

20 December 2017

Wheelsure Holdings plc

("Wheelsure" or the "Group")

Final Results for the Year Ended 31 August 2017

CHAIRMAN'S STATEMENT

I am pleased to announce the results for the financial year ended 31 August 2017. As we reported at the half-year, we are continuing to make progress in our key strategic markets.

Sales intake improved in the second half of the year, however, the full year results have fallen short of 2016, primarily because of a delayed repeat order from Italy.

- Sales of £248,908 (£308,658): Including royalty income of £23,162 (£18,328).

The reduction in turnover, coupled with the cost of additional resources to implement the business plan and increased patent renewal fees contributed to a higher loss in the financial year.

An initial fundraising of £130,000 (before expenses) in October 2016 was utilised for working capital. Following on from that, in the interim report, I indicated that the Board, including the newly appointed William Welch (Nov 2016), had been working exhaustively on developing a three-year strategic business plan and putting in place appropriate finances to develop that strategy. I am pleased to advise that this milestone was achieved in the financial year and, in the summer, a sum of £500,000 (before expenses) was raised for the additional resources that are required to exploit existing opportunities and increase sales.

This process was extremely demanding but, now that it has been completed, the Board is totally focussed on implementing the strategy and delivering growth.

A brief outline of our existing business in major territories follows. This list is not exhaustive and we are actively targeting business in countries/market sectors not listed and I hope to update you further on these opportunities as they start to realise their potential.

UK

Order intake from both London Underground and KeolisAmey Docklands (KAD) was regular but below the level of 2016. This was primarily due to budgetary pressures that prevailed throughout the period following the 2016 Mayoral election. We are confident that business will continue from both sources and this has happened since the year-end.

We are actively engaged in an ongoing process to further extend our product approvals within London Underground with the aim of broadening our potential order base. In KAD, in addition to three track applications where we have been adopted as standard, we are now extending the product range to include points and crossings.

As previously reported, we received our first orders for use in High Speed rail infrastructure during the year. We have recently supplied a further track application and are confident that this will extend the usage of Tracksure into this sector of the market.

As part of the business strategy we continue to develop relationships with the Permanent Way Institute (PWI), with regular attendance at seminars and events. Our corporate membership facilitates opportunities to be involved and to contribute to discussions with some of the industry's leading technical experts. The PWI is a hugely respected worldwide professional body for those engaged in rail infrastructure management and, at the time of writing, has just accepted a Tracksure supplied detailed technical article for publishing in its next journal at the start of 2018.

Holland, Germany, Austria & Belgium

Sales in Holland, Germany and Austria were ahead of 2016, with customers including voestalpine Railpro B.V, Strukton Rail Nederland B.V, Siemens AG and thyssenkrupp Steel Europe AG.

In the Netherlands, voestalpine Railpro B.V, has now fitted frogs (central part of a crossing) with Tracksure products for a second major infrastructure provider. In Germany, following our initial installation with thyssenkrupp Steel Europe AG, the customer has now specified Tracksure for on an initial order for two new frogs from voestalpine BWG GmbH.

We are delighted to be working with these multinationals and are working ceaselessly to catalyse further business opportunities as illustrated in the examples above.

As an Approved Supplier, we are delighted that we received our first direct order from DB Netz AG during this period and are confident this will lead to further projects.

Working with customers such as those identified above is a key part of our strategy as they each occupy significant market positions in their sectors/regions.

Italy and Spain

We received our first significant order in Spain during this period from Ferrocarrils de la Generalitat de Catalunya (FGC), a transit and funicular rail operator in the region of Catalonia.

Sales in Italy were disappointingly behind 2016, with repeat orders from Ferrovienord delayed due to administrative issues. This order delay is the most significant factor in our total sales shortfall in 2017.

Our agent, who in January 2017 exchanged earned commission for equity, is confident that these issues will be resolved and our business in Italy will be re-established; Since the year-end an order has been received for use in rail bridges within the Ferrovienord network.

USA

Royalty income of £23,162 was received during the period, significantly higher than 2016. Our agent is continuing to seek to widen the customer base in this important market.

Key Performance Indicators

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

	2017 £	2016 £
Turnover	<u>225,746</u>	<u>290,330</u>
Loss before tax	<u>329,557</u>	<u>262,145</u>

Non-financial key performance indicators include the number of new customers. For the year ended 31 August 2017 these amounted to 5 (2016: 3).

