>Profit/(Loss) for the period</b>		<b>(1,777)</b>	273	187
<b>Other Comprehensive Income</b>				
Items that may be subsequently reclassified to profit or loss:				
Exchange differences on translation of foreign operations		<b>2</b>	<b>4</b>	10
<b>Total other comprehensive income</b>		<b>2</b>	<b>4</b>	10
<b>Total Comprehensive Profit/(Loss) for the period attributable to owners of the parent</b>	5	<b>(1,775)</b>	277	197
<b>Profit/(Loss) before taxation</b>	6	<b>(2,413)</b>	47	(122)
Exceptional administrative costs		<b>1,319</b>	306	568
IFRS2 Share based payments charge		<b>17</b>	91	(443)
<b>Adjusted profit/(loss) before tax</b>		<b>(1,077)</b>	444	3
<b>Earnings per ordinary share (pence) attributable to owners of the Parent</b>				
Basic	9	<b>(3.55)</b>	0.55	0.37
Diluted	9	<b>(3.55)</b>	0.55	0.37

The results relate to continuing operations.

**Unaudited Consolidated Statement of Changes in Equity for the six months to 30 September 2022**

	Share capital £'000	Share premium £'000	Merger reserve £'000	Translation reserve £'000	Treasury reserve £'000	Retained earnings £'000	Total equity £'000
<b>Balance as at 1 April 2021</b>	<b>500</b>	<b>14,691</b>	<b>1,138</b>	<b>193</b>	<b>(4)</b>	<b>3,604</b>	<b>20,122</b>
<b>Comprehensive income</b>							
Loss for the period	-	-	-	-	-	273	273
<b>Other comprehensive income</b>							
Exchange differences on translation of overseas operations	-	-	-	4	-	-	4
<b>Total comprehensive income</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>4</b>	<b>-</b>	<b>273</b>	<b>277</b>
<b>Transactions with owners</b>							
IFRS 2 Share-based payments	-	-	-	-	-	91	91
<b>Transactions with owners</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>91</b>	<b>91</b>
<b>Balance as at 30 Sept 2021</b>	<b>500</b>	<b>14,691</b>	<b>1,138</b>	<b>197</b>	<b>(4)</b>	<b>3,968</b>	<b>20,490</b>
<b>Comprehensive income</b>							
Loss for the period	-	-	-	-	-	(86)	(86)
<b>Other comprehensive income</b>							
Exchange differences on translation of overseas operations	-	-	-	6	-	-	6
<b>Total comprehensive income</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>6</b>	<b>-</b>	<b>(86)</b>	<b>(80)</b>
<b>Transactions with owners</b>							
IFRS2 Share-based payments	-	-	-	-	-	(534)	(534)
<b>Transactions with owners</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(534)</b>	<b>(534)</b>
<b>Balance as at 31 March 2022</b>	<b>500</b>	<b>14,691</b>	<b>1,138</b>	<b>203</b>	<b>(4)</b>	<b>3,348</b>	<b>19,876</b>
<b>Comprehensive income</b>							
Profit for the period	-	-	-	-	-	(1,777)	(1,777)
<b>Other comprehensive income</b>							
Exchange differences on translation of overseas operations	-	-	-	2	-	-	2
<b>Total comprehensive income</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>2</b>	<b>-</b>	<b>(1,777)</b>	<b>(1,775)</b>
<b>Transactions with owners</b>							
IFRS2 Share based payments	-	-	-	-	-	17	17
Convertible loan	-	11	-	-	-	-	11
<b>Transactions with owners</b>	<b>-</b>	<b>11</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>17</b>	<b>28</b>
<b>Balance as at 30 Sept 2022</b>	<b>500</b>	<b>14,702</b>	<b>1,138</b>	<b>205</b>	<b>(4)</b>	<b>1,588</b>	<b>18,129</b>

