



2020 Final Results

30 June 2020

- Modest return to growth (+2%) despite Covid-19 impact late March
 - Insurance and Automotive down £0.8m
 - Revenue impacted by lower service fees due to overall lower volumes
 - Connections increased by 1% due to impact of new customers launched towards end of year
 - New contract wins with two new significant Insurance companies post year end
 - Fleet and Optimisation up £1.2m
 - Revenue growth due to Optimisation software sales
 - Contract renewals with two large long term customers and solution enhancement with Iceland Foods
- Significant reduction in Losses, close to breakeven adjusted profit (£200K loss)
 - £1.8m of annualised cost savings in both direct and indirect costs
- No forward looking guidance provided due to uncertainty created by Covid-19
 - Revenues from new Insurance customers now compensating for Covid-19 impact
 - Fleet sales negatively impacted, but recent weeks showing progress

Financial Statement

Income Statement



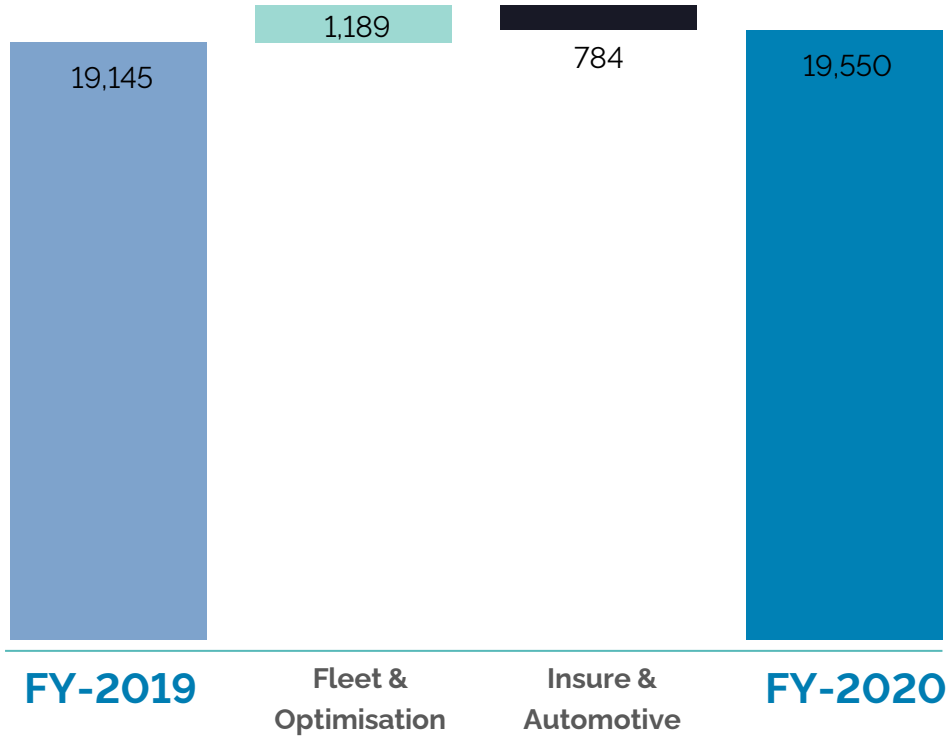
£000's	FY-2020	FY-2019
Revenue	19,550	19,145
of which, Recurring Revenues	9,753	10,087
Gross Profit	11,559	10,255
Gross Profit Margin	59.1%	53.6%
Administrative Expenses*	(11,741)	(11,920)
Adjusted Loss before Tax*	(224)	(1,452)
Loss before Tax	(1,705)	(3,563)
Loss after Tax	(1,093)	(2,506)
Adjusted basic EPS* (p)	0.28	(1.89)

FY-2020 Results

- Revenues up 2%
 - Recurring revenues down 3%
- Reduced overheads:
 - Sales & Marketing down 4%
 - Expensed R&D down 4%
 - Other Overheads down 17%
 - Amortisation up 33% (18% due to IFRS16)
- Reconciliation to statutory PBT
 - Exceptional costs £1.3m (33% down on prior year)
 - Share based payments £0.2m

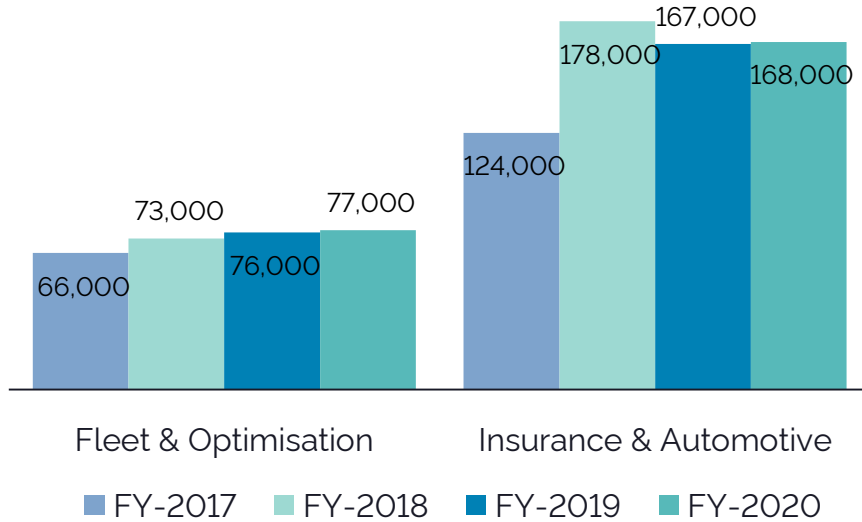
* Adjusted for exceptional costs and share based payments

