

16 February 2023

**t42 IoT Tracking Solutions plc**  
("t42" or the "Company")

#### **T42 year-end trading update**

t42 IoT Tracking Solutions plc (AIM: TRAC) ("t42" or the "Company"), the provider of global shipping containers tracking solutions, is pleased to provide the following trading update for the year ended 31 December 2022 ("FY2022") and an update on the Company's prospects for the current year. The Company expects to announce its audited results for the year ended 31 December 2022 in March 2023.

The Company expects to report total revenues for FY2022 of approximately US\$4.0 million, including approximately \$2.0 million of SaaS income representing approximately 50% of the total revenues for the period (2021: 51%). This result was achieved in spite of the global supply chain issues faced by many companies and continuing business recovery from the Covid pandemic.

In 2022, the Company continued its expansion and is now well-positioned for this year with numerous opportunities and potential new key customers. It has continued its ongoing transition into the shipping container business sector with a number of pilot studies with potential new customers. As a result, initial orders from clients in the USA, South America, and Israel have been received, indicating a positive outlook for 2023.

This year started with presentations of the Company's innovative solutions through DHL, Eseye, and other partners at key exhibitions in Brazil and Barcelona. The growing awareness of t42's Lokies and other products is already generating new leads and business opportunities.

Furthermore, the Company expects to extend its presence in South America following the deals announced last year. Although small initial orders were received in 2022 due to local political reasons, t42's distributor expects that the situation will improve in the first half of this year and that more substantial orders will begin to be received.

Following the growing demand in Africa, the Company continues to support its Helios product line, meeting the need for product development. This includes integration support for 2G networks and above and tailor-designed solutions for various sectors, including t42's tracking and securing solutions for sensitive medical store deliveries supporting its long-term Tanzanian customers' requirements. Elsewhere, the relationship with Zero motorcycles continues to be very positive, and further orders are expected this year.

The Company also announced the appointment of Openbox as a new distributor in the USA. Whilst so far they have not performed according to their expectations, nevertheless T42 has succeeded in directly winning new business in the USA, as announced in January 2023. Further orders are expected to be received during the course of 2023.

In recent months t42 has made several enhancements to its product offering through a new business model, which has been well-received by both existing and new potential customers. A significant development was the Company's decision to offer services while structuring payments for both devices and SaaS fees on a monthly payment basis as a leasing contract. t42 has already successfully contracted with a major USA company, adopting this payment structure, and who has indicated its intention to place further orders during 2023. The Company expects this structure to attract new clients and is evaluating funding requirements to support expansion of this new business model.

The Company is targeting significant revenue improvement in 2023 based on continued business with existing

clients, including ongoing SaaS revenues. Meanwhile, the Company is focusing on the need to accelerate upfront cash payments to suppliers to shorten the supply chain period and ensure delivery preference. In parallel, the Board continues to explore acquisition opportunities to further broaden its business base and strengthen its presence in its key markets.

**Avi Hartmann, CEO of t42, commented** "We move forward with the new potential customers while implementing the lessons learned from the completed pilots and existing business. Our new strategy focusing on shipping container businesses has proven itself, with increasing demand for our products and services. With the new offering of lease-based contracts, the t42 Board is looking forward to the coming year with confidence."

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**Notes to Editors**

**t42 IoT Tracking Solutions plc** (AIM: TRAC), formerly Starcom Systems plc, provides real-time tracking, analysis, monitoring, and security IoT solutions for the global container and freight market and covers 55 countries, over 100 distributors, and 50 logistics and support partners.

t42's multi-sensor IoT tracking devices use a wide range of detection capabilities with cloud-based analytics and alerts, with real-time data transmission, analysis, and actionable insights. Its devices are used by ports, cargo owners, shipping companies, freight forwarders, insurance companies, customs authorities, homeland security, and police for end-to-end global container tracking and digital transformation of shipments.

For more information on the Company, please visit: [www.t42.co.uk/](http://www.t42.co.uk/).

*The information contained within this announcement is deemed by the Company to constitute inside information pursuant to Article 7 of EU Regulation 596/2014 as it forms part of UK domestic law by virtue of the European Union (Withdrawal) Act 2018 as amended.*

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