

25 May 2017

Wheelsure Holdings plc

(“Wheelsure” or the “Group”)

Interim Results for the Six Months Ended 28 February 2017

CHAIRMAN'S STATEMENT

I am pleased to announce the results for the 6 months ended 28 February 2017, a period in which we have continued to make progress in our main territories but at a lower level than the same period last year.

- Sales of £94,393 (6 months to 29 February 2016: £133,454);
- In addition to the sales above, royalty income was received of £9,293 (6 months to 29 February 2016: £12,715);

During this period the Board has been working exhaustively with advisers to develop a three year strategic business plan that builds upon progress to date and puts in place appropriate finances to develop that agreed strategy, in particular with regard to sales and marketing resource and ongoing patent protection and product development. This process has been demanding and the associated fundraising has undoubtedly impacted on our ability to increase the rate of sale in the short term.

However, I am pleased to announce that a subscription arrangement to raise £500,000 before expenses has been conditionally completed subject to shareholder approval at a general meeting on 7 June 2017.

Subject to this approval, the Board can now focus totally on implementing the strategy and generating growth.

New Director

We announced in November 2016 that Mr William (Bill) Welch had joined the Board as a non-executive director. This strengthens the Board, as we seek to realise the potential of the three year business plan and commercially develop in both the markets we currently operate in and new opportunities.

A brief outline of our existing business in major territories is as follows:

UK

As previously reported, orders from London Underground have been restricted by extreme budgetary pressure following the 2016 Mayoral election, although this is showing signs of improvement so far this year. We remain confident that the benefits of our products will continue to deliver business throughout the network.

Elsewhere in the UK, Tracksure has also now been installed on High Speed rail infrastructure and the products are performing well. This is a positive development and the Board remain confident that this extends the market potential for the use of our products.

Further orders in the post-reporting period have been received from KeolisAmey Docklands, continuing the regular orders from this source

Holland, Germany, Austria & Belgium

The relationship with Strukton Rail Nederland B.V. has resulted in substantial orders in the reporting period and introduced contact and a first factory fitting at voestalpineRailpro B.V. (part of voestalpine AG (Austria)), one of the world's largest manufacturers of specialist rail equipment. Tracksure is also in contact with the German subsidiary of this group. The development of these relationships is strategically vital in accelerating our business growth.

Additionally, we have received orders from Siemens AG and, in the post reporting period, for thyssenkrupp Steel Europe AG, following a successful trial with the Company

Italy

We continue to develop our relationships and customer base in Italy as previously reported and a further order has been received in the post-reporting period from Ferrovie del Gargano.

Spain

Since the period end, Tracksure has received its first significant order from Ferrocarrils de la Generalitat de Catalunya (FGC), a transit and funicular rail operator in Barcelona. This follows a trial with the customer that started over three years ago and is a positive breakthrough in the Iberian Peninsula.

USA

Royalty income of £9,293 was received during the period and progress in the USA continues to be slower than anticipated.

The Board would like to thank all our shareholders for their continued support.

G J Mulder
Chairman
24 May 2017

Unaudited consolidated statement of comprehensive income for the six months ended 28 February 2017

	Six months ended 28.02.17 £	Six months ended 29.02.16 £	Year ended 31.08.16 £
TURNOVER	94,393	133,454	290,330
Cost of sales	<u>(47,522)</u>	<u>(64,419)</u>	<u>(153,003)</u>
GROSS PROFIT	46,871	69,035	137,327
Administrative expenses	<u>(208,383)</u>	<u>(201,518)</u>	<u>(405,109)</u>
	(161,512)	(132,483)	(267,782)
Other operating income	<u>9,293</u>	<u>12,715</u>	<u>18,328</u>
OPERATING LOSS	(152,219)	(119,768)	(249,454)
Interest receivable and similar income	-	15	22
Interest payable and similar charges	<u>(7,003)</u>	<u>(6,183)</u>	<u>(12,713)</u>
LOSS ON ORDINARY ACTIVITIES BEFORE TAXATION	(159,222)	(125,936)	(262,145)
Tax on loss on ordinary activities	<u>-</u>	<u>-</u>	<u>15,146</u>
LOSS FOR THE PERIOD AFTER TAXATION	<u>(159,222)</u>	<u>(125,936)</u>	<u>(246,999)</u>
Other comprehensive income	<u>-</u>	<u>-</u>	<u>-</u>
TOTAL COMPREHENSIVE LOSS FOR THE PERIOD	<u>(159,222)</u>	<u>(125,936)</u>	<u>(246,999)</u>
BASIC AND DILUTED LOSS PER SHARE (NOTE 3)	<u>0.09p</u>	<u>0.08p</u>	<u>0.16p</u>

