

8 June 2020

Wheelsure Holdings plc

("Wheelsure" or the "Group")

Final Results for the Year Ended 31 August 2019

Wheelsure announces its final results for the year ended 31 August 2019. A copy of the Group's annual report and accounts will shortly be available from the Group's website www.wsgroupglobal.com/ and will be posted to all shareholders in due course.

The Group anticipates releasing its unaudited interim accounts to 29 February 2020 shortly and, following publication of these results, expects trading in its ordinary shares to be restored.

This announcement contains inside information for the purposes of Article 7 of EU Regulation 596/2014.

Enquires:

Wheelsure Holdings plc

Gerhard Dodl, CEO

01525 840 557

Cairn Financial Advisers LLP

Jo Turner

020 7213 0885

CHAIRMAN'S STATEMENT

I am pleased to report that sales for the year ended 31 August 2019 were, including royalties, £178,444 (2018: £104,536), a 71% increase over the comparable period in 2018. Also, that our monthly order intake, at the time of writing, continues to run at a higher rate than that of the same period last year.

On 22 May 2020 a General Meeting was held to pass the necessary resolutions required to restructure the Company's share capital. As a result of shareholders passing the resolutions, the Company's share capital was reorganised such that each ordinary shares was sub-divided into one ordinary share of 0.01 pence and 1 deferred share of 0.99 pence and, subsequently, every 100 ordinary shares of 0.01 pence each was consolidated into one new ordinary share of 1 penny ("New Ordinary Share"). As detailed in the Company's circular of 6 May 2020, immediately prior to the consolidation taking place, the Company issued 74 ordinary shares in order that the number of shares in issue prior to the reorganisation is divisible by 100.

In our 2018 Annual Report I informed shareholders that we had secured a working capital facility to support our business and I am pleased to confirm that, as a result of the successful restructuring of the Company's share capital, this facility has been increased and extended to £500,000, of which £125,000 has currently been drawn.

This additional facility, coupled with increased order intakes, secure the short-term future of the Group and enable it to continue as a going concern and to move forward in a planned and cohesive manner.

During the period we have reduced administrative expenses significantly and consequently losses before tax have been reduced by 33% to £223,855 (2018: £336,004).

The Board recognises that the order intake from our core business needs to develop from today's base but remain confident that this will continue to happen. We remain relentlessly focused on realising our market potential beyond the UK into the priority territories that we have previously outlined.

In addition, as previously reported, the strategic collaboration with Haydale Graphene Industries plc, is ongoing along with other opportunities in the sensor market, to enhance our existing Tracksure business as well as opening the door to avenues in other sectors.

UK/Ireland

We continue to supply regularly to the London Underground (LUL) and the Dockland Light Railway (DLR) and their contractors. The challenging financial background at Transport for London due to the Cross Rail overrun means that, whilst sales have increased, order intake is irregular in flow.

We have benefitted from the mandated usage of Tracksure throughout LUL in one particular track application which is ongoing in the post-reporting period. We have also revised and improved our logistical arrangements for the supply to LUL. Alongside continued concerted efforts to broaden our audience with this group to strengthen our trading abilities.

Since the year end we have undertaken our first project with Irish Rail and a rail sleeper manufacturer. This follows a similar installation in Italy and represents an opportunity to work in a new and innovative track application as well as a new territory.

Holland, Germany, and Austria

During 2019 our business in Germany ran at a higher level than in any previous year, including business with Siemens AG (Siemens). We are processing the first of further orders from Siemens since the year end and these three countries will be a priority for us as we move forward and seek to build further business with Siemens, thyssenkrupp Steel Europe AG and Voestalpine amongst others.

Italy

Business in Italy is at a lower level than expected, despite full technical approval and the consistent efforts of our agent. However, the Board is confident that this effort will pay off in the current year. With a good deal of positive work to gain a product supply contract for an ongoing maintenance business in the north of the country, Italy remains a key business market for Tracksure.

USA/Mexico/Latin America

Although royalty income from our arrangements with LB Foster continues to be received, we have decided not continue the distribution arrangement we have with them, and instead seek to develop more consistent, available business, in North America.

Key Performance Indicators

The directors consider the Group's financial key performance indicators to be turnover and loss before tax.

	2019	2018
	£	£
Turnover	171,840	96,470
Loss before tax	223,855	336,004

Non-financial key performance indicators include the number of new customers. For the year ended 31 August 2019 these amounted to 3 (2018: 1).

Principal Risks and Uncertainties

There are a number of risks and uncertainties that face the Group, but the Board have established a structured approach to identify, assess and manage these risks.

The following list highlights the principal risks:

- Financial and liquidity risk - the Group faces the financial risk that there may be insufficient cashflow as working capital in the future to continue to commercialise the products and generate revenue streams. Our cashflow is monitored carefully and fundraising needs are periodically evaluated. The directors have prepared forecasts which indicate that the Group will be able to meet its liabilities as they fall due for at least the next twelve months; and
- Currency risk - during the normal course of business, certain transactions are carried out in currencies other than Sterling which exposes the Group to a certain level of currency risk. To mitigate this risk, transactions are carried out in Sterling wherever possible, and minimal cash balances are held in currencies other than Sterling.

The Covid-19 pandemic will have an impact on all businesses. Whilst it is too early to accurately predict the effect the pandemic will have on sales, it is encouraging to note that orders are still being received from customers throughout Europe, and the Board is confident that this will not adversely affect the ability to remain as a going concern.

