

25 May 2018

Wheelsure Holdings plc

(“Wheelsure” or the “Group”)

Interim Results for the Six Months Ended 28 February 2018

Chairman’s statement

We are announcing our results for the 6 months ended 28 February 2018. Orders in this period have fallen below the comparable period last year due to budgetary constraints and administrative delays, particularly in the UK and Italy.

• Sales of £45,547 (6 months to 28 February 2017: £103,686), including royalty income of £1,140 (6 months to 28 February 2017: £9,293).

The reduction in turnover is, in the Board’s opinion, an issue of timing and that the Tracksure strategy can deliver positive results in those territories listed below, however, delays in sales look inevitable. As previously reported our customer base and contacts in these countries remains strong and this will facilitate further business.

UK

We continued to receive orders from both London Underground (LUL) and Keolis Amey Docklands (DLR), although not at the expected levels in this period. Further business is confidently expected from both organisations, with an LUL reorganisation expected to be completed imminently.

The recently granted extended product approval received from LUL means that we have an even stronger platform with that organisation.

Holland, Germany, Austria & Belgium

Sales in Holland, from voestalpine Railpro B.V and Strukton Rail Nederland B.V, were received in the period but were below expectations.

We are confident, following track installations, that our product use with thyssenkrupp Steel Europe AG will be extended shortly. Tracksure products are being used on their extensive industrial track in Germany and have proven to offer real benefits.

Italy

An order in Italy from a rail construction firm for a Ferrovienord project is encouraging and the Board is confident that the long-anticipated full technical approval, following a recent meeting with senior technical staff of the Rete Ferroviaria Italiana (RFI), will be forthcoming shortly.

This will give our agent the opportunity to seek approved business throughout Italy will all parts of RFI.

USA

Royalty income from our arrangements with LB Foster continue to be received in both this and the post-reporting periods. LB Foster are now actively targeting the Metro sector with an opportunity in Chicago.

We previously announced that the Board was developing a three-year business plan to deliver a sustainable profit stream. As a part of that process we announced in February that the Company is collaborating with Haydale Graphene Industries plc (AIM:Haydale) in conjunction with the University of Swansea, to develop intelligent systems for transport and industrial applications using Haydale’s graphene ink sensor technology, with the view to extending its existing product range. It is not possible at this stage to provide further details other than to say that Board see this as a positive step in that three-year business plan.

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

G J Mulder
Chairman

25 May 2018

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

**Unaudited consolidated statement of comprehensive income
for the six months ended 28 February 2018**

	Six months ended 28.02.18 £	Six months ended 28.02.17 £	Year ended 31.08.17 £
TURNOVER	44,407	94,393	225,746
Cost of sales	<u>(19,305)</u>	<u>(47,522)</u>	<u>(108,905)</u>
GROSS PROFIT	25,102	46,871	116,841
Administrative expenses	<u>(198,464)</u>	<u>(208,383)</u>	<u>(453,179)</u>
	(173,362)	(161,512)	(336,338)
Other operating income	<u>1,140</u>	<u>9,293</u>	<u>23,162</u>
OPERATING LOSS	(172,222)	(152,219)	(313,176)
Interest payable and similar charges	<u>(8,543)</u>	<u>(7,003)</u>	<u>(16,381)</u>
LOSS ON ORDINARY ACTIVITIES BEFORE TAXATION	(180,765)	(159,222)	(329,557)
Tax on loss on ordinary activities	<u>-</u>	<u>-</u>	<u>13,715</u>
LOSS FOR THE PERIOD AFTER TAXATION	<u>(180,765)</u>	<u>(159,222)</u>	<u>(315,842)</u>
Other comprehensive income	<u>-</u>	<u>-</u>	<u>-</u>
TOTAL COMPREHENSIVE LOSS FOR THE PERIOD	<u><u>(180,765)</u></u>	<u><u>(159,222)</u></u>	<u><u>(315,842)</u></u>
BASIC AND DILUTED LOSS PER SHARE (NOTE 3)	<u><u>0.08p</u></u>	<u><u>0.09p</u></u>	<u><u>0.17p</u></u>

**Unaudited consolidated balance sheet
as at 28 February 2018**

	As at 28.02.2018		As at 28.02.2017		As at 31.08.2017	
	£	£	£	£	£	£
FIXED ASSETS						
Intangible assets		74,720		84,159		78,610
Tangible assets		<u>247</u>		<u>1,993</u>		<u>1,103</u>
		74,967		86,152		79,713
CURRENT ASSETS						
Stocks	44,640		52,325		53,136	
Debtors	70,135		101,281		130,485	
Cash at bank	<u>119,120</u>		<u>6,623</u>		<u>303,649</u>	
		233,895		160,229		487,270
CREDITORS						
Amounts falling due within one year		<u>(145,222)</u>		<u>(221,598)</u>		<u>(222,578)</u>
NET CURRENT ASSETS / (LIABILITIES)						
		<u>88,673</u>		<u>(61,369)</u>		<u>264,692</u>
TOTAL ASSETS LESS CURRENT LIABILITIES						
		<u><u>163,640</u></u>		<u><u>24,783</u></u>		<u><u>344,405</u></u>
CAPITAL AND RESERVES						
Called up share capital		2,277,057		1,772,557		2,277,057
Share premium		3,443,250		3,443,250		3,443,250
Profit and loss account		<u>(5,556,667)</u>		<u>(5,191,024)</u>		<u>(5,375,902)</u>
SHAREHOLDERS' FUNDS						
		<u><u>163,640</u></u>		<u><u>24,783</u></u>		<u><u>344,405</u></u>