Financial Revenue Bridge



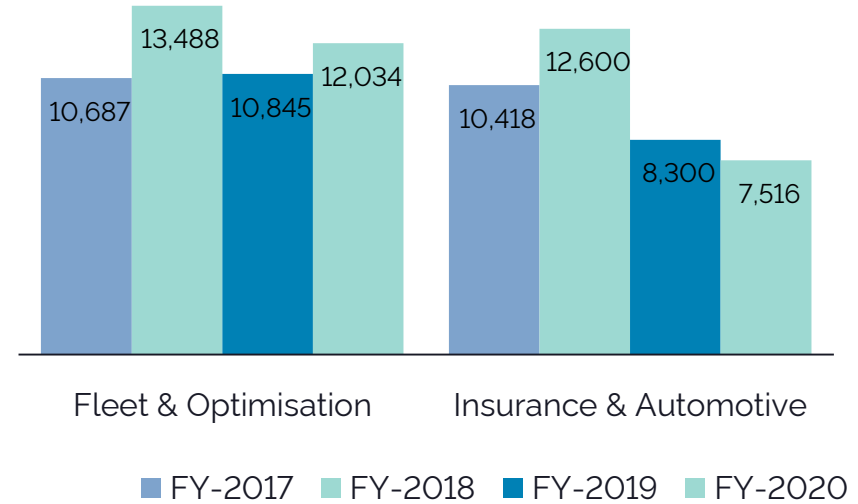
- Fleet & Optimisation revenue up 11%
- Insurance & Automotive revenue down 9%

Connections



- Fleet Telematics connections up 1,000 (1%)
- Insurance & Automotive connections up 1,000 (1%)

Revenue by Sector



- Fleet & Optimisation revenue includes hardware, installation, service, consulting and Optimisation license fees- up 11%
- Insurance & Automotive revenue includes hardware, installation, consulting and service fees and down 9%

Financial Statement

Consolidated Statement of Financial Position



£000's	FY-2020	FY-2019
Non-current assets		
Intangible assets	21,997	21,165
Right of use assets	3,004	-
Other non-current assets	758	1,571
	25,759	22,736
Current assets		
Inventories	2,043	2,736
Trade and other receivables	7,854	8,345
Corporation tax receivable	863	1,050
Cash and cash equivalents	1,665	1,205
	12,425	13,336
Current liabilities	(7,988)	(7,571)
Current Assets less current liabilities	4,437	5,765
Non-Current liabilities	(9,017)	(6,407)
Net Assets	21,179	22,094

- Investment in R&D of £3.2m, down £0.3m on prior year
- Right of use asset due to IFRS 16 adoption (includes £0.6m reclassified from Tangible Assets)
- Inventories down £0.7m due to active management
- Current liabilities £0.4m higher due to £0.5m right of use liability resulting from IFRS 16 adoption
- Non-Current liabilities £2.6m higher due to IFRS 16 adoption (£1.8m), £0.5m increase in other borrowings and £0.2m increase in Deferred tax liability