Principal Risks and Uncertainties

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

The following list highlights the principal risks:

- Financial 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. Cashflow is monitored carefully and fundraising needs are periodically evaluated;
- 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; and
- Liquidity risk - liquidity risk is the risk that the Group is unable to meet its payment obligations associated with its financial liabilities as they fall due. 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.

Further detail on all our activities, including those detailed in this report, can be found in the latest newsletter published on our website (www.tracksure.co.uk).

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

G Mulder
Chairman

18 December 2017

WHEELSURE HOLDINGS PLC**CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME**
for the Year Ended 31 August 2017

	2017 £	2016 £
TURNOVER	225,746	290,330
Cost of sales	<u>(108,905)</u>	<u>(153,003)</u>
GROSS PROFIT	116,841	137,327
Administrative expenses	<u>(453,179)</u>	<u>(405,109)</u>
	<u>(336,338)</u>	<u>(267,782)</u>
Other operating income	<u>23,162</u>	<u>18,328</u>
OPERATING LOSS	<u>(313,176)</u>	<u>(249,454)</u>
Interest receivable and similar income	<u>-</u>	<u>22</u>
	<u>(313,176)</u>	<u>(249,432)</u>
Interest payable and similar expenses	<u>(16,381)</u>	<u>(12,713)</u>
LOSS BEFORE TAXATION	<u>(329,557)</u>	<u>(262,145)</u>
Tax on loss	<u>13,715</u>	<u>15,146</u>
LOSS FOR THE FINANCIAL YEAR	<u>(315,842)</u>	<u>(246,999)</u>
OTHER COMPREHENSIVE INCOME	<u>-</u>	<u>-</u>
TOTAL COMPREHENSIVE LOSS FOR THE YEAR	<u><u>(315,842)</u></u>	<u><u>(246,999)</u></u>
BASIC AND DILUTED LOSS PER SHARE	<u>0.17p</u>	<u>0.16p</u>

WHEELSURE HOLDINGS PLC

CONSOLIDATED BALANCE SHEET

31 August 2017

	2017		2016	
	£	£	£	£
FIXED ASSETS				
Intangible assets		78,610		88,282
Tangible assets		<u>1,103</u>		<u>3,198</u>
		79,713		91,480
CURRENT ASSETS				
Stocks	53,136		52,620	
Debtors	130,485		140,767	
Cash at bank	<u>303,649</u>		<u>24,752</u>	
	487,270		218,139	
CREDITORS				
Amounts falling due within one year	<u>(222,578)</u>		<u>(230,129)</u>	
NET CURRENT ASSETS/(LIABILITIES)		<u>264,692</u>		<u>(11,990)</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>344,405</u>		<u>79,490</u>
CAPITAL AND RESERVES				
Called up share capital		2,277,057		1,641,942
Share premium		3,443,250		3,443,250
Retained earnings		<u>(5,375,902)</u>		<u>(5,005,702)</u>
SHAREHOLDERS' FUNDS		<u>344,405</u>		<u>79,490</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 2017 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 2016 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, and did not contain a statement under section 498 of the Companies Act 2006.

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

2. ACCOUNTING POLICY – GOING CONCERN

Given the funding in 2017, the directors have approved budgets and cash flows for the Group for the period to 31 December 2018. These budgets and cash flows forecast that the Group will generate sufficient cash from its trading operations to remain as a going concern until at least 31 December 2018.

The directors are confident that, even if there was a slippage in the value or timing of the forecast sales, the Group would still generate sufficient cash flow to remain as a going concern until at least 31 December 2018. The Directors are confident that by a combination of either reducing the Group's expenditure and/or raising additional capital they would achieve the required cash flow.

However given the significant level of the increase in the forecast sales and the unpredictability of sales forecasting there exists a material uncertainty regarding the value and timing of these future forecast sales and the effect of any shortfall on the Company's ability to continue as a going concern.

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 to continue in operational existence until at least 31 December 2018 and for this reason they continue to adopt the going concern basis in preparing the financial statements of the Group.

3. Copies of the Report and Accounts will be sent to shareholders shortly and will be available from the registered office of the Company, 8 Woburn Street, Ampthill, Bedfordshire, MK45 2HP, and also on the company's website, www.tracksure.co.uk.

Enquires:

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