**Unaudited consolidated balance sheet
as at 28 February 2017**

	As at 28.02.2017		As at 29.02.2016 (restated)		As at 31.08.2016	
	£	£	£	£	£	£
FIXED ASSETS						
Intangible assets		84,159		84,060		88,282
Tangible assets		<u>1,993</u>		<u>4,562</u>		<u>3,198</u>
		86,152		88,622		91,480
CURRENT ASSETS						
Stocks	52,325		53,941		52,620	
Debtors	101,281		111,164		140,767	
Cash at bank	<u>6,623</u>		<u>105,571</u>		<u>24,752</u>	
	160,229		270,676		218,139	
CREDITORS						
Amounts falling due within one year		<u>(221,598)</u>		<u>(169,248)</u>		<u>(230,129)</u>
NET CURRENT (LIABILITIES) / ASSETS		<u>(61,369)</u>		<u>101,428</u>		<u>(11,990)</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>24,783</u>		<u>190,050</u>		<u>79,490</u>
CAPITAL AND RESERVES						
Called up share capital		1,772,557		1,641,942		1,641,942
Share premium		3,443,250		3,443,250		3,443,250
Profit and loss account		<u>(5,191,024)</u>		<u>(4,895,142)</u>		<u>(5,005,702)</u>
SHAREHOLDERS' FUNDS		<u>24,783</u>		<u>190,050</u>		<u>79,490</u>

**Unaudited consolidated statement of changes in equity
for the six months ended 28 February 2017**

Six months ended 28 February 2017	Called up share capital £	Share Premium £	Retained earnings £	Total equity £
Balance at 1 September 2016	1,641,942	3,443,250	(5,005,702)	79,490
Changes in equity				
Total comprehensive loss	-	-	(159,222)	(159,222)
Issue of share capital (less issue costs)	130,615	-	(26,100)	104,515
Balance at 28 February 2017	<u>1,772,557</u>	<u>3,443,250</u>	<u>(5,191,024)</u>	<u>24,783</u>
Six months ended 29 February 2016 (restated)	Called up share capital £	Share Premium £	Retained earnings £	Total equity £
Balance at 1 September 2015	1,381,442	3,443,250	(4,756,181)	68,511
Changes in equity				
Total comprehensive loss	-	-	(125,936)	(125,936)
Issue of share capital (less issue costs)	260,500	-	(13,025)	247,475
Balance at 29 February 2016	<u>1,641,942</u>	<u>3,443,250</u>	<u>(4,895,142)</u>	<u>190,050</u>
Year ended 31 August 2016	Called up share capital £	Share Premium £	Retained earnings £	Total equity £
Balance at 1 September 2015	1,381,442	3,443,250	(4,756,181)	68,511
Changes in equity				
Total comprehensive loss	-	-	(246,999)	(246,999)
Issue of share capital (less issue costs)	260,500	-	(13,025)	247,475
Credit relating to equity settled share based payments	-	-	10,503	10,503
Balance at 31 August 2016	<u>1,641,942</u>	<u>3,443,250</u>	<u>(5,005,702)</u>	<u>79,490</u>

**Unaudited consolidated cash flow statement
for the six months ended 28 February 2017**

	<i>Notes</i>	Six months ended 29.02.17 £	Six months ended 29.02.16 £	Year ended 31.08.16 £
Cash flows from operating activities				
Cash generated from operations	4	(132,013)	(191,627)	(262,238)
Tax received		11,518	9,947	9,947
Net cash used in operating activities		<u>(120,495)</u>	<u>(181,680)</u>	<u>(252,291)</u>
Cash flows from investing activities				
Capital expenditure		(1,457)	(1,483)	(11,113)
Interest received		-	15	22
Net cash used in investing activities		<u>(1,457)</u>	<u>(1,468)</u>	<u>(11,091)</u>
Cash flows from financing activities				
Share issue		130,615	260,500	260,500
Share issue costs		(26,100)	(13,025)	(13,025)
Interest paid		(692)	(583)	(1,168)
Net cash from financing activities		<u>103,823</u>	<u>246,892</u>	<u>246,307</u>
(Decrease) / increase in cash and cash equivalents		(18,129)	63,744	(17,075)
Cash at bank and in hand at start of period		<u>24,752</u>	<u>41,827</u>	<u>41,827</u>
Cash at bank and in hand at period end		<u><u>6,623</u></u>	<u><u>105,571</u></u>	<u><u>24,752</u></u>