**Unaudited Consolidated Statement of Financial Position as at 30 September 2022**

	Note	As at 30 September 2022 Unaudited £'000	As at 30 September 2021 Unaudited £'000	As at 31 March 2022 Audited £'000
<b>Non-current assets</b>				
Intangible assets	10	23,277	22,568	23,012
Plant, property and equipment		1,034	911	803
Right of use assets	11	1,751	2,187	2,032
Deferred income tax asset		-	-	-
Amounts receivable under finance leases		39	39	27
		<b>26,101</b>	<b>25,705</b>	<b>25,874</b>
<b>Current assets</b>				
Inventories		1,352	1,368	1,322
Trade and other receivables		7,158	7,301	7,944
Corporation tax receivable		1,150	1	709
Cash and cash equivalents		1,174	888	1,004
		<b>10,834</b>	<b>9,558</b>	<b>10,979</b>
<b>Current liabilities</b>				
Trade and other payables		(8,806)	(5,339)	(7,521)
Borrowings	12	(897)	(1,140)	(1,115)
Right of use liability	12	(487)	(708)	(612)
Provisions		-	-	(27)
		<b>(10,190)</b>	<b>(7,187)</b>	<b>(9,275)</b>
<b>Current assets less current liabilities</b>				
Total assets less current liabilities		<b>644</b>	<b>2,371</b>	<b>1,704</b>
		<b>26,745</b>	<b>28,076</b>	<b>27,578</b>
<b>Non-current liabilities</b>				
Trade and other payables		(474)	(474)	(626)
Borrowings	12	(6,176)	(5,386)	(4,855)
Right of use liability	12	(1,258)	(1,459)	(1,367)
Provisions		(160)	(151)	(112)
Deferred income tax liability		(548)	(116)	(742)
		<b>(8,616)</b>	<b>(7,586)</b>	<b>(7,702)</b>
<b>Net assets</b>				
		<b>18,129</b>	<b>20,490</b>	<b>19,876</b>
<b>Equity</b>				
Share capital	13	500	500	500
Share premium		14,702	14,691	14,691
Merger reserve		1,138	1,138	1,138
Translation reserve		205	197	203
Treasury reserve		(4)	(4)	(4)
Retained earnings		1,588	3,968	3,348
<b>Total equity attributable to owners of the parent</b>		<b>18,129</b>	<b>20,490</b>	<b>19,876</b>

**Unaudited Consolidated Cash Flow Statement for the six months to 30 September 2022**

	Note	<b>Six months to 30 September 2022 Unaudited £'000</b>	Six months to 30 September 2021 Unaudited £'000	Year to 31 March 2022 Audited £'000
<b>Net cash generated from operating activities</b>	14	<b>1,435</b>	868	3,810
<b>Cash flows from investing activities</b>				
Purchases of property, plant and equipment		<b>(332)</b>	(230)	(420)
Proceeds from sale of property, plant and equipment		-	-	125
Purchases of software		<b>(8)</b>	(2)	(48)
Capitalised Development costs		<b>(1,447)</b>	(1,396)	(2,911)
<b>Net cash used in investing activities</b>		<b>(1,787)</b>	(1,628)	(3,254)
<b>Cash flows from financing activities</b>				
New convertible loan note		<b>1,580</b>	-	-
Loan arrangement fees		<b>(13)</b>	-	(5)
Repayment of bank loans		<b>(512)</b>	(168)	(743)
Repayment of obligations under lease agreements		<b>(324)</b>	(280)	(674)
Interest paid		<b>(209)</b>	(274)	(500)
<b>Net cash generated from financing activities</b>		<b>522</b>	(722)	(1,922)
<b>Net (decrease)/increase in cash and cash equivalents</b>		<b>170</b>	(1,482)	(1,366)
Cash and cash equivalents at beginning of period		<b>1,004</b>	2,370	2,370
<b>Cash and cash equivalents at end of period</b>		<b>1,174</b>	888	1,004



### 1. Basis of preparation

The Group's interim results for the 6 months to 30 September 2022 (prior year 30 September 2021) were approved by the Board of Directors on 7 December 2022.

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 2022. 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 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 2022 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.

#### *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 risk presented in the 31 March 2022 Annual Report, described as follows, also remain relevant to the rest of the financial year: Significant operational system failure; Cyber-attack and data security; Operating in a fast-moving technology industry where we will always be at risk from new products being launched; Adverse mobile network changes; Attracting and maintaining high-quality employees; Access to long term and working capital; Electronics supply chain constraint and Business disruption from Covid-19. These are detailed on pages 17 to 19 of the 2022 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 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 2022 Unaudited £'000</b>	Six months to 30 September 2021 Unaudited £'000	Year to 31 March 2022 Audited £'000
Solutions:	<b>9,012</b>	9,021	18,111
Fleet and optimisation	<b>4,828</b>	5,712	11,217
Insurance and automotive	<b>4,184</b>	3,309	6,894

### 4. Other income

	<b>Six months to 30 September 2022 Unaudited £'000</b>	Six months to 30 September 2021 Unaudited £'000	Year to 31 March 2022 Audited £'000
Grant income	<b>16</b>	13	13
	<b>16</b>	13	13

