

25 April 2023

Trakm8 Holdings plc
("Trakm8", the "Group" or the "Company")
Year End Trading Update

Trakm8 Holdings plc (AIM: TRAK), the global telematics and data insight provider, today announces an unaudited trading update for the financial year ended 31 March 2023 ("FY 2023").

Revenues for FY 2023 are expected to be £20.2m, which is 11% more than the prior financial year and in line with guidance. Revenues from Fleet customers are expected to amount to £11.5m, 2% more than last year. Revenues from Insurance & Automotive customers are expected to amount to £8.7m, 27% more than last year.

Software sales increased by 54% to £2.1m (FY-2022: £1.4m), representing 10% of Group revenues.

With a profitable second half of FY 2023, the Group expects to achieve an adjusted profit before tax for FY 2023 in line with guidance of circa £0.3m (FY-2022: £0.0m).

Cash generation from operating activities for FY 2023 is expected to be £4.2m. As at 31 March 2023, Group net debt was £5.6m (£6.9m after IFRS 16 changes), which is £0.2m higher than as at 31 March 2022. At the year end, the Group had £1.1m of cash on hand and a further £0.5m of available funds under the Group's overdraft facility. During FY 2023, the Group eliminated the £0.9m long-term liability due to HMRC, in line with an agreement reached two years ago.

During FY 2023, connections increased by 32% to 348,000 (FY-2022: 264,000) with the resulting recurring revenues in the year increasing by 7% to £10.5m, representing 52% of Group revenues.

We were pleased to announce during FY 2023 that several major new contract awards, extensions and renewals were secured.

Supply chain challenges were a constant during the year, but these were largely overcome using the close integration of engineering and operations. The Group is pleased to highlight that these challenges are now abating and the expectation is that we have been through the worst.

We have completely refreshed our hardware products as part of addressing the supply chain constraints and good enhancements to our software solutions were introduced to the market that will continue to improve the costs and functionality of the solutions we sell.

The Group reduced annual operating costs by more than £2m by focusing on our most successful activities. With these changes now complete, the Group is now benefitting from these much lower overheads.

The Group has extended its bank facilities with HSBC until the end of July 2024 on terms similar to the Group's existing arrangements.

Outlook

We continue to be concerned about the impact on costs and business sentiment due to the ongoing war in Ukraine. In addition, there has been a significant impact on the insurance market with increased re-insurance costs and some insurance capacity being removed from the market. We expect these capacity constraints to be remedied relatively quickly but may impact the next few months.

However, we have recently announced several new Insurance contracts and have renewed/extended our most significant Fleet contracts. We start the year in the knowledge that the Group will benefit from these future revenues, significantly lower costs and an excellent pipeline of opportunities.

The Board looks forward to providing an update on Trakm8's trading performance in the current financial year at the time of publication of the Group's results for the year ended 31 March 2023.

- Ends -

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About Trakm8

Trakm8 is a leading provider of telematics and data insight solutions, serving a wide range of customers across the UK and Europe.

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 348,000 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, Sainsbury's, GSF, Direct Line Group, Ticker and Howden.

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.

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