

19 February 2025

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

Contract signed for pay-as-you-go Tap Converter system

Tracsis (LSE: TRCS), a leading transport technology provider, is pleased to announce that, further to the announcement of Preferred Bidder status on 26 November 2024, it has signed a multi-year contract with Rail Settlement Plan, a division of Rail Delivery Group (RDG), to implement the core Tap Converter system that will power pay-as-you-go (PAYG) travel in urban areas across National Rail, processing all related transactions and fare calculations.

Highlights

- Major contract win, through a competitive bid process, to provide the central smart ticketing technology platform enabling PAYG travel in urban areas across National Rail.
- The nationwide rollout of PAYG is central to the UK Government's stated vision for modernising rail travel with ticketing simplification and innovation high on its agenda.
- Six Train Operating Companies (TOCs) on the National Rail network currently use Tracsis' smart ticketing technology. This contract provides a long-term revenue opportunity as TOC and consumer adoption grows.
- All Tracsis development activities are fully funded. Once deployed, the contract delivers a guaranteed minimum annual operating fee with additional transaction revenues based on the volume of PAYG transactions processed.
- Development starts immediately with deployment and transactional revenue generation expected to begin in 2026.

Background

The Tap Converter system will be a centralised smart ticketing technology platform that processes 'tap' data from various sources such as smartcards, contactless bankcards and mobile apps/barcodes when passengers tap in and out at stations. It will also integrate with multiple modes of transport, supporting the delivery of London style PAYG ticketing for rail, bus and tram travel.

Tracsis will utilise its existing technology to construct journeys from these taps calculating the best fare while automatically applying entitlements, concessions, discounts and fare caps. Once calculated, the system provides this fare information to the TOC to charge the passenger and submits settlement records to the rail industry's settlement engine.

Tracsis is currently the only provider of an accredited PAYG ticketing platform on the National Rail network outside London, and this contract significantly extends the potential reach of Tracsis' technology. With the government and industry-wide push towards smarter, more flexible digital ticketing, PAYG adoption is expected to expand across the network, though the pace will vary by operator and region.

Timeline, Opportunity and Revenue Model

Tracsis has begun a period of funded development with deployment expected to begin in 2026. The six TOCs currently offering a PAYG solution using Tracsis' technology will continue to do so during this period.

Once the Tap Converter system is operational, Tracsis revenues will be based on the volume of transactions

processed and this will be driven by future customer adoption rates and system usage.

A total of 1.7 billion rail passenger journeys were recorded across Great Britain in the 12 months to September 2024¹. Tracsis estimates that PAYG transaction volumes using the Tap Converter system could in the medium term equate to 10-15% of total annual passenger journeys with commuters expected to drive the highest adoption rates.

In 2024, Tracsis processed 2.25 million PAYG journeys. With the recent go-live of new PAYG deployments in Wales (contactless EMV) and Scotland (Tap&Pay) we expect to see accelerated growth in passenger journeys over the coming months ahead of the deployment of the Tap Converter system.

Transaction revenues from the Tap Converter system will start to accrue following deployment which is forecast to start in 2026. There is no change to the Board's expectation for the year ending 31 July 2025 following this contract win and Tracsis will issue its trading update on H1 performance on 26 February 2025.

Chris Barnes, Chief Executive Officer of Tracsis, commented:

"We are delighted to be working with the Rail Delivery Group and Great British Railways Transition Team (GBRTT) to deliver this important pay-as-you-go ticketing solution on a nationwide basis. The contract represents a major milestone in our smart ticketing technology journey, with the potential to grow into a valuable, long-term partnership over time."

Digital transformation remains integral to the rail industry's future. The Government has made a commitment to expand pay-as-you-go ticketing across urban areas on the National Rail network and the Tap Converter system will position Tracsis as an important technology provider at the heart of this transformation."

Stewart Fox-Mills, Fares, Ticketing and Retail Programme Director at GBRTT and RDG, commented:

"We are working with industry partners to simplify the railway fares and ticketing system, making travel more convenient and flexible for all passengers. We are committed to developing a simpler fare system that enhances the overall customer experience and supports the long-term growth of rail travel."

The delivery of pay-as-you-go ticketing in urban areas is a high priority and we look forward to working with Tracsis on delivering the Tap Converter system that will provide the technical foundation for pay-as-you-go ticketing in urban areas."

¹ Source: Office of Rail and Road passenger rail usage data (published 19 December 2024) [Passenger rail usage | ORR Data Portal](#)

Enquiries:

Tracsis plc
Chris Barnes, CEO
Andy Kelly, CFO

+44 (0)845 125 9162

Berenberg (Nominated Adviser, Corporate Broker & Financial Adviser)
Mark Whitmore / Richard Andrews / Mollie D'Arcy Rice
James Thompson (QE)

+44 (0)20 3207 7800

Alma Strategic Communications
David Ison / Rebecca Sanders-Hewett / Joe Pederzoli

+44 (0)20 3405 0205
tracsis@almastrategic.com

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's 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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