### 5. Profit/(Loss) per ordinary share attributable to the owners of the parent

	<b>Six months to 30 September 2022 Unaudited £'000</b>	Six months to 30 September 2021 Unaudited £'000	Year to 31 March 2022 Audited £'000
Profit/(Loss) attributable to the owners of the parent	<b>(1,775)</b>	277	197

### 6. Adjusted profit/(loss) before tax

Adjusted Profit/(Loss) Before Tax is monitored by the Board and measured as follows:

Profit/(Loss) Before Tax	<b>(2,413)</b>	47	(122)
Exceptional administrative costs	<b>1,319</b>	306	568
Share based payments	<b>17</b>	91	(443)
Adjusted profit/(loss) before tax	<b>(1,077)</b>	444	3

**7. Exceptional costs**

	<b>Six months to 30 September 2022 Unaudited £'000</b>	Six months to 30 September 2021 Unaudited £'000	Year to 31 March 2022 Audited £'000
Integration and restructuring costs	902	45	107
Covid-19 costs	417	446	646
Furlough grant income	-	(185)	(185)
	<b>1,319</b>	306	568

The integration and restructuring costs in the current year relate to the Group's recent decision to implement a change in strategy to focus on the Insurance, Automotive and Optimisation sectors. These costs include the reduction of headcount in engineering, sales, marketing and associated support functions and will aid profitability in the year ending 31 March 2024.

The Group incurred exceptional costs in the current and prior financial year relating to the Covid-19 pandemic. These costs include the increased cost of temporarily buying raw materials from auxiliary markets to ensure continuity of supply of key components which were in constraint due to supply chain issues caused by the pandemic. In the prior year, these costs include the costs of employees during periods of furlough.

Furlough grant income relates to other income received from the Coronavirus Job Retention Scheme for employees furloughed because of Covid-19.

Detailed explanation of prior year exceptional costs are detailed on page 63 of the 2022 Annual Report, a copy of which is available on the Group's website at [www.trakm8.com](http://www.trakm8.com).

**8. Finance costs**

	<b>Six months to 30 September 2022 Unaudited £'000</b>	Six months to 30 September 2021 Unaudited £'000	Year to 31 March 2022 Audited £'000
Interest on bank loans	200	198	388
Amortisation of debts issue costs	30	24	48
Interest on Hire Purchase and similar agreements	38	52	112
	<b>268</b>	274	548

9. 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 2022 Unaudited</b>	Six months to 30 September <b>2021</b> Unaudited	Year to 31 March <b>2022</b> Audited
Profit/(Loss) the year after taxation	<b>(1,777)</b>	273	187
Exceptional administrative costs	<b>1,319</b>	306	568
Share based payments	<b>17</b>	91	(443)
Tax effect of adjustments	<b>(251)</b>	(58)	(108)
<b>Adjusted profit/(loss) after taxation</b>	<b>(692)</b>	612	204
	<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>50,079</b>	50,004	50,057
Basic earnings/(loss) per share	<b>(3.55p)</b>	0.55p	0.37p
Diluted earnings/(loss) per share	<b>(3.55p)</b>	0.55p	0.37p
Adjust for effects of:			
Exceptional costs	<b>2.14p</b>	0.50p	0.92p
Share based payments	<b>0.03p</b>	0.18p	(0.89p)
Adjusted basic earnings/(loss) per share	<b>(1.38p)</b>	1.22p	0.41p
Adjusted diluted earnings/(loss) per share	<b>(1.38p)</b>	1.22p	0.41p

\* In the year ended March 2022, the Group awarded Tranch AI with an exercise price of 16p. This grant is dilutive as the exercise price is less than the average share price as at the period end.