**Notes to the unaudited financial statements
for the six months ended 28 February 2017**

1. Reporting entity

Wheelsure Holdings Plc (the “Company”) is a company incorporated and domiciled in the United Kingdom. The address of the Company’s registered office and its principal place of business is 8 Woburn Street, Amphill, Bedfordshire, MK45 2HP

The consolidated interim financial statements of the Group as at and for the half year ended 28 February 2017 comprise the Company and its subsidiaries (together referred to as the “Group”). The financial information set out in this interim report does not constitute statutory accounts as defined in Section 434 of the Companies Act 2006. The Group’s statutory financial statements for the year ended 31 August 2016 have been filed with the Registrar of Companies. The auditor’s report on those financial statements was unqualified but contained an emphasis of matter paragraph in relation to going concern, and did not contain a statement under Section 498(2) of the Companies Act 2006. The consolidated financial statements of the Group as at and for the year ended 31 August 2016 are available at <http://www.wheelsure.co.uk>.

2. Basis of preparation

These consolidated financial statements for the half year ended 28 February 2017 are unaudited. They have been prepared and approved by the directors following the recognition and measurement principles of Financial Reporting Standard (FRS 102) and with the requirements of the Companies Act 2006. This is the first interim period reported under FRS 102. There have been no changes to the reported numbers as a result of the adoption of FRS 102.

The interim financial statements do not include all of the information required for full annual financial statements, and should be read in conjunction with the consolidated financial statements of the Group as at and for the year ended 31 August 2016.

The figures for the six months ended 29 February 2016 have been restated as a result in a change of accounting treatment for share issue costs. This has resulted in the share premium account increasing by £13,025 and retained earnings decreasing by the same amount. No other figures were affected by this change in accounting treatment.

3. Basic and diluted loss per share

	Six months ended 28.02.17	Six months ended 29.02.16	Year ended 31.08.16
	£	£	£
Loss for the period	(159,222)	(125,936)	(246,999)
Weighted average number of ordinary shares in issue during the period	173,431,989	158,115,947	158,115,947
Basic and diluted loss per share	<u>0.09p</u>	<u>0.08p</u>	<u>0.16p</u>

No shares were deemed to have been issued at nil consideration as a result of the share options granted.

The diluted basic loss per share is stated as the same amount as the basic as there is no dilutive effect in either year.

4. Reconciliation of operating loss to net cash outflow from operating activities

	Six months ended 28.02.17	Six months ended 29.02.16	Year ended 31.08.16
	£	£	£
Loss for the period	(159,222)	(125,936)	(246,999)
Depreciation and amortisation charges	6,785	6,646	13,418
Share based payment transactions	-	-	10,503
Finance costs	7,003	6,183	12,713
Finance income	-	(15)	(22)
Taxation credit	-	-	(15,146)
	<u>(145,434)</u>	<u>(113,122)</u>	<u>(225,533)</u>

Decrease / (increase) in stocks	295	(19,302)	(17,981)
Decrease / (increase) in debtors	27,968	(36,656)	(51,113)
(Decrease) / increase in creditors	<u>(14,842)</u>	<u>(22,547)</u>	<u>32,389</u>
Net cash outflow from operating activities	<u><u>(132,013)</u></u>	<u><u>(191,627)</u></u>	<u><u>(262,238)</u></u>

This announcement contains information which, prior to its disclosure, was inside information for the purposes of the Market Abuse Regulation.

Ends

Enquires:

Wheelsure Holdings plc
Gerhard Dodl, CEO

01525 840 557

Daniel Stewart & Company Plc
Peter Shea / Daphne Zhang - Corporate Adviser
David Lawman - Broker

0207 776 6550