Finally, the Board is cognisant of the current uncertainties pertaining to Brexit and, from both the sales and supply perspective, will continue to act appropriately to minimise risk and maintain business opportunity.

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

G Mulder
Chairman
5 June 2020

WHEELSURE HOLDINGS PLC**CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME**
for the Year Ended 31 August 2019

	2019 £	2018 £
TURNOVER	171,840	96,470
Cost of sales	<u>(76,773)</u>	<u>(52,302)</u>
GROSS PROFIT	95,067	44,168
Administrative expenses	<u>(316,003)</u>	<u>(373,757)</u>
	(220,936)	(329,589)
Other operating income	<u>6,604</u>	<u>8,066</u>
OPERATING LOSS	(214,332)	(321,523)
Interest receivable and similar income	<u>16</u>	<u>-</u>
	(214,316)	(321,523)
Interest payable and similar expenses	<u>(9,539)</u>	<u>(14,481)</u>
LOSS BEFORE TAXATION	(223,855)	(336,004)
Tax on loss	<u>(17,078)</u>	<u>(29,435)</u>
LOSS FOR THE FINANCIAL YEAR	(206,777)	(306,569)
OTHER COMPREHENSIVE INCOME	<u>-</u>	<u>-</u>
TOTAL COMPREHENSIVE LOSS FOR THE YEAR	<u>(206,777)</u>	<u>(306,569)</u>
Basic and Diluted Loss per share	<u>8.7p</u>	<u>13.5p</u>

WHEELSURE HOLDINGS PLC**CONSOLIDATED BALANCE SHEET****31 August 2019**

	2019		2018	
	£	£	£	£
FIXED ASSETS				
Intangible assets		51,540		76,904
Tangible assets		<u>612</u>		<u>84</u>
		52,152		76,988
CURRENT ASSETS				
Stocks	37,686		36,735	
Debtors	90,674		70,799	
Cash at bank	<u>9,287</u>		<u>26,966</u>	
	137,647		134,500	
CREDITORS				
Amounts falling due within one year	<u>(240,490)</u>		<u>(173,652)</u>	
NET CURRENT LIABILITIES		<u>(102,843)</u>		<u>(39,152)</u>
NET (LIABILITIES)/ASSETS		<u>(50,691)</u>		<u>37,836</u>
CAPITAL AND RESERVES				
Called up share capital		2,402,057		2,277,057
Share premium		3,443,250		3,443,250
Retained earnings		<u>(5,895,998)</u>		<u>(5,682,471)</u>
SHAREHOLDERS' (DEFICIT)/FUNDS		<u>(50,691)</u>		<u>37,836</u>

NOTES TO THE FINANCIAL STATEMENTS

1. PUBLICATION OF NON-STATUTORY ACCOUNTS

The financial information set out in this preliminary announcement does not constitute statutory accounts as defined in section 435 of the Companies Act 2006.

The financial information for the year ended 31 August 2019 has been extracted from the audited financial statements to that date, which were prepared in accordance with UK GAAP and with the requirements of the Companies Act 2006. These financial statements have yet to be delivered to the Registrar of Companies. The financial statements for the year ended 31 August 2018 have been delivered to the Registrar of Companies. The auditors' report in relation to both years was unqualified, contained an emphasis of matter with respect to going concern (which has been reproduced below), and did not contain a statement under section 498 of the Companies Act 2006.

Extract from audited financial statements:

“Material uncertainty relating to going concern

We draw attention to note 1 in the financial statements, which indicates that the Group will have sufficient cash resources to remain as a going concern until at least 30 June 2021, based on the budgets and cash flow forecasts produced, including consideration of the likely impact of Covid-19, however the increase and timing of forecast sales and the impact of Covid-19 are unpredictable.

As stated in note 1, these conditions indicate that a material uncertainty exists that may cast significant doubt on the company's ability to continue as a going concern. Our opinion is not modified in respect of this matter.”

The relevant section of note 1 to the financial statements is reproduced as note 2 below.

2. ACCOUNTING POLICY – GOING CONCERN

The directors have approved budgets and cash flows for the Group for the period to 30 June 2021 which has included consideration of the likely impact of Covid-19 on the Group. These budgets and cash flows forecast that the Group will have sufficient cash resources to remain as a going concern until at least 30 June 2021, given the additional working capital facility, as disclosed in the Chairman's Statement, that has been put in place.

The directors are confident that by achieving the forecast level of increased sales they would achieve the required cash flow.

However given the unpredictability of sales forecasting there exists a material uncertainty that may cast significant doubt on the entity's ability to continue as a going concern regarding the value and timing of these future forecast sales. If the Group was not a going concern, it may be unable to realise its assets and discharge its liabilities in the normal course of business.

The directors have concluded that, after considering the above and the financial position of the Group, they have reasonable expectations that the Group will have adequate cash resources, by meeting revenue forecasts, to continue in operational existence until at least 30 June 2021 and for this reason they continue to adopt the going concern basis in preparing the financial statements of the Group.

The financial statements do not include the adjustments that would result if the Group or Parent Company was unable to continue as a going concern.

3. Copies of the Report and Accounts will be sent to shareholders shortly and will be available from the registered office of the Company, 235 Hunts Pond Road, Fareham, Hampshire, PO14 4PJ, and also on the company's website, www.wsgroupglobal.com.