**Unaudited consolidated statement of changes in equity
for the six months ended 28 February 2018**

Six months ended 28 February 2018	Called up share capital £	Share Premium £	Retained earnings £	Total equity £
Balance at 1 September 2017	2,277,057	3,443,250	(5,375,902)	344,405
Changes in equity				
Total comprehensive loss	-	-	(180,765)	(180,765)
Balance at 28 February 2018	<u>2,277,057</u>	<u>3,443,250</u>	<u>(5,556,667)</u>	<u>163,640</u>
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>
Year ended 31 August 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	-	-	(315,842)	(315,842)
Issue of share capital (less issue costs)	635,115	-	(63,607)	571,508
Credit relating to equity settled share based payments	-	-	9,249	9,249
Balance at 31 August 2017	<u>2,277,057</u>	<u>3,443,250</u>	<u>(5,375,902)</u>	<u>344,405</u>

**Unaudited consolidated cash flow statement
for the six months ended 28 February 2018**

	<i>Notes</i>	Six months ended 28.02.18 £	Six months ended 28.02.17 £	Year ended 31.08.17 £
Cash flows from operating activities				
Cash generated from operations	4	(130,800)	(132,013)	(338,498)
Tax received		13,636	11,518	11,518
Net cash used in operating activities		<u>(117,164)</u>	<u>(120,495)</u>	<u>(326,980)</u>
Cash flows from investing activities				
Capital expenditure		<u>(1,568)</u>	<u>(1,457)</u>	<u>(9,259)</u>
Net cash used in investing activities		<u>(1,568)</u>	<u>(1,457)</u>	<u>(9,259)</u>
Cash flows from financing activities				
New loans in period		-	-	50,000
Loans repaid in period		(43,608)	-	-
Share issue proceeds		5,000	130,615	630,115
Share issue costs		-	(26,100)	(63,607)
Interest paid		<u>(27,189)</u>	<u>(692)</u>	<u>(1,372)</u>
Net cash from financing activities		<u>(65,797)</u>	<u>103,823</u>	<u>615,136</u>
(Decrease) / increase in cash and cash equivalents		(184,529)	(18,129)	278,897
Cash at bank and in hand at start of period		<u>303,649</u>	<u>24,752</u>	<u>24,752</u>
Cash at bank and in hand at period end		<u><u>119,120</u></u>	<u><u>6,623</u></u>	<u><u>303,649</u></u>

**Notes to the unaudited financial statements
for the six months ended 28 February 2018**

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, Amptill, Bedfordshire, MK45 2HP.

The consolidated interim financial statements of the Group as at and for the half year ended 28 February 2018 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 2017 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 2017 are available at <http://www.wheelsure.co.uk>.

2. Basis of preparation

These consolidated financial statements for the half year ended 28 February 2018 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.

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 2017.

3. Basic and diluted loss per share

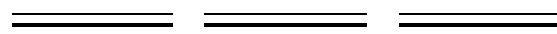
	Six months ended 28.02.18 £	Six months ended 28.02.17 £	Year ended 31.08.17 £
Loss for the period	(180,765)	(159,222)	(315,842)
Weighted average number of ordinary shares in issue during the period	<u>227,705,726</u>	<u>173,431,989</u>	<u>186,390,256</u>
Basic and diluted loss per share	<u>0.08p</u>	<u>0.09p</u>	<u>0.17p</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 28.02.18 £	Six months ended 28.02.17 £	Year ended 31.08.17 £
Loss for the period	(180,765)	(159,222)	(315,842)
Depreciation and amortisation charges	6,314	6,785	12,626
Loss on disposal of fixed assets	-	-	8,400
Share based payment transactions	-	-	9,249
Finance costs	8,543	7,003	16,381
Taxation credit	-	-	(13,715)
	<u>(165,908)</u>	<u>(145,434)</u>	<u>(282,901)</u>
Decrease / (increase) in stocks	8,496	295	(516)
Decrease in debtors	41,714	27,968	17,479
Decrease in creditors	<u>(15,102)</u>	<u>(14,842)</u>	<u>(72,560)</u>
Net cash outflow from operating activities	<u>(130,800)</u>	<u>(132,013)</u>	<u>(338,498)</u>



Ends

Enquires:

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