## 10. Intangible Assets

	Goodwill	Intellectual property	Customer Relationships	Development costs	Software	Total
	£'000	£'000	£'000	£'000	£'000	£'000
<b>Cost</b>						
As at 31 March 21	10,417	1,920	100	19,242	1,759	33,438
Additions - Internal development	-	-	-	1,214	-	1,214
Additions - External purchases	-	-	-	182	2	184
<b>As at 30 September 2021</b>	<b>10,417</b>	<b>1,920</b>	<b>100</b>	<b>20,638</b>	<b>1,761</b>	<b>34,836</b>
Additions - Internal development	-	-	-	1,307	46	1,353
Additions - External purchases	-	-	-	208	-	208
<b>As at 31 March 2022</b>	<b>10,417</b>	<b>1,920</b>	<b>100</b>	<b>22,153</b>	<b>1,807</b>	<b>36,397</b>
Additions - Internal development	-	-	-	1,282	-	1,282
Additions - External purchases	-	-	-	165	8	173
<b>As at 30 September 2022</b>	<b>10,417</b>	<b>1,920</b>	<b>100</b>	<b>23,600</b>	<b>1,815</b>	<b>37,852</b>
<b>Amortisation</b>						
As at 31 March 21	-	1,920	100	7,974	1,257	11,251
Charge for period	-	-	-	924	93	1,017
<b>As at 30 September 2021</b>	<b>-</b>	<b>1,920</b>	<b>100</b>	<b>8,898</b>	<b>1,350</b>	<b>12,268</b>
Charge for period	-	-	-	1,019	98	1,117
<b>As at 31 March 2022</b>	<b>-</b>	<b>1,920</b>	<b>100</b>	<b>9,917</b>	<b>1,448</b>	<b>13,385</b>
Charge for period	-	-	-	1,085	105	1,190
<b>As at 30 September 2022</b>	<b>-</b>	<b>1,920</b>	<b>100</b>	<b>11,002</b>	<b>1,553</b>	<b>14,575</b>
<b>Net book amount</b>						
<b>As at 30 September 2022</b>	<b>10,417</b>	<b>-</b>	<b>-</b>	<b>12,598</b>	<b>262</b>	<b>23,277</b>
As at 31 March 2022	10,417	-	-	12,236	359	23,012
As at 30 September 2021	10,417	-	-	11,740	411	22,568
As at 31 March 21	10,417	-	-	11,268	502	22,187

## 11. Right of use assets

	Leased buildings	Furniture, fixtures and equipment	Computer equipment	Motor vehicles	Total
<b>COST</b>	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>
As at 31 March 21	2,098	551	350	615	3,614
Additions	-	-	-	-	-
Disposals	-	-	-	(25)	(25)
<b>As at 30 September 2021</b>	<b>2,098</b>	<b>551</b>	<b>350</b>	<b>590</b>	<b>3,589</b>
Additions	-	-	56	94	150
Disposals	-	-	-	(72)	(72)
<b>As at 31 March 2022</b>	<b>2,098</b>	<b>551</b>	<b>406</b>	<b>612</b>	<b>3,667</b>
Additions	-	-	-	-	-
Disposals	-	-	-	-	-
<b>As at 30 September 2022</b>	<b>2,098</b>	<b>551</b>	<b>406</b>	<b>612</b>	<b>3,667</b>
<b>AMORTISATION</b>					
As at 31 March 21	529	124	120	329	1,102
Charge for period	133	35	57	100	325
Disposals	-	-	-	(25)	(25)
<b>As at 30 September 2021</b>	<b>662</b>	<b>159</b>	<b>177</b>	<b>404</b>	<b>1,402</b>
Charge for period	132	35	57	81	305
Disposals	-	-	-	(72)	(72)
<b>As at 31 March 2022</b>	<b>794</b>	<b>194</b>	<b>234</b>	<b>413</b>	<b>1,635</b>
Charge for period	133	35	36	77	281
Disposals	-	-	-	-	-
<b>As at 30 September 2022</b>	<b>927</b>	<b>229</b>	<b>270</b>	<b>490</b>	<b>1,916</b>
<b>Net book amount</b>					
<b>As at 30 September 2022</b>	<b>1,171</b>	<b>322</b>	<b>136</b>	<b>122</b>	<b>1,751</b>
<b>As at 31 March 2022</b>	<b>1,304</b>	<b>357</b>	<b>172</b>	<b>199</b>	<b>2,032</b>
<b>As at 30 September 2021</b>	<b>1,436</b>	<b>392</b>	<b>173</b>	<b>186</b>	<b>2,187</b>
<b>As at 31 March 21</b>	<b>1,569</b>	<b>427</b>	<b>230</b>	<b>286</b>	<b>2,512</b>

**12. Borrowings**

	As at 30 September 2022		As at 30 September 2021		As at 31 March 2022	
	Current £'000	Non- Current £'000	Current £'000	Non- Current £'000	Current £'000	Non- Current £'000
Borrowings	897	4,602	1,140	5,386	1,115	4,855
Convertible unsecured loan note	-	1,574	-	-	-	-
Right of use liability	487	1,258	708	1,459	612	1,367
<b>Totals</b>	<b>1,384</b>	<b>7,434</b>	<b>1,848</b>	<b>6,845</b>	<b>1,727</b>	<b>6,222</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 22 monthly instalments from 30 September 2021 of £86,000 and a final repayment of the outstanding balance on 31 October 2023 and bears interest at a floating rate of 5.1% over base rate. As at 30 September 2022 the Group owed £4.5m (March-22: £4.9m).

