22 February 2024

Tracsis plc
("Tracsis" or "the Group")

Trading Update and Notice of Results

New contract wins and ongoing strategic progress

Tracsis, a leading transport technology provider, is pleased to provide the following trading update for the six months ended 31 January 2024.

The Group has continued to make good progress in executing its strategy to create a scalable platform for accelerated growth and to transition to a broader SaaS operating model.

Financial performance consistent with expectations
The Group's performance in the period has been consistent with expectations. As previously announced, FY24 growth will be weighted towards H2 reflecting milestone delivery timelines in the orderbook and a transition to SaaS for new contract wins in North America. The Group expects H1 revenue to be in excess of £36.5m (H1 2023: £39.2m). Adjusted EBITDA margin is expected to be c16% (H1 2023: 19%) which reflects the impact of the investments made in the prior year to enhance the Group's senior leadership capabilities and to accelerate the growth of our pipeline of large multi-year opportunities. We expect the adjusted EBITDA margin for the full year to return to historical levels.

Cash balances remain strong at c.£16.8m (H1 2023: £17.0m[1]; FY 2023: £15.3m). The Group's robust cash position and healthy cash generation leave it well positioned to continue to invest in its technology base and further acquisitions.

Full year expectations remain unchanged
The Board anticipates that FY24 performance will be in line with market expectations. Post period end we have made good progress in securing new contracts that will start to deliver revenue in the second half of this financial year.

Strong pipeline growth following investment in commercial capabilities
In the Rail Technology and Services Division, the Group estimates that its addressable pipeline for major software opportunities across both the UK and North American markets has more than doubled during the six months ended 31 January 2024, following investment in enhancing our sales teams.

In the UK we have secured several new contract awards that will underpin growth in H2 and beyond. These include the first pilot deployment of the "Hopsta" smart ticketing mobile app platform that is now underway with a UK TOC, as well as the next significant funded phase of development work to enhance the RailHub safety and risk management platform. In North America, activity has been focused around completing the full deployment of the new Computer Aided Dispatch product ("PTC BOS") with a US transit operator. This is due to be completed in March 2024. Post period end the Group has won new contracts for its yard automation product offering that will start to be delivered in the second half of the current financial year.

The Data, Analytics, Consultancy and Events Division has delivered revenue growth slightly ahead of expectations, supported by high activity levels in Events and by Traffic Data survey work to support large UK transport infrastructure projects. We have also launched Tracsis Geo Intelligence which is targeting the deployment of our earth observation technology offering into the UK and North America rail markets.

Transformation activities progressing to plan

As previously announced, the Group is executing a programme of actions in FY24 to transform its operating model and to accelerate its future growth trajectory. These actions are progressing in line with the Board's expectations and will be substantially completed during FY24 financial year. Exceptional costs of £1.3m were incurred in the period in order to deliver this transformation. The Board expects these costs to total c£2m for the full year, as previously announced.

Well positioned for long-term growth

We continue to see significant software growth opportunities in the UK and North American rail technology markets, as the industry looks to modernise and adopt digital solutions. The actions taken to transform our operating model and to accelerate pipeline growth leave the Group well positioned to deliver further growth.

Notice of Results and Investor Presentation

The Group's interim results will be announced on 24 April 2024

The Board is committed to communicating with all investors equally and directly, to ensure that its strategy, business model and performance are clearly understood. Accordingly, as part of the Group's interim results, a live online investor presentation will be given by management on 26 April at 1.00pm UK time.

Anyone wishing to participate should register here: https://bit.ly/TRCS_H124_webinar

The information contained within this announcement is deemed by the Company to constitute inside information under the Market Abuse Regulation (EU) No.596/2014

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Notes to editors:

- Tracsis plc is a technology company and a leading provider of software and hardware products, data capture and data analytics/GIS services for the rail, traffic data and wider transport industries.

- Tracsis' products and services are widely used to increase efficiency, reduce cost and risk, improve operational and asset performance, improve safety management and decision making capabilities and improve the overall end-user experience for clients and customers.

- The Group is split into two principal operating areas built around detailed industry knowledge and expertise:

  - **Rail Technology & Services:** A software, technology and product led business. It develops and supplies software that solves complex resource, asset optimisation and control problems for Train Operators, and Smart Ticketing, Delay Repay and other retail software to improve the customer experience for rail users. It also develops remote condition monitoring hardware, data acquisition software, and safety and risk management software for rail infrastructure providers.

- **Data, Analytics, Consultancy & Events**: A largely services led business that focuses on data capture, data analytics, GIS, earth observation, data insights, consultancy and event traffic management within a range of transport and pedestrian rich environments. The business provides technology and bespoke products and data that underpin large scale intelligent transport systems, smart city planning and positive environmental decision making.

- Tracsis has a blue-chip client base which includes all major UK transport owning groups, Network Rail, Passenger and Freight Train Operating Companies, the Department for Transport, TfL, multiple local authorities, major outdoor music and sporting event organisers, and a wide variety of large engineering and infrastructure companies. In North America our clients include Class 1 rail freight companies, transit operators, shortline railroads and several large rail served ports and industrials.

- The business drives growth both organically and through acquisition and has made seventeen acquisitions since 2008.

For more information on Tracsis please visit http://www.tracsis.com

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[1] The H1 23 cash balance included $2.7m (£2.2m) held in escrow following the RailComm acquisition in March 2022, which was paid during the year ended 31 July 2023 based on RailComm having achieved certain financial targets in the first full year post acquisition

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