Financial Statement

Consolidated Cash Flow Statement

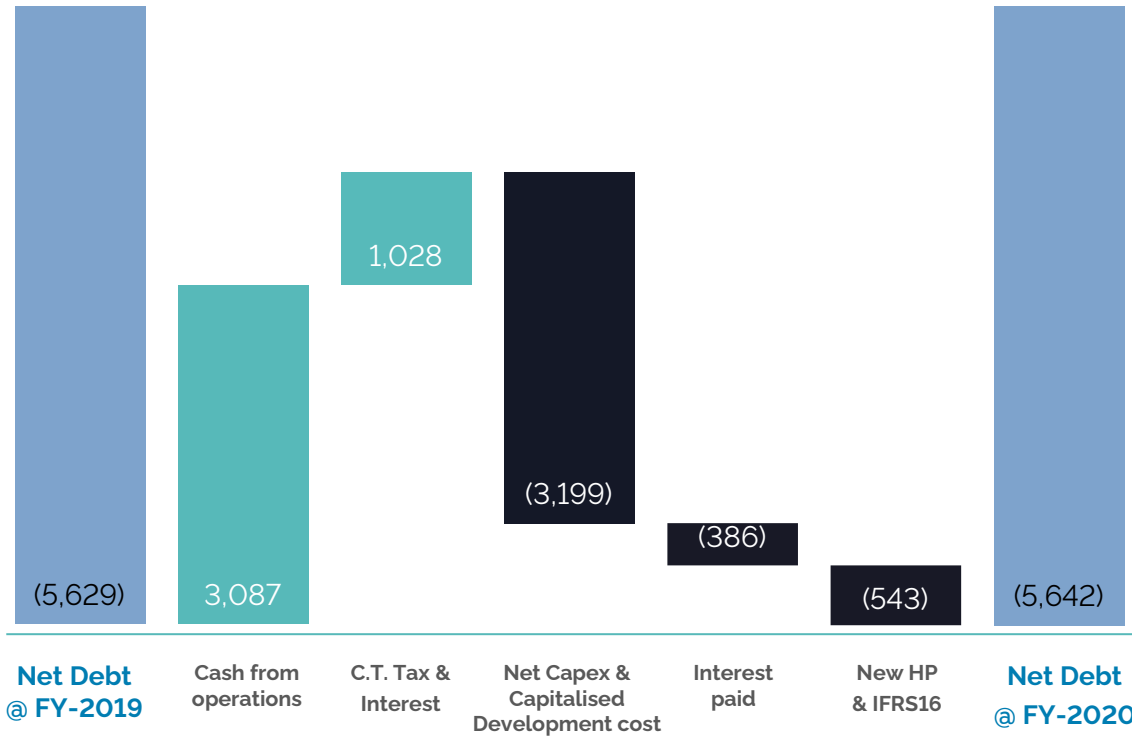


£000's	FY-2020	FY-2019
Net cash generated from operating activities	4,115	(1,752)
Cash flows from Investing Activities		
Purchases of property, plant and equipment	(20)	(103)
Purchases of software	(23)	(158)
Proceeds from sale of property	-	495
Capitalised development costs	(3,156)	(3,413)
Net cash used in investing activities	(3,199)	(3,179)
Cash flows from financing activities		
Issue of new shares	-	3,082
Increase in bank loan	2,000	2,000
Repayments of bank loans	(1,440)	(2,026)
Repayment of obligations under HP agreements	(630)	(187)
Interest paid	(386)	(205)
Net Cash generated from financing activities	(456)	2,664
Net increase/ decrease in cash and cash equivalents	460	(2,267)
Cash and cash equivalents at end of year	1,665	1,205

- £5.9m improvement in cash generated from operating activities
- Cash from operating activities includes:
 - R&D tax credit cash of £1.0m
 - £1.3m from improved working capital management
- Investment in R&D down £0.3m to £3.2m
- Increase in loan includes £1.5m growth capital loan with MEIF WM Debt LP
- Continued pay down of HSBC Term Loan

Financial

Net Debt Bridge*



- Net debt excl. IFRS 16 impact flat year on year
- Net debt including IFRS 16 is £7.9m
- Cash flow from operations improved by £5.8m on prior year
- £98K of new HP and £445K payments on IFRS16 leases
- Additional £0.5m unutilised bank facility

* Excluding impact of IFRS 16

Focus on doing less, but execute much better, with primary focus on driving sales

01

INCREASING OUR MARKET SHARE

- Recruited new Group Sales & Marketing Director
- Increased number of launched Insurance customers
- Rebuilt lead generation engine
- Secured new distribution partner in Scandinavia for Fleet
- Onboarded additional vehicle leasing partners to extend reach of Fleet business

02

DELIVERING A CUTTING-EDGE SOLUTIONS PORTFOLIO

- Launched SaaS optimisation platform targeted at SME's
- Continued development of ADAS, driver scoring and crash detection algorithms
- Expanded range of self-fit devices
- Delivered R&D roadmap with modest £0.3m reduction in spend

03

STREAMLINING OUR INTERNAL OPERATIONS

- Reduced headcount by 15%.
- Removed another £1.8m of annualised operational cost
- Continued focus on cost control and cost efficiencies

Manage impact of Covid-19, with focus on maximising revenues from existing solutions

01

**INCREASING OUR
MARKET SHARE**

- Growth ambition will be impacted by Covid-19
- Grow market share in UK insurance telematics market through new customer contracts
- Impact of AA Smart Breakdown uncertain given Covid-19
- Expand European Fleet revenues by expanding international distribution partners

02

**DELIVERING A CUTTING-EDGE
SOLUTIONS PORTFOLIO**

- Launch optimisation customer communications package
- Develop EV capability
- Improve fleet solutions especially for HGV's
- Further modest spend reductions in R&D

03

**STREAMLINING OUR
INTERNAL OPERATIONS**

- Reduce costs through better utilisation of hosting and technology
- Further reduce device costs
- Further reduce communication costs

No guidance provided for FY-2021 given uncertainty of impact and timing of Covid-19 pandemic

- Momentum established last year disrupted by Covid-19
- Revenues from new insurance contract wins offsetting impact of Covid-19
- June insurance shipments running 26% higher than last year, offsetting a reduced April
- AA Smart Breakdown sales underway albeit impacted by Covid-19
- Fleets sales negatively impacted by Covid-19 but improving
- Group revenue in first two months of year 27% lower than previous year
- Covid-19 impact protected by significant proportion of recurring revenue
- Significantly reduced loss because of lower direct and indirect costs in first two months
- Utilising support from the Government furlough scheme and VAT and PAYE/ NI payment deferment
- Agreed capital repayment holidays with debt providers and reset covenants



Thank You

Any Questions?