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 2022 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 15 quarterly instalments commencing 30 September 2021. The loan is secured by a secondary fixed and floating charge on all the assets of the Group. As at 30 September 2022 the Group owed £975K (March-22: £1.2m).

A £1.6m convertible unsecured loan note. The loan bears a fixed interest rate of 12% per annum, with a two-year term from its issue date 14 September 2022. The interest is payable quarterly from issue date until repayment on 13 September 2024. The Loan Note is convertible at a conversion price of 17.10p, a ten percent discount to the closing mid-market price of a Trakm8 ordinary share on 13 September 2022, the last practicable date prior to its completion.

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 2022 were as follows:

	Freehold	Furniture, fixtures and equipment	Computer equipment	Motor vehicles	Software	Total
	£'000	£'000	£'000	£'000	£'000	£'000
Current	203	70	113	74	27	487
Non-current	1073	15	111	52	7	1258
<b>Total</b>	<b>1,276</b>	<b>85</b>	<b>224</b>	<b>126</b>	<b>34</b>	<b>1,745</b>

The maturity of obligations under right of use assets as at 30 September 2022 were as follows:

	Freehold	Furniture, fixtures and equipment	Computer equipment	Motor vehicles	Software	Total
	£'000	£'000	£'000	£'000	£'000	£'000
Within 1 year	203	70	113	74	27	487
1 to 2 years	238	15	70	27	7	357
2 to 5 years	626	-	41	25	-	692
More than 5 years	209	-	-	-	-	209
<b>Total</b>	<b>1,276</b>	<b>85</b>	<b>224</b>	<b>126</b>	<b>34</b>	<b>1,745</b>

**13. Share Capital**

	As at 30 September 2022		As at 30 September 2021		As at 31 March 2022	
	No's 000's	£'000	No's 000's	£'000	No's 000's	£'000
Authorised:						
Ordinary shares of 1p each	200,000	200,000	200,000	200,000	200,000	200,000
Allotted, issued and fully paid:						
Ordinary shares of 1p each	50,004	500	50,004	500	50,004	500
Movement in share capital:						£'000
As at 1 April 2021						500
As at 30 September 2021						500
As at 31 March 2022						500
<b>As at 30 September 2022</b>						<b>500</b>

The Company currently holds 29,000 Ordinary shares in treasury representing 0.06% (March-22: 0.06%) of the Company's issued share capital. The number of 1 penny Ordinary shares that the Company has in issue less the total number of Treasury shares is 49,975,002.

**14. Cash Generated from Operations**

	Six months to 30 September 2022 Unaudited £'000	Six months to 30 September 2021 Unaudited £'000	Year to 31 March 2022 Audited £'000
<b>Net profit/(loss) before taxation</b>	<b>(2,413)</b>	47	(122)
Depreciation	384	535	806
(Profit)/Loss on disposal of fixed assets	88	-	263
Net bank and other interest	239	266	481
Exceptional costs	1,319	306	568
Amortisation of intangible assets	1,190	1,017	2,134
Exchange movements	2	4	10
Share based payments	17	91	(443)
<b>Operating cash flows before movement in working capital</b>	<b>826</b>	2,266	3,697
Movement in inventories	(30)	41	87
Movement in trade and other receivables	774	(611)	(1,242)
Movement in trade and other payables	1,133	(1,150)	1,184
Movement in provisions	21	(66)	(78)
<b>Cash generated from operations before exceptional costs</b>	<b>2,724</b>	480	3,648
Cash outflow from exceptional costs	(1,319)	(306)	(568)
<b>Cash generated from operations</b>	<b>1,405</b>	174	3,080
Interest received	29	32	67
Income taxes received	1	662	663
<b>Net cash-inflow from operating activities</b>	<b>1,435</b>	868	3,810

Income taxes received are amounts in relation to Research and Development activities. Post period end £684,000 was received and used to settle the existing Time to Pay arrangement with HMRC.



**15. Further Copies**

This statement, full text of the London Stock Exchange announcement and the results presentation can be found on the Group's website [www.trakm8.com](http://www.trakm8.com) and from the registered office of Trakm8 Holdings PLC. The address of the registered office is: Roman Way, Roman Park, Coleshill, North Warwickshire, B46 1HG.